

FINANCIAL LITERACY IN
ALBANIA: 2015 SURVEY
RESULTS ANALYSIS
NOVEMBER 2018

Egnis Isaku
Kliti Ceca
Arlinda Koleniço

42 (81) 2019 **WORKING PAPER**



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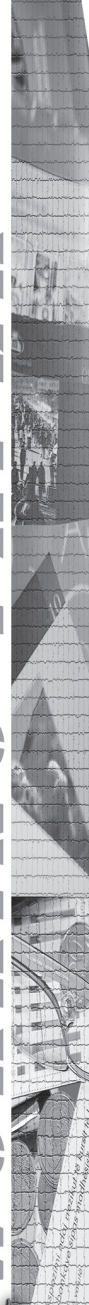
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BANK OF ALBANIA



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Note: The views reflected in this paper are of the authors alone and do not represent views or policy stances of the Bank of Albania.

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CONTENTS

ABSTRACT	7
INTRODUCTION	8
1. METHODOLOGY AND SAMPLE ANALYSIS	10
1.1 Measuring financial literacy in OECD-INFE countries	10
1.2 Definition of financial literacy	11
1.3 Measuring financial literacy: the questionnaire	11
1.4 Survey set-up and methodology	12
1.5 Confidence level: Assessing the accuracy of the sample	13
1.6 Sample characteristics	14
2. FINANCIAL INCLUSION	18
2.1 Understanding of financial products	19
2.2 Currently holding of financial products	21
2.3 Financial products chosen in the last two years	22
2.4 Financial inclusion indicators	25
3. FINANCIAL KNOWLEDGE	28
3.1 Using calculation skills	29
3.2 Calculating the interest rate	30
3.3 Calculating the compound interest rate	31
3.4 Time value of money	32
3.5 Understanding interest paid on a loan	33
3.6 Understanding investment risk	34
3.7 Understanding the definition of inflation	35
3.8 Understanding portfolio diversification	36
3.9 Financial knowledge score	36
4. FINANCIAL BEHAVIOUR	41
4.1 Making considered purchases	41
4.2 Paying bills on time	42
4.3 Keeping a close personal watch on personal finances	43
4.4 Setting long-term financial goals and striving to achieve them	44
4.5 Household financial decision making and budgeting	45
4.6 Active Saving	49
4.7 Choosing the financial products	53
4.8 Behaviour to making ends meet	57
4.9 Financial behaviour score	59
5. FINANCIAL ATTITUDES	61
5.1 Attitudes towards saving for the future, long-term goals and financial risk taking	61
5.2 Financial attitudes score	65
6. FINANCIAL LITERACY: KEY FINDINGS AND CONCLUSIONS	67
6.1 The overall financial literacy score	67
6.2 Key findings of the survey and the differences in the levels of financial literacy 2011-2015	68
6.3 Conclusions	75
REFERENCES	78
ANNEX	79

ABSTRACT

This paper presents an analysis of the data collected from the Survey on Financial Literacy at a country level for Albania, according to the methodology developed by OECD/INFE. It reveals the main findings, focusing on the most important aspects of the three components of financial literacy measured by the questionnaire: financial knowledge, behavior and attitudes, as well as indicators of financial inclusion.

Thanks to the combination of data, it sheds light on the financial literacy of the population and, most importantly, identifies its gaps and needs to be addressed through tailored financial education programs.

JEL Classification: D12, D14, D18, D63

Key words: Financial education, financial literacy, financial inclusion, personal finance.

INTRODUCTION

Financial literacy and the importance of its measurement: The case of Albania

Financial literacy

In summer 2015, the Bank of Albania conducted the second survey, after that of 2011, to measure the level of financial literacy. This effort to collect and analyse data on the Albanian population, is also part of a broader project of the Organisation for Economic Cooperation and Development (OECD) to create a comparable database among participating countries on this important issue.

Financial education, financial consumer protection and financial inclusion are recognised at the highest policy level as three essential ingredients for the financial empowerment of individuals and the overall stability of the financial system, as highlighted through three sets of high-level principles endorsed by G20 leaders: Innovative Financial Inclusion (2010); Financial Consumer Protection (2011); and National Strategies for Financial Education (2012) (OECD/INFE, 2016).

The analysis of the data collected by the survey at a national level brings to the attention of the public the key findings, focusing mainly in the most significant aspects of the three financial literacy components measured by the questionnaire: financial knowledge, behaviour and attitudes, and also indicators of financial inclusion. Thanks to the combination of these components, it sheds light on the levels of financial literacy of the population and, what is more important, on their gaps and needs regarding financial education.

The Role of the Bank of Albania

In recent years, central banks have focused their interest on financial literacy believing that it helps their mandates in achieving price stability and ensuring financial stability. A better understanding of monetary policy helps predict forthcoming decisions, which in turn speeds up the transmission to the real economy and hence

makes monetary policy more effective (Greimel-Fuhrmann B., Silgoner M. and Weber R., 2015). Financial stability is intrinsically linked to the quality of financial decision-making in an economy. Funding or investment decisions that ignore fundamental values and are based on erroneous assessments of future price and interest rate developments, can put the stability of the entire financial system at risk. While macroprudential policy measures are the ultimate backstop mechanisms, financial stability starts at the individual level and with informed financial decision-making (Buch, C.M., 2017).

The Bank of Albania estimates that being familiar with the basic financial and economic concepts, appropriately understanding and using banking products and financial instruments as well as the ability to manage personal and household finances, avoiding the risk of over-crediting, are the key elements to achieve individual, and society's overall, welfare.

It is a proven fact now that improvement in financial inclusion contributes to the improvement of the welfare of the population in a harmonised way. Financial education, tailored publications with information on bank products and services, as well as developments in the payment infrastructure and payment services are concrete steps for providing more opportunities for access to finance by all segments of the population (Sejko G., 2018).

Aware of the financial literacy of the public as a significant instrument for promoting the development of the market, for more than a decade, the Bank of Albania has been engaged in designing and developing educational programmes created to address the needs of specific interest groups.

The periodic measurements of the level of financial literacy of the population serve to accurately identify the literacy gaps of the various socio-demographic groups and, thanks to the analysis of the data collected directly through the survey, it is possible to draft tailored educational programmes for each group.

1. METHODOLOGY AND SAMPLE ANALYSIS

1.1 Measuring financial literacy in OECD-INFE countries

Some 30 countries from 6 continents were part of the international project of measuring financial literacy in 2015. In total, more than 50,000 adults, 18 to 79 years old, underwent the survey, answering mainly the same questions developed by the International Network for Financial Education (INFE¹, created by the OECD in 2008).

The data collected at national levels were comparatively analysed among countries in the publication "OECD/INFE International Survey of Adult Financial Literacy Competencies", issued in 2016.

The questionnaire is designed to collect internationally comparable information. It includes questions to capture:

- The behaviour, attitudes and knowledge of the adult population;
- Information about a wide range of financial literacy topics related to keeping track of finances, making-ends-meet, longer-term financial planning (including retirement saving) and choosing products;
- Information on product awareness and holding in order to inform work on financial inclusion;
- Levels of financial wellbeing; and
- Socio-demographic information (OECD/INFE, 2015).

Thanks to these well-studied, tested and improved questions following the experience formed in the first survey, the second survey is expected to help public authorities and other organisations involved in the financial education of the public: to establish standards for national strategies or particular programmes; to measure changes in time across various countries as well; to identify the needs of the population, the socio-demographic groups with larger gaps in financial knowledge and less access in financial information and products.

¹ More detailed information is found on: http://www.financial-education.org/join_INFE.html

1.2 Definition of financial literacy

The OECD/INFE has defined financial literacy as follows: A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being (OECD/INFE, 2015).

1.3 Measuring financial literacy: the questionnaire

As in the survey of 2011, here as well, the questionnaire used is developed by the International Network on Financial Education and tailored by the Bank of Albania to better capture and reflect the specific characteristics of the country - on the socio-demographic, economic as well as the financial market system.

The questionnaire contains 34 questions, divided in 5 categories based on the issue they address: 1- financial inclusion; 2- knowledge; 3- behaviour; 4- attitudes; and 5- socio-demography. This structure will also be followed in the sections of our working paper.

The section on financial inclusion (2) collects data on the level of awareness, holding and use of financial and banking products by various socio-demographic groups.

The section on financial knowledge (3) assesses the understanding of basic financial concepts and mathematics skills in situations related with personal finances. The basic financial concepts that serve to assess the understanding in this survey are based on 2 of the “Big Three” questions proposed by Lusardi and Mitchell (2011) and on other questions developed by the OECD: understanding simple and composed interest; understanding inflation; as well as understanding the benefits of diversification.

The section on financial behaviour (4) measures how the interviewees manage money, if they have a household budget, how they are able to save or settle a debt, and if they take well-informed decisions.

Meanwhile, the section on financial attitudes (5) tries to assess a part of individual tendency towards the long-term, to shed light on their preferences and convictions of the population, conscious or not, which may affect their financial welfare.

Through a comparative analysis, the last section (6) addresses the main findings of the survey, the overall financial literacy score, and the differences in the results obtained between the 2 measurements carried out with a 4-year time lag (2011 and 2015).

1.4 Survey set-up and methodology

The surveyed sample is composed of 1000 individuals, aged 18-79, and stratified according the representative features of the Albanian population: gender, age and urban/rural region. The Bank of Albania has cooperated with INSTAT on defining the characteristic of the surveyed sample and its geographical extension. For the random selection of individuals, the following three-step method was used:

Step 1: Selection of the PSUs (Primary Select Units). The basis of PSU selection was the division according to the 2011 Census.

Step 2: Selection of families within the PSUs. Five families per PSU were selected for interviews; for each PSU, three reserve families were pre-selected to act as replacements.

Step 3: Selection of the respondent. The survey on population's financial literacy targeted individuals aged 18-79. For randomly selecting a respondent, the interviewer chose the person with the date of birth closest to the date of the interview, provided that the person was at least 18 years old.

The field survey of the selected example was conducted by INSTAT, through face-to-face interviews. INSTAT interviewers were trained in advance by Bank of Albania experts to better understand the content of the questionnaire, so that the interview and questioning would be as clear and simple as possible, without

influencing the responses. Individual interviews were conducted in their households, during July-August 2015. The estimated average duration of each interview was around 50 minutes.

Regarding the field work, the Survey was distributed geographically in all 12 prefectures, in urban and rural areas. Table 1 below provides a more detailed representation of the geographical distribution of households interviewed for each prefecture.

Table 1. Sample geographical distribution

ID_Prefecture	Prefecture	Urban (No. of questionnaires)	Rural (No. of questionnaires)	Total questionnaires
1	Berat	30	25	55
2	Dibra	15	25	40
3	Durrës	60	35	95
4	Elbasan	45	50	95
5	Fier	50	60	110
6	Gjirokastra	15	15	30
7	Korça	40	40	80
8	Kukës	10	15	25
9	Lezha	20	25	45
10	Shkodra	40	35	75
11	Tirana	200	80	280
12	Vlora	45	25	70
Total		570	430	1000

Source: INSTAT.

Finally, it is worth mentioning that the calculation of estimates in all the tables and chart of this analysis was done using the weights to make the sample representative of the population. Hence, the data analysed represent estimates for the entire population of individuals between 18 and 79 years.

1.5 Confidence level: Assessing the accuracy of the sample

To assess the sampling error and the statistical significance of estimations, we have made the following computations:

For a population of 2,800,138^{2,3}, sample volume of 1000 individuals and confidence level of 95%, the confidence interval for the mean values is estimated at ± 3.1 .

1.6 Sample characteristics

In addition to the information on the components used to measure the individual financial literacy, which constitute the primary focus of the survey, the questionnaire collects detailed data on the socio-demographic characteristics of the respondents. These data make it possible to carry out a more exhaustive analysis and are indispensable for identifying groups that present more deficiencies, as well as the issues which people find hard to understand.

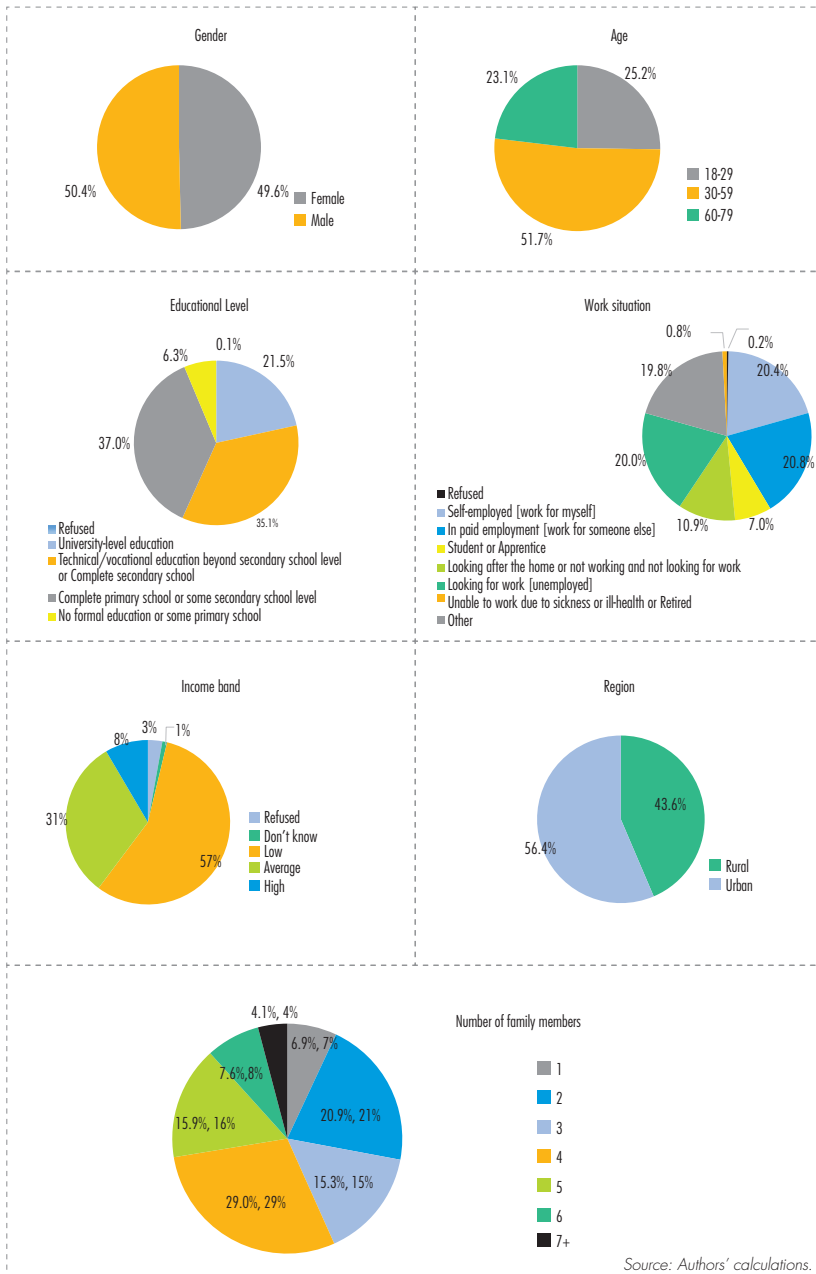
In this second survey, the sample, in the case of Albania, is stratified based on 7 characteristics: gender, age, education, working status, monthly income, urban/rural region, number of household's members.

² For values of the population of over 2,500,000, the above interval is the same.

³ This is the number of residents according to Census 2011, measured by INSTAT. For more information:

<http://www.instat.gov.al/en/themes/censuses/census-of-population-and-housing/>

Chart 1. Sample stratification by demographic characteristics

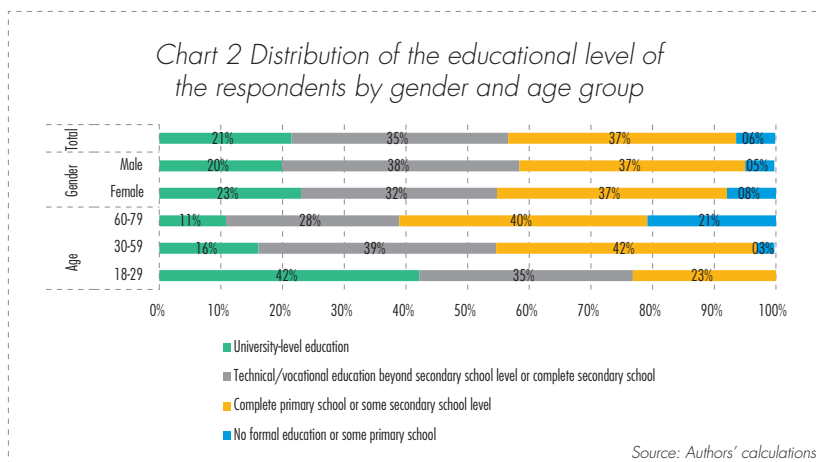


The data presented in Chart 1 show that out of 1000 respondents: 50% are male and 50% female; 25% belong to the age group 18-29 years old, 52% to the age group 30-59 years old, and 23% to the 60-79 years old one. 37% of the sample have primary or partial secondary education, 35% secondary or professional education, and around 22% university-level education.

Regarding their working status, around 41% of the respondents declared that they are employed or self-employed, around 31% are housekeepers, unable to work or pensioners, and 20% unemployed looking for work.

As regards the monthly household income, the biggest share is held by the low income group (around 57%), followed by the medium income (31%), while the high income group constitutes only 9% of the sample.

The main part of the respondents, 57%, lives in urban areas, and over 70% of them is living in a household with 3 or more members.



As we can see in Chart 2, there is no significant difference in the level of education between males and females of the sample. However, in the case of the distribution by age groups, there are major differences, particularly between the younger and the older

groups. Over 40% of the former have higher education, while there are no individuals with primary or partial secondary education. Meanwhile, in the 60-79 years old group, only 11% have higher education and over 20% have no formal education or have only partial primary education.

Table 2 represents the socio-demographic characteristics of the sample by their household's monthly income.

Table 2. Socio-demographic characteristics of respondents by income level

		Niveli i të ardhurave					Total
		Low	Medium	High	Refused	Don't know	
Gender	Female	58,6%	28,9%	9,9%	1,7%	1,0%	100,0%
	Male	54,4%	33,7%	7,1%	4,0%	0,9%	100,0%
Age	18-29 years	50,3%	38,5%	7,6%	1,1%	2,5%	100,0%
	30-59 years	53,9%	30,6%	11,1%	4,0%	0,4%	100,0%
	60-79 years	68,8%	25,0%	3,5%	2,1%	0,5%	100,0%
Education level	University-level education	27,8%	42,2%	26,1%	3,5%	0,4%	100,0%
	Education beyond secondary school level or Complete secondary school	52,8%	37,5%	5,1%	3,1%	1,5%	100,0%
	Complete primary school or some secondary school level	72,2%	22,5%	2,1%	2,7%	0,5%	100,0%
	No formal education or some primary school	83,7%	11,9%	2,6%		1,8%	100,0%
Work situation	Self-employed	60,7%	30,7%	8,2%	0,4%		100,0%
	In paid employment	25,0%	48,7%	23,2%	3,2%		100,0%
	Student or Apprentice	40,2%	45,6%	8,5%	1,4%	4,3%	100,0%
	Looking after the home or not working and not looking for work	62,1%	27,7%	4,5%	2,0%	3,6%	100,0%
	Looking for work	69,8%	20,8%	2,3%	6,0%	1,1%	100,0%
	Unable to work due to sickness or ill-health or Retired	75,7%	19,7%	2,1%	2,4%		100,0%
	Other	41,2%	58,8%				100,0%
Residence	Rural	67,5%	24,6%	3,4%	2,9%	1,6%	100,0%
	Urban	48,0%	36,5%	12,4%	2,8%	0,4%	100,0%
	Total	56,5%	31,3%	8,5%	2,8%	0,9%	100,0%

Source: Authors' calculations.

2. FINANCIAL INCLUSION

In recent years, financial inclusion is being prioritized by national and international policymakers and regulatory institutions⁴, with a view to developing the financial sector and providing appropriate services to the unbanked parties and those who are scarcely covered by banking services (World Bank, July 2017). An increasing number of countries are engaged in undertaking measures to improve the access and use of tailored financial services.

Financial inclusion facilitates planning and managing personal finances by the consumers, from savings to insurance against future shocks, through the use of appropriate financial products, emphasizing the importance of providing access to financial products, in addition to mastering a financial literacy.

According to INFE and in the interest of this analysis, financial inclusion is defined as: the process of promoting affordable, timely and adequate access to a 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 promote financial well-being as well as economic and social inclusion (OECD/INFE, 2012).

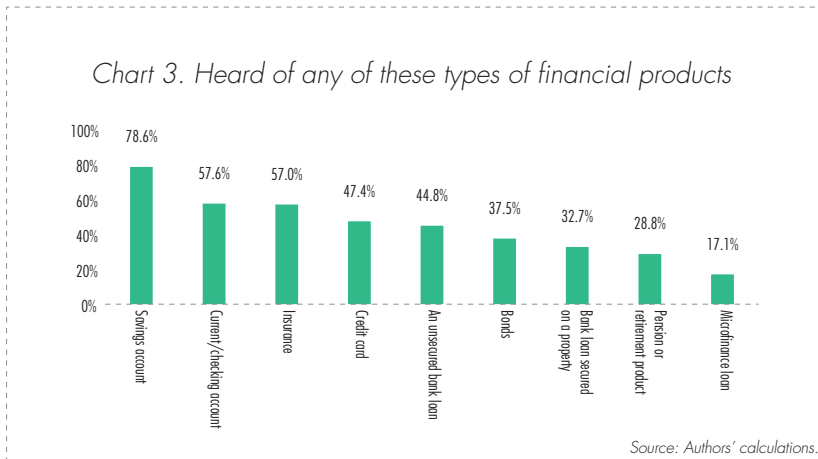
Having a bank account is commonly used as a basic indicator to measure the financial inclusion of a person, because the access to the account enables the use of many other banking and financial products and services.

In this survey, in order to provide a complete picture of the population's level of financial inclusion, in addition to holding an account, the respondents have been asked also whether they have heard about and recently chosen various financial products.

⁴ *At the Seoul summit, the G20 leaders recognised financial inclusion as one of the main pillars of the development global agenda and approved an Action Plan for Financial Inclusion. At the same summit, the Global Partnership for Financial Inclusion was established, committed to advancing financial inclusion at a global level, by increasing the access and use of formal and stable financial services, thus expanding the opportunities for households and enterprises that are out of the banking system.*

2.1 Understanding of financial products

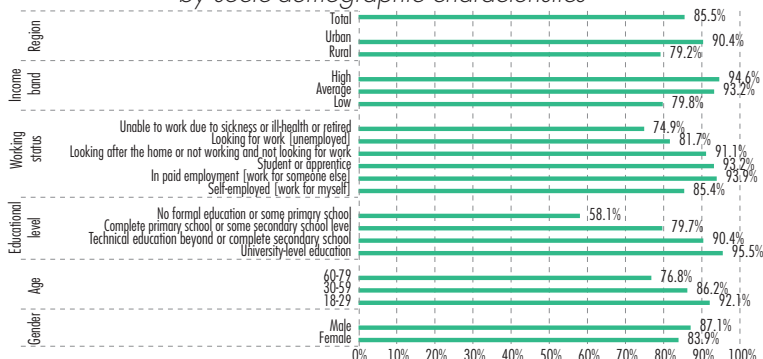
From the answers to the question of having heard of any of the financial products presented in the chart below, it turns out that the least known product by the interviewee is microfinance loan (17%), while the most well-known is the savings account (79%).



As pointed out in the previous survey analysis (2011) (K. Ceca, A. Koleniço, E. Isaku, B. Haxhimusaj, 2014), in the everyday language, the Albanians have the tendency to use the current accounts and savings accounts interchangeably, so in the following material they are analysed grouped together. The fact that the current account is often confused with the saving account may serve to explain the low level of current account understanding, although it is a basic widespread and multifunctional product.

Data from the questionnaire indicates that 14% of individuals have never heard of the current and savings accounts (Chart 4). This data shows that a part of Albanians, however small, is still completely uninformed on the products and services offered by the banking market.

Chart 4. Heard of current and saving accounts by socio-demographic characteristics



Source: Authors' calculations.

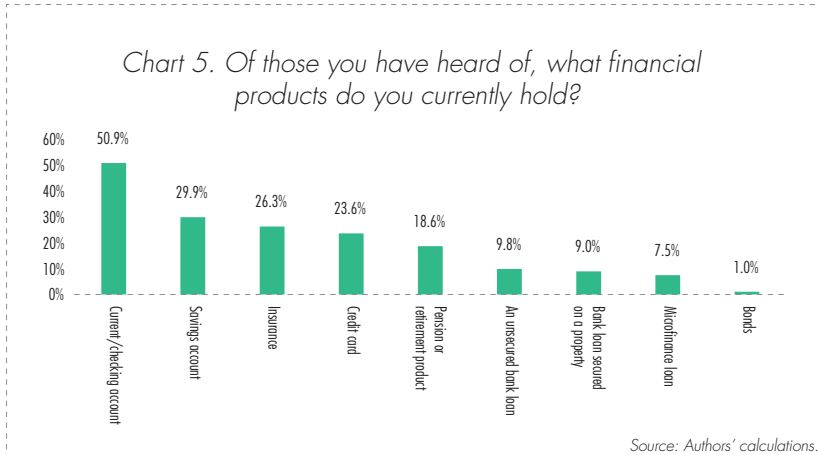
In Chart 4 we can see the relationship between the socio-demographic characteristics and having heard of the two banking products in question. The educational level is positively related to having heard of the products. The products are known only by 58% of individuals with no formal education and by 96% of those with a university degree. On the other hand, it is negatively related to the age of the respondents, with the highest percentage of understanding by individuals of the younger age group (92%) and the lowest percentage from those of the older age group (77%).

Also, the household's monthly income level is positively related to having heard of the products (80%, 93% and 95%). Particular interest represent the data on the understanding of the products analysed by the employment status of individuals, where in addition to those unable to work or retired (25%) and unemployed looking for work (18%), also 15% of self-employed declare that they have never heard before of these two products. This percentage seems particularly high for the sub-group of self-employed since they carry out a lucrative activity and are expected to be more informed on basic banking products⁵.

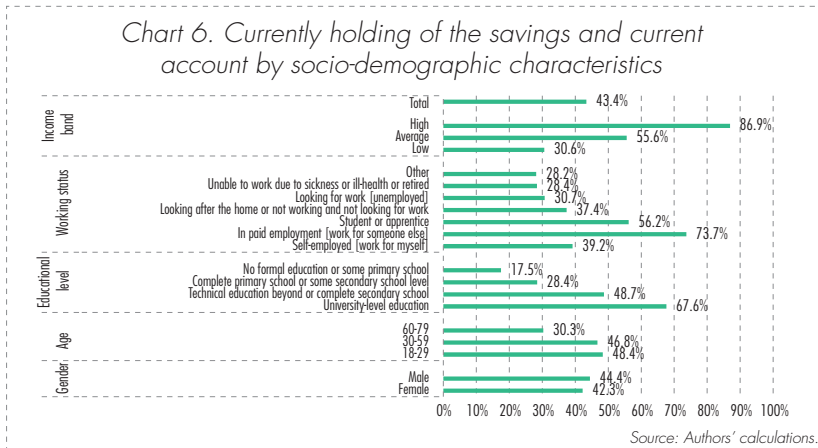
⁵ For information on the understanding of other financial products, by demographic characteristics, see Table 3 in the Annex.

2.2 Currently holding of financial products⁶

Chart 5 points out the percentage of respondents who hold the banking products included in the questionnaire at the moment of the survey's development, from those who claim to know them.



The chart shows that although the savings account is the better known product (heard of by 79% of respondents, Chart 3), only 30% of them currently holds such an account. Meanwhile, the current account, although known only by 58% of the respondents, is held by 51% of them.



⁶ In the sub-section 2.2 the terms "hold" and "use" are interchangeable and have the same meaning.

The data presented in Chart 6 below, indicates the respondents using a current or savings account at the moment of interview, analysed by socio-demographic characteristics.

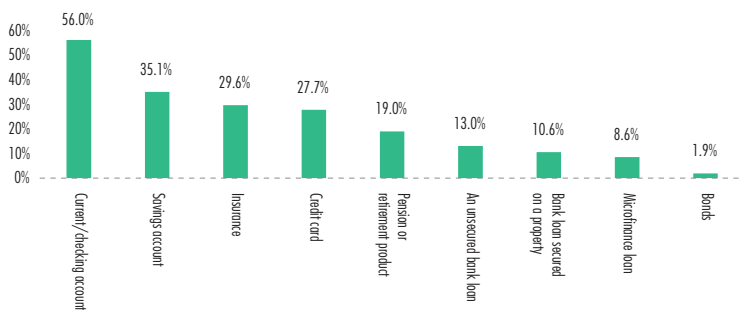
Chart 6 demonstrates that there are profound upward differences (over 25%) of the current use of these two products between low, middle and high income individuals. As in the case of having heard about these products, as far as product holding is concerned, this indicator seems to be in a positive relation with the level of education and in a negative relationship with the respondent's age.

Similarly to having heard of the products, their holding does not show significant differences between females and males, however in both cases the percentage of positive responses obtained from the latter is higher⁷.

2.3 Financial products chosen in the last two years

Another data used in the survey, for measuring the financial inclusion of respondents, is their choice of financial products in the last two years. This question serves to create a clear and accurate picture of the situation, unaffected by transitory events that do not necessarily reflect the reality.

Chart 7. In the last two years, which of the following types of financial products have you chosen, whether or not you still hold them

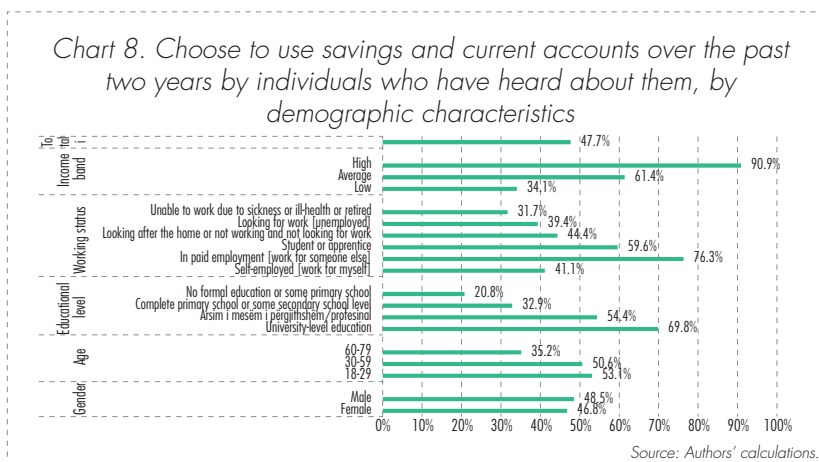


Source: Authors' calculations.

⁷ For information on currently holding the other financial products, by demographic characteristics, see Table 4 in the Annex.

Therefore, when asked which of the listed products they have chosen [personally or jointly] in the last two years, regardless of whether they still hold it or not, more than half of the respondents who have heard about the current account (56%) said that they have chosen it, and 21% less said they have chosen the savings account (35%). As shown in the chart, the least popular product in the last 2 years, as well as at the moment of the interview, is the Treasury bill. It was chosen only by 2% of the respondents. The data indicates, that, in general, all products have been used more in the last two years than around the moment of the interview. This difference is higher in the case of savings account and current account, with a decrease of 5% for both products, and with a smaller decrease for the pension fund, down by only 0.4%.

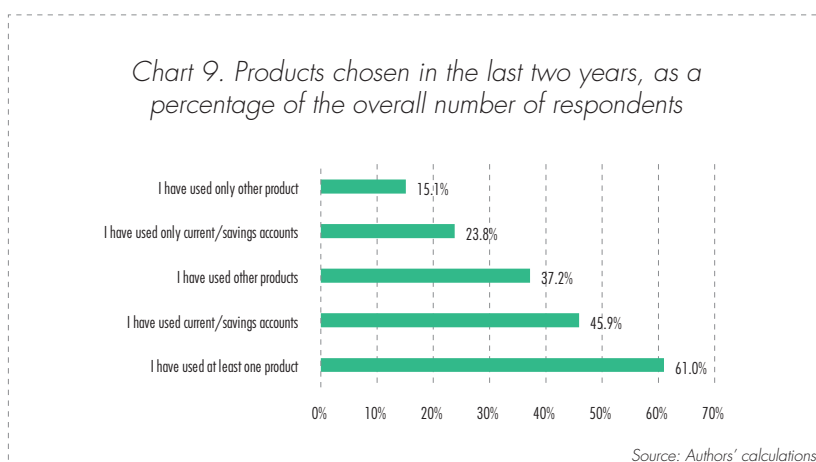
In Chart 8, the data obtained on the use of current and savings accounts over the last two years by those who claim to have heard about them, is analysed according to some socio-demographic features.



The data show no major differences between males (49%) and females (47%) - despite a slight advantage of the former, when it comes to using these two products over the last two years. The choice to use each of these products is negatively related to the age of the respondents. Education and income level, are both positively related to the use of current and savings accounts - so, the higher the

education or income level, the more they have chosen to use these products. If we analyse respondents according to their employment status, it turns out that employed individuals retain the highest usage of the two accounts (76%), whereas those unable to work or retired maintain the lowest percentage (31%). It is interesting that only 41% of self-employed report to have chosen these products, albeit being active and performing a lucrative activity.⁸

Chart 9 presents the real shares of the financial products chosen in the last two years by 1000 respondents.

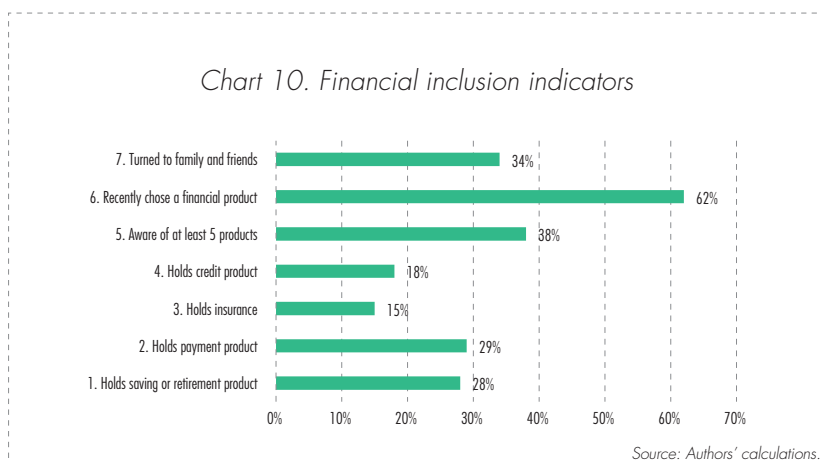


The data points out that 61% of the respondents have chosen at least one financial product over the last two years. 46% chose the current or savings accounts and at least one other product from those listed above in Chart 7, and 24% chose only the current or savings accounts. While 37% of respondents have chosen these accounts and at least one other product, compared to 15% who have only chosen financial products other than the current and savings accounts over the past two years.

⁸ For information on the use of other financial products in the last two years, by demographic characteristics, see Table 5 in the Annex.

2.4 Financial inclusion indicators

It is also interesting to analyse the data obtained for holding different financial products grouped into four categories: insurance products, credit products, savings products, and payments products; thus assessing the first 4 indicators of the financial inclusion according to the OECD/INFE's guideline, for financial literacy measurement 2015 (INFE, 2016) (Chart 10).



The first indicator, holding savings products, includes: 1. savings accounts, 2. pension funds, 3. bonds. At the country level, it turns out that 28% of respondents hold at least one savings product.

The second indicator identifies information on holding payment products and is represented by the current account. From the collected information it turns out that 29% of the respondents hold this product.

The third indicator, holding insurance products, includes life/health/car/housing insurance. Country-level data show that 15% of respondents hold insurance products.

The fourth indicator is calculated by including products that provide access to credit such as: 1. loan secured on a property,

2. unsecured bank loan, 3. microfinance loan, 4. credit card. The data indicate that 18% of respondents hold at least one credit product.

As the data of the first 4 financial inclusion indicators imply, the most used financial product by the respondents is the payment product (43%), while the least used is insurance (15%).

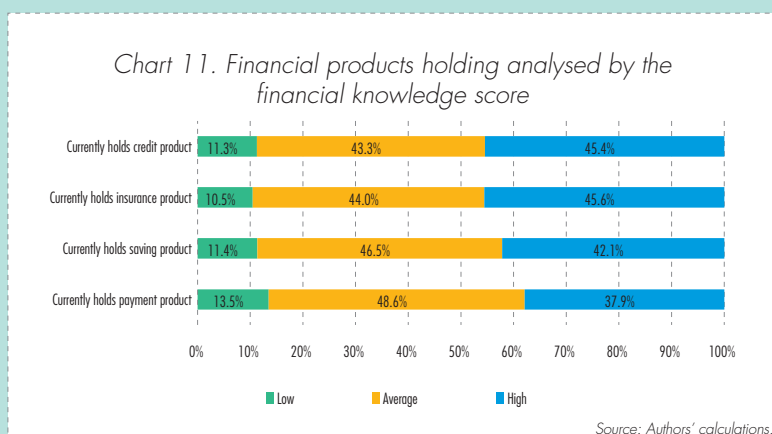
The fifth indicator represents the share of respondents who have heard of 5 or more products. It results that 38% of respondents fit in this category. Having heard of a large number of products is a good starting point for financial inclusion. Nevertheless, awareness of the existence of a product does not guarantee the correct understanding of its purpose or functions.

The sixth indicator considers whether the respondents have recently chosen a financial product - 62% declare that they did. This indicator aims to measure the ongoing market monitoring by the consumer. A responsible consumer, continue to monitor the market for innovative products or new and more favourable terms and conditions, even after choosing a product.

The seventh indicator is calculated from respondent's answers to whether they relied on their family to save and cover the monthly expenses (borrowed), over the last year. This indicator aims to identify individuals who potentially have no access to official financial institutions. The data tell that 34% of the respondents were supported by their family.

Box 1: Financial products holding analysed by the level of financial knowledge

Individuals that hold different types of financial products are analysed by their level of financial knowledge⁹, in Chart 11. For determining the financial knowledge score¹⁰, respondents were asked about financial concepts, such as inflation, simple and compound interest, diversification, risk and profit.



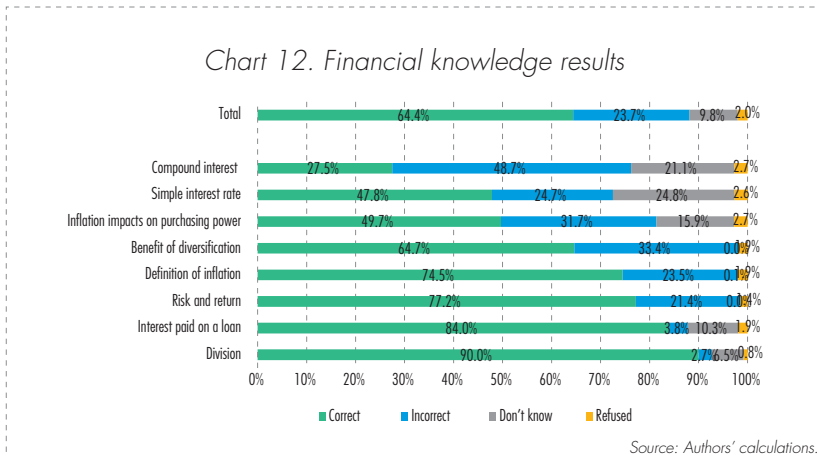
The data show that the distribution of individuals with different levels of financial knowledge does not vary greatly from product to product. Compared with other products, the payment products are held by a slightly larger share of individuals with low financial knowledge (14%) and a smaller share of those with higher financial knowledge (38%). The opposite is observed in insurance products, where individuals with good financial knowledge hold a greater share compared to other products, and those with poor financial knowledge hold a smaller share.

⁹ Financial knowledge is addressed extensively in Section 3.

¹⁰ Financial knowledge score is addressed extensively in Section 3.9.

3. FINANCIAL KNOWLEDGE

Having basic financial knowledge and proper use of computational and mathematical skills for personal finance actions constitute one of the three elements of financial literacy. A good level of financial knowledge helps the individual to compare various financial products, make well-informed choices and independently manage personal financial issues. The financial knowledge of the Albanian population is measured through a set of 8 questions, which tackle concepts such as inflation, diversification, risk and return on investment, simple and compound interest, as well as their calculating skills.

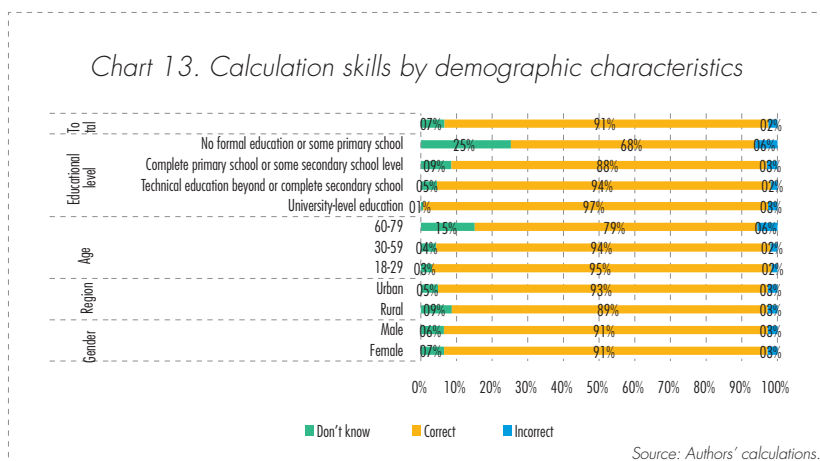


As the chart below points out (Chart 12), Albanians possess medium-level financial knowledge, giving 64% correct answers. They were more informed on concepts such as loan interest (84% correct answers), the relationship between the risk and return on investment (77% correct answers), and inflation (75% correct answers). On the other hand, they had little financial knowledge regarding concepts such as simple interest (48% correct answers) and compound interest (only 28% correct answers).¹¹

¹¹ In the following sub-sections, the option "refused to answer" is excluded from the analysis.

3.1 Using calculation skills

In a financial context, performing basic mental arithmetic, completes the mastery of financial knowledge for an individual that is financially educated. The question asked to measure this skill is relatively simple¹²: “Imagine that ALL 100,000 are given to 5 brothers. If the sum is shared equally among them, how much does each one get?”.

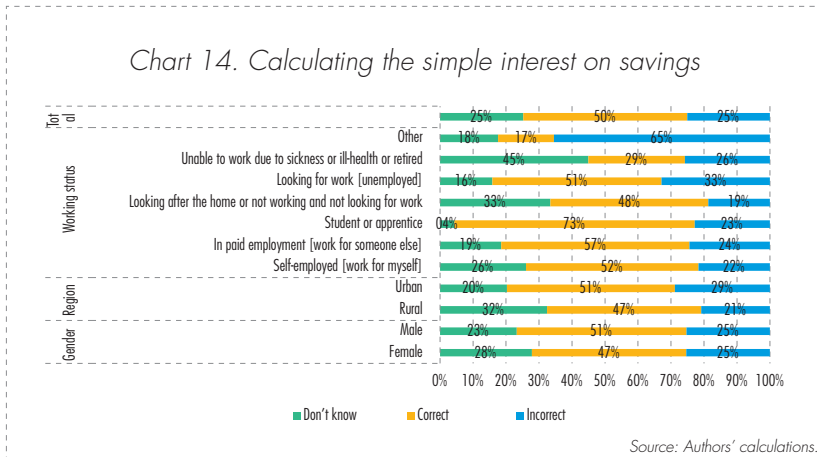


Given the simplicity of the question, the results are quite positive (Chart 13). 9 out of 10 respondents answered the question correctly. Regarding the socio-demographic characteristics, there are no differences between men and women (91%), whereas it seems that the high level of education significantly impacts the ability of the respondents to conduct arithmetic operations (97% correct answers from individuals with higher education, as opposed to only 69% from individuals with no formal education or some primary school). An opposite trend is observed in terms of age, where younger respondents gave more correct answers (95%) compared to older ones (79%).

¹² Based on the high scores obtained for this question in most of the countries taking part in the survey, the OECD/INFE considered the question to be too simple and it is not included in the financial knowledge score (OECD 2016).

3.2 Calculating the interest rate

The deposit interest rate is an important element for understanding and calculating savings growth. In order to measure the ability to calculate a simple interest rate on a deposit, we addressed the following question to the respondents: “Suppose you put ALL 10.000 in a savings account with a fixed rate of 2% per year without commissions. 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?”.

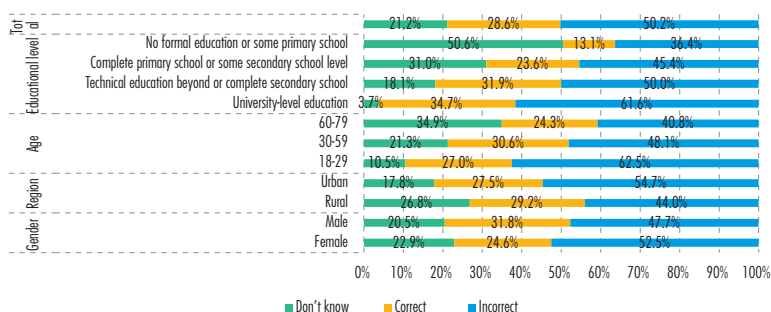


The results indicate that half of respondents know how to calculate a simple interest rate, while $\frac{1}{4}$ give incorrect answers and the remaining $\frac{1}{4}$ do not know how to respond. Females appear somewhat more uncertain in responding compared to males, with 47% correct answers and 28% “I don’t know”, compared to 52% correct answers and 23% “I don’t know” from males. Individuals living in urban areas respond more correctly (51%) compared to those living in rural areas (47%), but at the same time the first group gives more incorrect answers compared to the second one (29% versus 21%). Regarding the employment situation of the respondents, the highest number of correct answers was given by the students (73%), followed by the employees (57%), the self-employed (52%), and the unemployed looking for a job (51%).

3.3 Calculating the compound interest rate

Unlike the simple interest rate, the compound rate is calculated not only as a percentage of the initial amount deposited in savings account but also of the accumulated interests over the subsequent periods. Knowing this concept serves to calculate the interest rates obtained from the investment of savings for a period longer than one year. To analyse the calculation skills of this rate, following the question in the sub-section 3.2, we addressed to the respondents the next question: “and how much would be in the account at the end of five years?”.

Chart 15. Calculating the compound interest rate by demographic characteristics



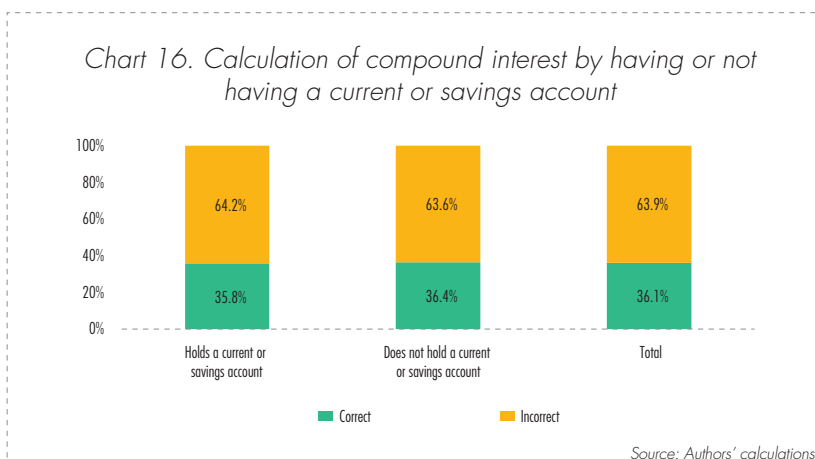
Source: Authors' calculations.

The answers indicate that respondents find it rather difficult to calculate the compound interest. Only 29% answered the question correctly, while half of them answered incorrectly. The analysis of this question by socio-demographic characteristics, concludes that 1 in 3 males, versus 1 in 4 females, know how to calculate the compound interest. Meanwhile, individuals that live in rural areas give slightly more accurate answers with few answering incorrectly compared to those who live in urban areas, but at the same time they were more cautious by choosing “I don’t know” alternative.

Age seems to affect the calculation of the compound interest forming a reverse U-shape, with the age group 30-59 being more

knowledgeable (31%). In the young age group, compared to other groups, there is a high percentage of wrong answers (63%) and a low percentage of “I don’t know” (11%). The level of education seems to be directly related to the understanding of this concept: the higher the education level, the better is the knowledge on compound interest.

The calculating skills of compound interest are also analysed by having or not a current or savings account. As shown in the chart 16, it seems that holding these banking products does not affect the level of these skills.

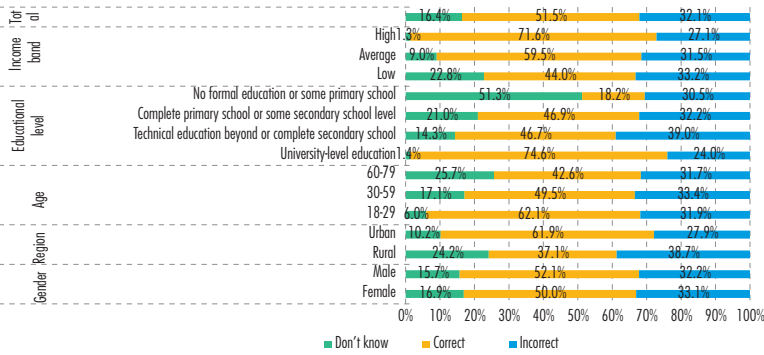


3.4 Time value of money

Knowing the time value of money helps understanding the impact of inflation on the purchasing power of financial resources over time. This concept impacts the long-term decisions of individuals on the best possible use of available financial resources.

When asked whether, after a year, with a positive inflation rate, they would be able to purchase more or less with the same amount of money, only half of the individuals answered correctly, showing thus that they know about the impact of inflation on the purchasing power. Gender does not seem to be a determining factor in

Chart 17. Time value of money



Source: Authors' calculations.

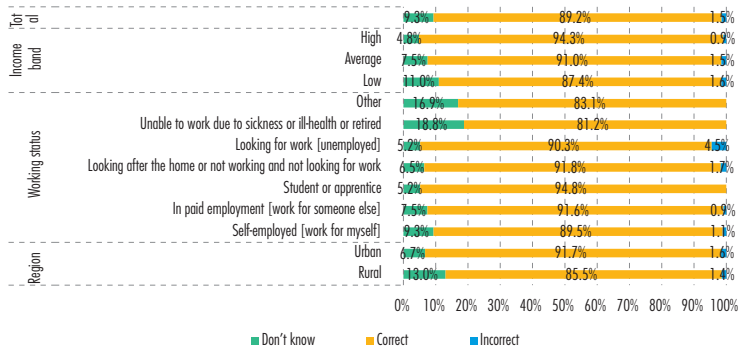
knowing this concept (50% of the females answered correctly and so do 52% of males), while on the other hand, the residence area differs the performance. In urban areas, the time value of money is known by 62% of the individuals, compared to 37% of those living in rural areas. The level of education and the level of income are two other indicators that positively affect this knowledge, the higher the education and the income, the better the concepts are known by the individuals.

3.5 Understanding interest paid on a loan

Interest paid on a loan is one of the key elements taken into account when borrowing or applying for a loan. Understanding of this concept is analysed by the questionnaire through a simple question: "You lend ALL 2,500 to a friend one evening and he gives you ALL 2,500 back the next day. How much interest has he paid on this loan?".

The results gathered are quite satisfactory and indicate that 89% of respondents understand the interest paid on a loan. Respondents living in urban areas are more familiar with this concept (92% correct answers) compared to those living in rural areas (86%). The income level is positively related to the knowledge of the interest

Chart 18. Understanding interest on a loan



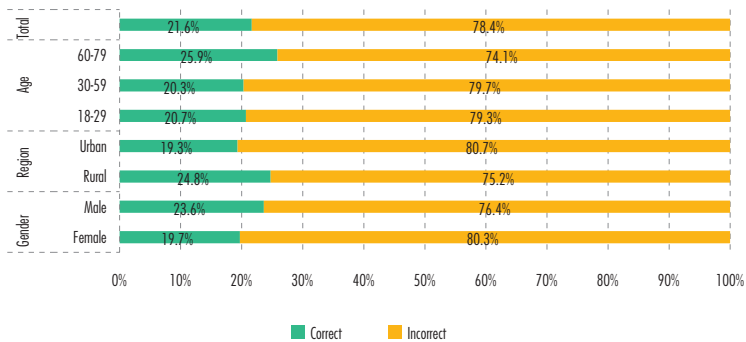
Source: Authors' calculations.

paid on a loan, the higher the level of income, the larger the share of correct answers. Regarding the work situation, better knowledge is manifested by students and interns (95% correct answers), while the retiree and those incapable of work perform less well (81%).

3.6 Understanding investment risk

The following concept analyses the relationship between investment risk and return. Understanding this relationship helps individuals to make responsible investments by analysing the risk they can pose.

Chart 19. Understanding investment risk

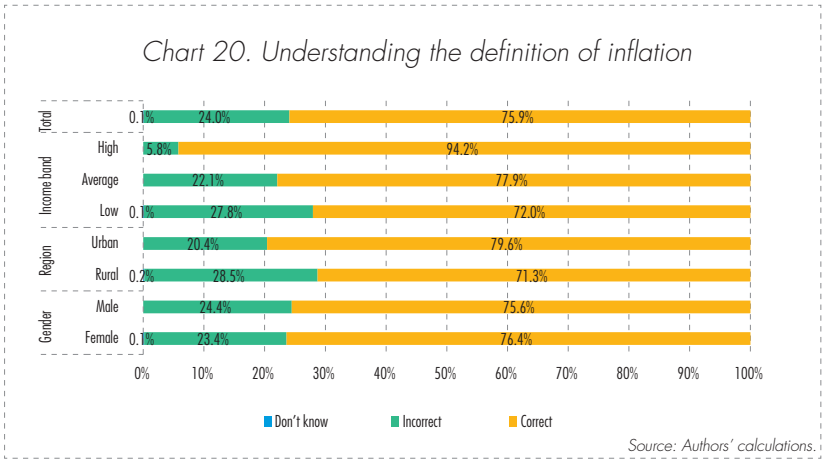


Source: Authors' calculations.

To the statement: “An investment with a high return is likely to be high risk”, 78% of the respondents answered correctly. Analysed according to socio-demographic characteristics, the groups that perform better are: females by answering correctly in 80% of the cases, residents in urban areas (81%), and young and middle-aged respondents (79-80%). These results point out that males, residents in rural areas and the elderly perform less well.

3.7 Understanding the definition of inflation

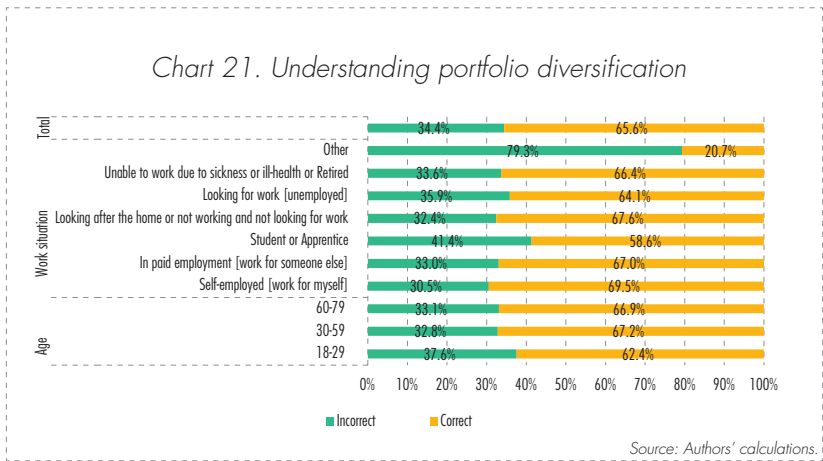
Understanding the concept of inflation indicates how individuals know the impact it has on the cost of living. Inflation is important not only for the economic decisions of individuals and businesses, but also for the central bank, whose objective is to achieve and maintain price stability.



Three out of four respondents agree with the following statement: “High inflation means that the cost of living is increasing rapidly”, thus answering correctly. Gender seems to make no difference when answering this question, while residents in rural areas (71% correct answers, compared to 80% of those in urban areas) and low-income individuals (72%, compared to 78% of middle income and 94% of high income) perform less well regarding inflation.

3.8 Understanding portfolio diversification

Diversification of the portfolio of saving or investing instruments is a financial management strategy that helps reduce risk compared to the investments on a single instrument. To measure this knowledge, individuals were given the following statement: “It is less likely that you will lose all of your money if you save it in more than one place.”

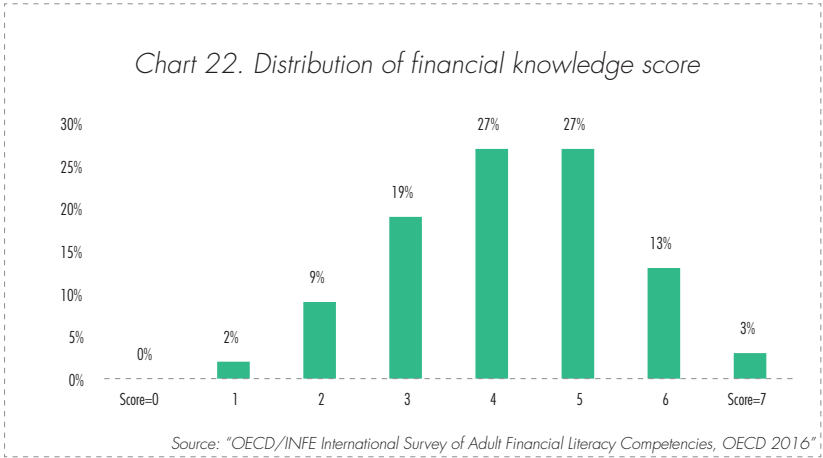


The results tell that only 66% of individuals answered the question correctly. The importance of diversification seems to be less known among young individuals (62% versus 67% of two other age groups) and students or interns (58% versus 64-70% of other groups). Chart 21 shows that the best result is scored by the self-employed with 70% correct answers, which indicates that their entrepreneur experience has taught them that one should not put all the eggs in one single basket.

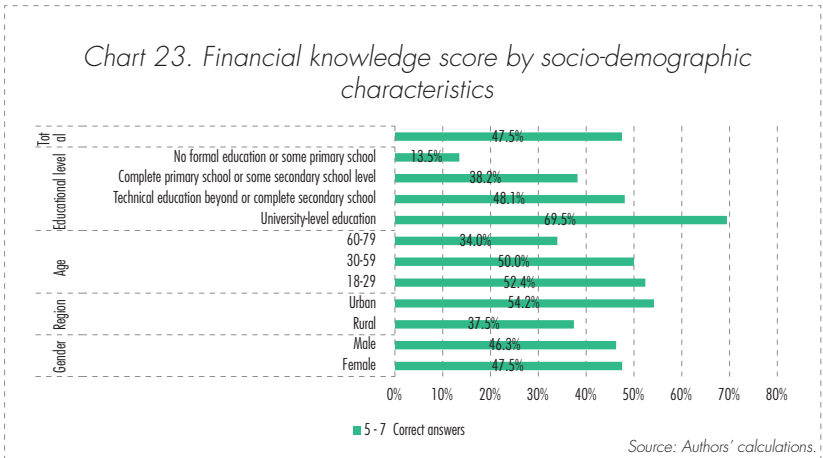
3.9 Financial knowledge score

The financial knowledge score is built by the OECD/INFE (2016) calculating in a single indicator the accurate answers to all questions on financial knowledge (7 in total). To get a passing

grade for financial knowledge, the respondent should give at least 5 correct answers.



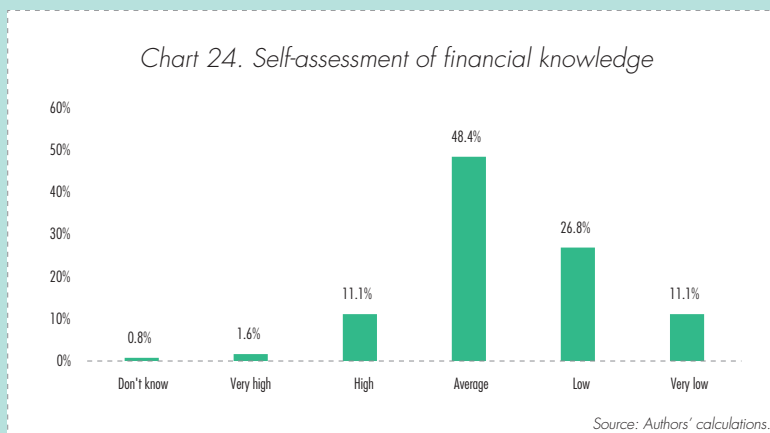
As displayed in Chart 22, more than half of the respondents (57%) fail to reach this threshold, responding correctly only to 1-4 questions. The results conclude that these individuals face difficulties in understanding many of the basic financial concepts listed above, thus further complicating the process of choosing and using of the financial products, as well as the responsible management of financial income.



The analysis of the respondents who achieved a score of at least five out of seven correct answers, points out that both genders have the same level of financial knowledge, females 48% and males 46%. On the other hand, residents in the rural areas indicate a huge lack of knowledge (only 38% correct answers) compared to residents in urban areas (54%). Age seems to be inversely related to financial knowledge, where elderlies find it more difficult to answer 5-7 questions correctly. As expected, the level of education impacts is directly related to the possession of financial knowledge, where those with no education or partial lower education manifest more difficulty, answering correctly to only 14% of the cases.

Box 2: Self-assessment of financial knowledge versus real financial knowledge

The questionnaire includes also a question about respondents self-assessment on financial knowledge compared to the knowledge of other individuals in Albania. The level of self-confidence in financial matters may shape financial behaviour and how confidently people answer knowledge questions or avoid them by choosing the 'don't know' option (di Salvatore A., Franceschi F., Neri A. and Zanichelli F., 2018). A high level of self-confidence can increase the chances of falling for fraud as well as excessive and unfounded rely on personal financial knowledge. Chart 24 shows that nearly half of individuals' asses their level of financial knowledge as average (48%), 13%



rate it as high or too high, and 38% rate it as low or too low. It is noticeable that 1 in 10 individuals assess his knowledge as too low.

The coefficient of correlation between the self-evaluation of knowledge and the real financial knowledge is positive. The more the self-assessment increases, the more increases the number of correct answers. However, the positive correlation between them is not very significant (only 0.33).

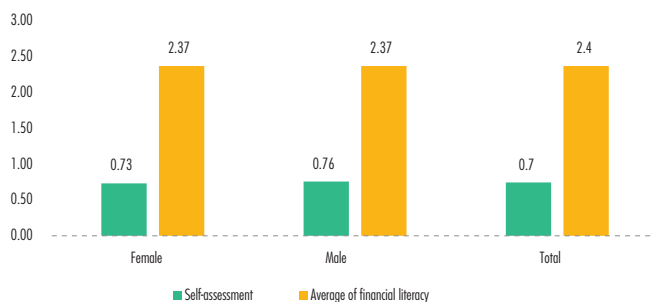
Table 3. Self-assessment versus real financial knowledge¹³

		Financial knowledge score			Total
		Low knowledge	Medium knowledge	High knowledge	
Self-assessment	High	0,1%	3,3%	9,4%	12,8%
	Average	2,1%	21,1%	25,6%	48,8%
	Low	7,3%	18,7%	12,3%	38,3%
Total		9,6%	43,1%	47,3%	100,0%

Source: Authors' calculations.

From the table it is noticed that half of the population (48%) assess their knowledge as average. In fact out of them, 21% possess medium-level and 25% high-level knowledge. A large part of the population (38%) under-estimate themselves by rating their financial knowledge as being lower than the average, while in fact 19% of them have an average level of knowledge and 12% a high level.

Chart 25. Self-assessment vs. actual financial literacy, by gender (average)



Source: Authors' calculations.

¹³ Calculation in the table excludes the alternatives: "Do not know" and "Refuse to answer".

On the other hand, most of those who consider their level of knowledge high (13%), assess realistically themselves (9% possess high level of knowledge). These data conclude that respondents are generally aware of their level of financial knowledge and sometimes tend to underestimate it.

4. FINANCIAL BEHAVIOUR

In addition to knowledge, another key component of financial literacy is the financial behaviour. Regardless of the importance of basic financial knowledge, their behavior in everyday life, as far as issues affecting finances or how they manage money, remain the main component that directly and indirectly affects their well-being or their family.

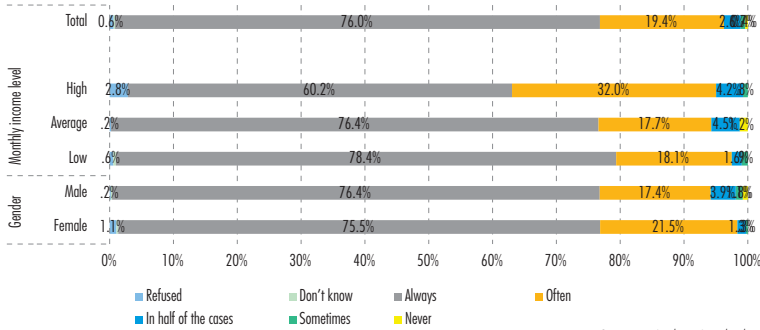
For the purpose of measuring the financial behaviour, the questionnaire of 2015 contains 19 questions, which will be presented in the next 8 sub-sections. Interviewees were asked: if they consider whether they can afford a purchase or not; whether they pay their the bills on time; whether they personally care about their finances; whether they set long-term goals and try to meet them; whether they are personally involved in their household financial decision-making and whether they keep a family budget; whether they actively save; whether they have a good pension plan; on what criteria have they chosen the financial products they own; and what kind of information has influenced their choice; as well as how did they handle situations of not being able to make ends meet.

4.1 Making considered purchases

Lack of prudence before making purchases or expenditures jeopardizes financial sustainability, thus influencing the short-term and long-term welfare of individuals and households. Often, hasty purchases can cause a lower level of savings and over-credit. For this reason, the sample was asked how often it is considering whether an expense is affordable or not.

The overwhelming majority of respondents always (76%) and often (19%) behave in compliance with the statement "Before I buy something, I carefully consider whether it is an expense I can afford", and only 1% say they do it "sometimes" and "never". While there is no difference between women's and men's behaviour before the purchase, it is noted that the higher the monthly household income,

Chart 26. Considering the expenses before making the purchase, by gender and level of monthly household income



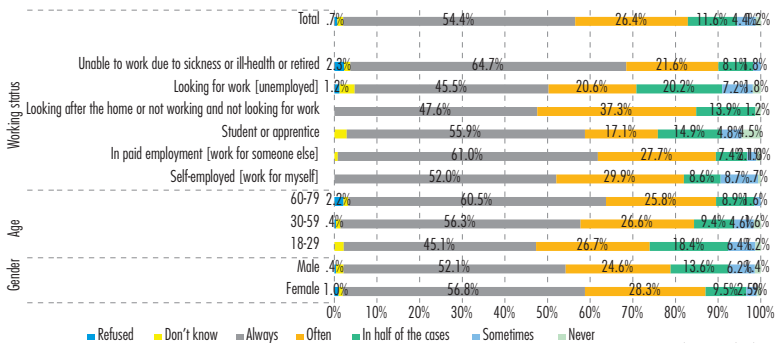
Source: Authors' calculations.

the lower the percentage of respondents that always behave the right way.

4.2 Paying bills on time

The second question used to measure the sample's financial behavior relates with the payment of bills on time. This indicator is important for our analysis, as failure to respect payment deadlines often brings additional costs that may affect household finances.

Chart 27. Paying bills on time, by gender, age and employment status



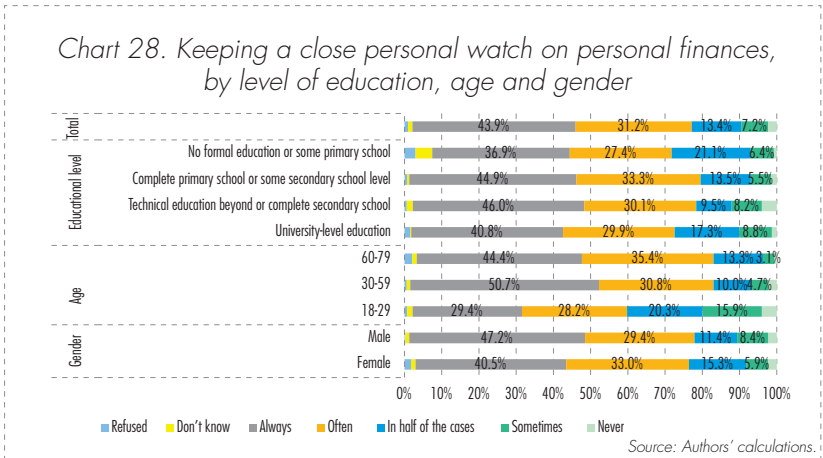
Source: Authors' calculations.

As for the first question, even in this case, the overwhelming majority of respondents say that they have good behavior regarding the payment on time of bills. According to the survey data, 81% of respondents say they “always” or “often” pay the bills on time, while only 6% do it “sometimes” or “never”.

Chart 27 presents the reported behaviour on paying the bills on time analysed by gender, age group and employment situation of the respondents. The data points out that the most cautious groups (responses “always” or “often”) in respecting the deadlines for payment of bills are: females, in 85% of the cases; individuals aged 60-79, 86%; in paid employees, 89%; and disabled for work or retirees, with 86%. Though the “sometimes” or “never” responses are rarely encountered, the highest percentage are amongst students, self-employed and unemployed looking for work, with 9% of individuals in each of these three groups.

4.3 Keeping a close personal watch on personal finances

Keeping track of personal finances is another component of the financial behaviour that is of interest to our study. Keeping an eye on the personal financial situation avoids unnecessary expenses, increases savings or investments and avoids errors or fraudulent



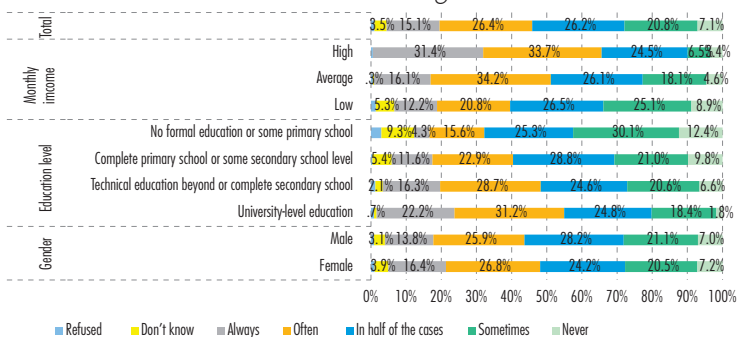
actions by third parties. To measure this indicator the interviewees are asked how often they keep a close personal watch on their financial affairs. 3 out of 4 individuals state that they “often” or “always” behave this way compared to 1 out of 10 individuals who do it “sometimes” or “never”.

The chart indicates the socio-demographic groups that personally care for their financial affairs (answers “often” or “always”) as: the interviewees with primary level of education 78%; individuals of age 30-59 years old, 82%; and males 77%. While the groups that personally watch their personal affairs “sometimes” or “never” are: 11% males; 20% individuals of age 18-29 years old; and those with secondary school education 12%.

4.4 Setting long-term financial goals and striving to achieve them

Another issue addressed in the questionnaire is the setting of long-term goals and their accomplishment. The results are presented in chart 29. This question aims to measure the long-term planning behaviour of individuals and the commitment to meet the personal long-term financial goals.

Chart 29. Setting and achieving long-term goals, by household income, education level and gender



Source: Authors' calculations.

Data in the chart indicates that when the interviewees are asked about the statement “I set long term financial goals and strive to achieve them” their answers appear more disseminated than in the first three questions. Thus, 41% of interviewees set long term financial goals “often” or “always”, 28% “sometimes” or “never”, and 26% “in half of cases”, showing a trend to focus more on the short term.

Data analysed by socio-demographic indicators demonstrates that groups that report following this behaviour (answers “often” or “always”) are: females 43%; those with a university degree 53%; and those with high level of monthly household income 65%. On the other side, the groups that “sometimes” or “never” display such financial behaviour are: individuals with no formal education or with some primary school, 43%; and those with low monthly household income, 34%. Data conclude that the higher the level the income or education, the more often the individuals set and achieve long term goals, and the opposite. Meanwhile there are no differences in the behaviour among males and females.

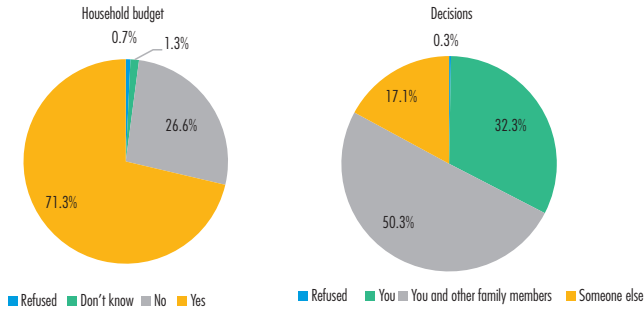
4.5 Household financial decision making and budgeting

Taking part in financial decision-making and having a personal or household budget are two other important issues addressed in the survey. A positive behavior can help to improve financial organization and household planning. Measuring these two indicators is done through the questions “Does your household have a budget¹⁴?” and “Who is responsible for day-to-day decisions about money in your household?”

Records indicate that holding a family budget is a relatively common behavior, with 71% of respondents claiming to have one. Also, the personal involvement in the daily financial decision-making of the family results high, at 83%.

¹⁴ In the questionnaire, the household budget is defined as: “A household budget is used to decide what share of your household income will be used for spending, saving or paying bills”.

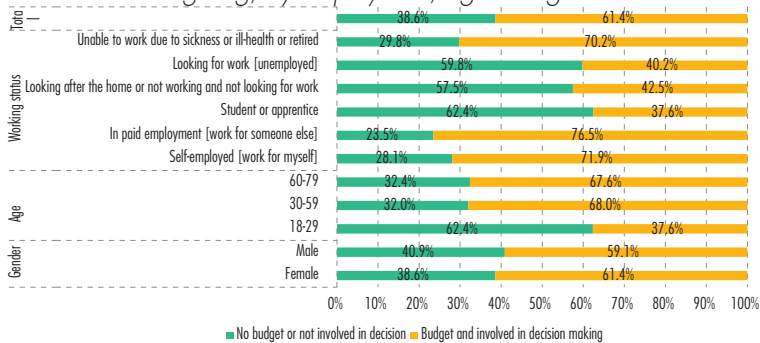
Chart 30. Holding a household budget (left) and financial decision making (right)



Source: Authors' calculations.

In chart 31 below, individuals involved in financial decision-making and at the same time have a family budget as well as those who have no budget or are not involved in decision-making are divided by socio-demographic characteristics.

Chart 31. Responsible for day-to-day financial decision making and budgeting, by employment, age and gender

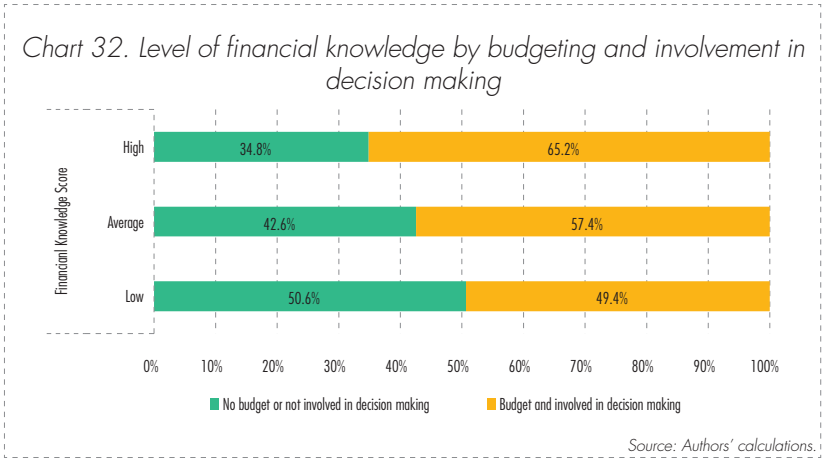


Source: Authors' calculations.

The data show that 61% of respondents have a family budget and are personally involved in decisions related to day-to-day management of money in the household.

It is noticed that in this new indicator there are no significant differences between men and women. According to the employment situation, it results that the lowest percentage of budget keeping and involvement in decision-making are followed by students or interns (38%), unemployed looking for work (40%), and those looking after the home or unemployed not looking for work (43%). Analyzed by age group, results represent the same percentages for those aged 30-59 and 60-79 years, with 32% of individuals saying that they have no budget or are not involved in decision-making. This percentage almost doubled for the age group of 18-29 (62%). It is worth mentioning that percentages for student or interns group and individuals at the age of 18-39 match, which can be explained by the fact that the individuals involved in these groups are almost the same and are mostly young, and as such not personally involved in the administration of family finances.

Chart 32 presents individuals with different levels of financial knowledge, analyzed by the budgeting indicator and the involvement in money management.



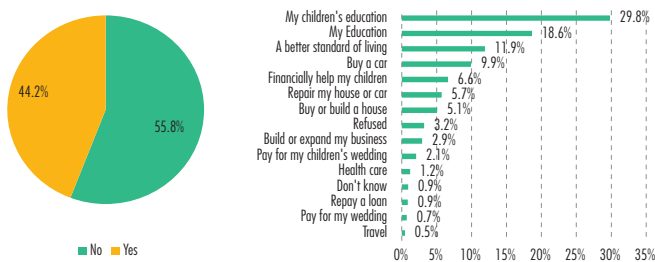
Data demonstrate a positive correlation between the level of financial knowledge, and budgeting and involvement in decision-making on the management of household money, hence the higher the level of knowledge the higher the percentage of individuals

holding a household budget and involved in making financial decisions. Thus, 65% of individuals with high level of financial knowledge, report to hold a household budget and participate in decision making. This percentage drops at 57% for individuals with medium level of knowledge, and at 49% for those with low level of knowledge.

Box 3: Setting long-term financial goals and actions taken to meet them

Establishing long-term financial objectives as well as the continuity and sustainability of active efforts to fulfill them are another important component of financial behavior, addressed in the survey. To address this issue exhaustively, three questions were asked - "Do you (personally or with a partner) have any financial goals?" "If yes, what is currently your most important financial goal?" and "What are you doing to meet this goal?" – the following charts present the results of these questions.

Chart 33. "Do you (personally, or with your partner) have any financial goals?" (left); and "what is your most important financial goal?" (right)*

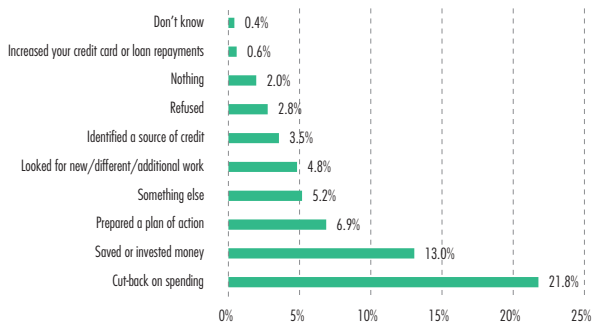


*In the Chart on the right it is considered only that part of population stating to have an important financial goal, i.e. 44% of interviewees. Source: Authors' calculations.

Data show that only 44% of the interviewees have long-term financial goal; the most important goals vary from one's education (30%) or that of one's children (19%), to the covering of wedding or travel expenses (by 1%).

Asked about the actions taken to achieve their financial goals (Chart 34), 22% responded that they have cut back on spending, 13% have saved or invested, and 7% have prepared an action plan. Surprisingly only 4% of those having financial goals, have found a way to get a loan, and 1% have increased the repayment amount of the credit card or of the loan. This makes lending a tool rarely used to meet the objectives in question.

Chart 34. Actions taken to meet the goal



Source: Authors' calculations.

4.6 Active Saving

Another component of financial behaviour of high importance, in terms of measuring the level of financial culture of a given society, is active saving. This is mainly because it has a direct impact on increasing financial security, avoiding unnecessary lending, and meeting individual or family financial objectives. In the survey, we measured this type of behaviour through the question "In the last 12 months, have you been saving money in any of the following ways, whether or not you still have the money?" listing some savings alternatives.

Table 4 reflects the data obtained on active savings, analysed by the socio-demographic characteristics of the age, educational level and the level of monthly household income.

Table 4. Actively saving by age, education level and income level

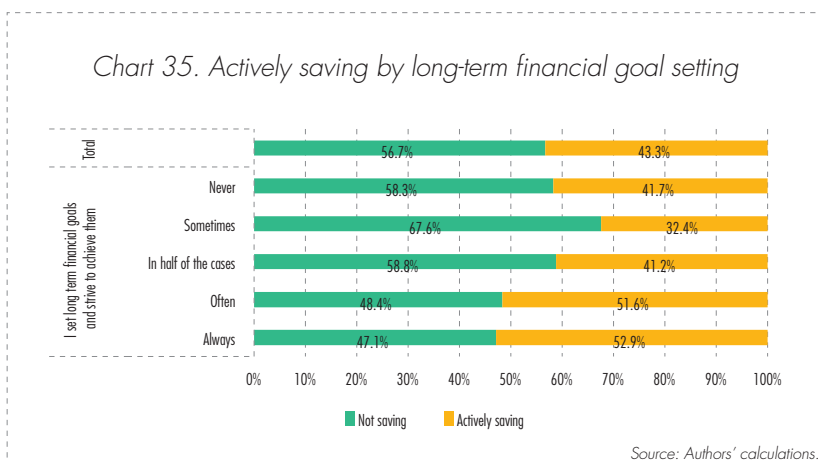
		Actively saving	Yes	No	Total
Age	18-29		45,4%	54,6%	100,0%
	30-59		45,1%	54,9%	100,0%
	60-79		36,9%	63,1%	100,0%
Educational Level	University-level education		27,1%	72,9%	100,0%
	Technical/vocational education beyond secondary school level or Complete secondary school		38,0%	62,0%	100,0%
	Complete primary school or some secondary school level		46,1%	53,9%	100,0%
	No formal education or some primary school		52,3%	47,7%	100,0%
Income band	Low		30,6%	69,4%	100,0%
	Average		59,9%	40,1%	100,0%
	High		67,1%	32,9%	100,0%
Total			43,3%	56,7%	100,0%

Source: Authors' calculations.

The results indicate that between the income level and the active savings there is a positive relationship, i.e. the higher the monthly household income, the higher the actively saving rate. About 1 out of 3 low-income individuals and about 2 out of 3 of those with high-income saves actively. The same relationship seems to exist between the savings and the level of education of respondents. About 1 out of 4 people with no formal education or with some primary school and about 1 out of 2 people with higher education or beyond report saving actively.

In addition to the actively saving behavior of the different socio-demographic groups' analysis, it is also interesting to check it from

Chart 35. Actively saving by long-term financial goal setting



the point of view of setting financial objectives and efforts to fulfill them, because these two behaviors are expected to affect each other - it is expected that individuals who set financial goals will actively save to fulfill them.

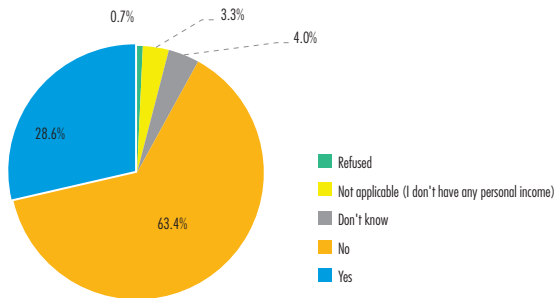
The data presented in Chart 35 supports this expectation. Thus, it turns out that 52% of individuals who agree with setting financial targets and 53% of those who fully agree claim to have saved actively over the past 12 months. While only 32% of those who were against and 42% of those completely against, have saved over the period in question.

Box 4: Savings, financial resilience (the ability to cope with external shocks) and pension planning

As mentioned at the beginning of this chapter, a certain financial behavior, such as the steady saving of a part of the family income, is particularly important because holding savings makes the family or individual resilient to unforeseen financial shocks. They also help to avoid borrowing to cover daily expenses and coping with low-income periods, such as the retirement period.

To address these issues, respondents were asked 3 questions: (1) "If you, personally, faced a major expense today – equivalent to your own monthly income – would you be able to pay it without borrowing the money or asking family or friends to help?"; (2) "Overall, on a scale of 1 to 5 where 1 is very confident, and 5 is not at all confident;

Chart 36. Financial resilience (the ability to cope with external shocks)

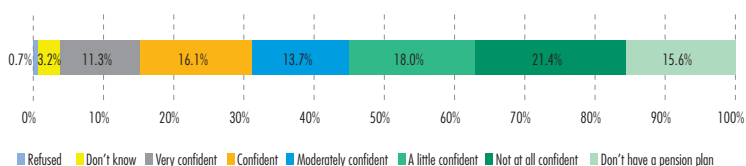


Source: Authors' calculations.

how confident are you that you have done a good job of making financial plans for your retirement?"; and (3) "How will you - or do you - fund your retirement?"

According to Chart 36, only 29% of respondents can face a high expense (equal to the monthly income) without borrowing or getting help from friends and family. So, most individuals do not have enough savings, and therefore are unable to cope with any unforeseen financial shock.

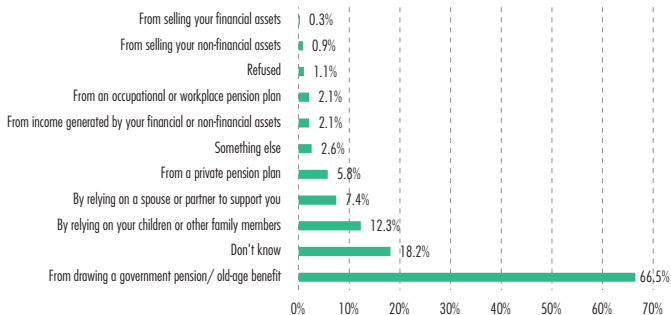
Chart 37. Confidence in retirement planning



Source: Authors' calculations.

In line with the results of the first question, the data collected on the second one (2) (Chart 37), demonstrate the same degree of uncertainty. In this case, respondents were asked if they are confident

Chart 38. Ways of funding the retirement



Source: Authors' calculations.

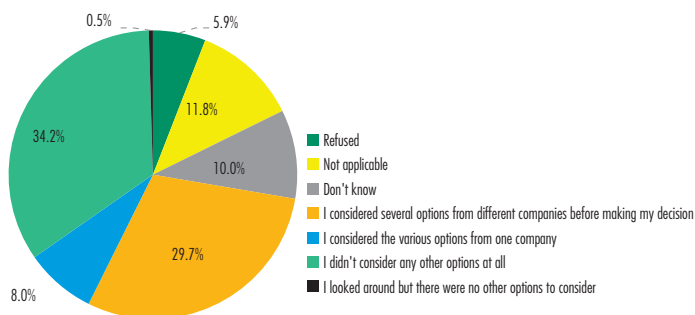
they have done a good job of making financial plans for retirement. Only 27% of them are confident or very confident that they have a good pension plan; 39% are little or not confident at all; while 16% say they do not have such a plan.

From the data presented in Chart 38, there is a large share of individuals relying on the public pension scheme (67%) and on the support from other family members (children and family members, with 12% positive response, and partner, 7%, respectively the second and third most preferred alternative). This attests a low weight of institutionalized financial alternatives, such as the private pension scheme (6%), the additional workplace pension plans (2%) or income generated by financial or non-financial assets (2%). Interestingly, we encounter a relatively high percentage of individuals who do not know how their pension will be funded (18%).

4.7 Choosing the financial products

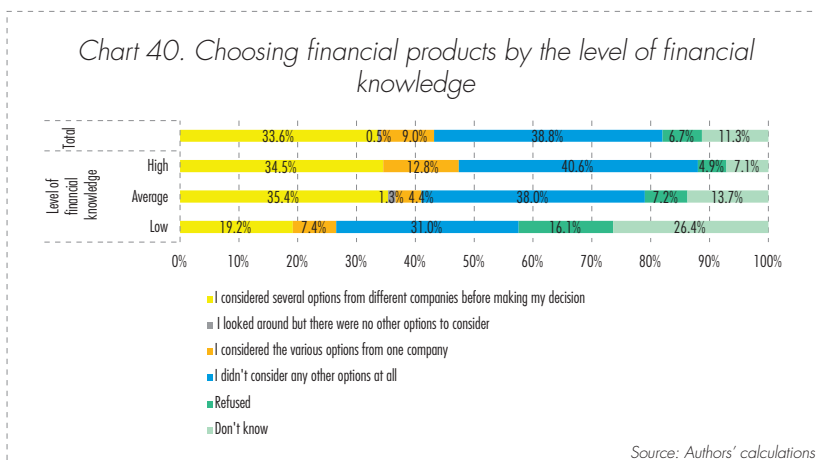
The way in which people choose financial products can be an indicator of responsible financial behavior. Thus, it is expected that a responsible consumer, before choosing a financial product, will look at the alternative products available, and take advice from independent sources of information, to find the most adequate and convenient product for him/her.

Chart 39. Choosing financial products*



*From the share of population that has chosen a product (72.7%).
Source: Authors' calculations.

Chart 39 presents the responses of interviewees when asked whether they have shopped around the last time that they have chosen a financial product. Only 1 out of 3 interviewees (31%) has made efforts to analyse other offers (considering several options from different companies or although looking around in the market, there were no other options to consider). On the other hand, 34% of interviewees have not considered any other options at all at the moment of choosing a product, proving an irresponsible financial behaviour.



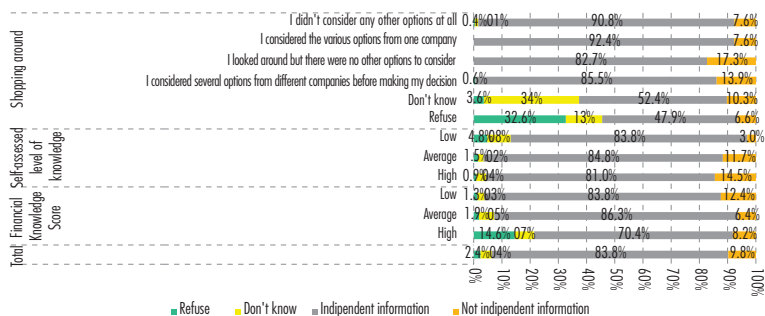
Analysed by the level of financial knowledge, only 19% of interviewees with low level of financial knowledge make efforts to shop around before choosing a financial product, against 37% of those with medium-level and 35% with high level of financial knowledge. It is noted that 41% of interviewees with high-level of financial knowledge and 38% with medium level of financial knowledge respond to have not considered any other option, pointing out that such behaviour is not related to the lack of financial knowledge¹⁵.

The analysis of sources that have influenced more choosing the financial product, shows that only 1 out of 10 interviewees is affected by independent information sources¹⁶, while 84% are affected by

¹⁵ More information on choosing the financial products, analysed by demographic characteristics, can be found in Table 11, Annex.

¹⁶ Table 10 in the Annex contains a complete list of the information sources that impact choosing the financial product.

Chart 41. The source of information mostly influenced product selection, by the way of choosing, self-assessment and the level of financial knowledge



Source: Authors' calculations.

dependent information sources. The major part of those seeking to consider other offers in the market, make use of independent information sources. Nevertheless, this category represents the highest percentage of use of independent information sources (17% of those although seeking have not found other offers and 14% of those considering some offers from different companies). The level of financial knowledge appears to affect indirectly the use of independent sources. Those with low level of knowledge seem to use more independent information sources (12%). Meanwhile the analysis by self-assessment points out a fair correlation between them, those assessing their financial knowledge as high, use mostly independent information sources (15%).

When analyzing the sources of information that have most influenced the selection of financial products, only 1 out of 10 individuals are influenced by independent sources of information, while 84% are influenced by non-independent ones. The overwhelming majority of those who have made an attempt to shop around use non-independent sources of information. However, in these categories there is also the highest percentage of the use of independent sources of information (17% of those although seeking have not found other offers and 14% of those considering some offers from different companies). The level of financial knowledge seems to have an adverse impact on the use of independent sources. Those with low level of financial knowledge seem to use more

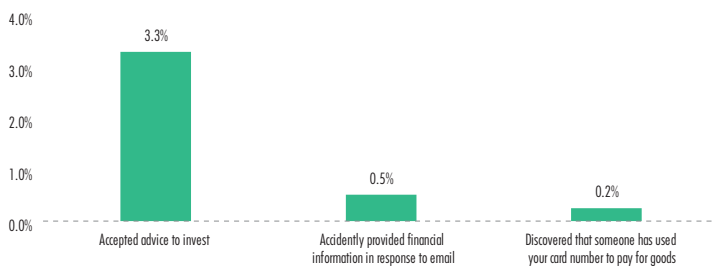
independent sources of information (12%). Meanwhile, the self-assessment analysis concludes that there is a positive relationship between them. Those who self-assess their financial literacy as high, use more independent sources of information (15%).

Box 5: Reliability and the importance of financial information security

Carefully selecting the source of financial advice as well as using and storing personal financial records are two important issues related to behaviour when choosing and using financial and banking products.

To gather information on these issues, respondents were asked whether, in the last two years: “They have accepted advice to invest in a financial product that later found to be worthless, such as a pyramid scheme?; “ They have accidentally provided financial information in response to an email or phone call that later found out was not genuine?”; and “ They have discovered that someone has used their card number to pay for goods without their authorisation?”.

Chart 42. Reliability and the importance of financial information security



Source: Authors' calculations.

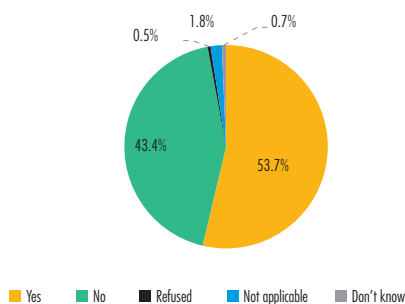
Chart 42 indicates that respondents have been very little exposed to fraudulent advices to invest or violations of personal financial data security. Thus, only 3% claim to have received advice on investing in a worthless or fraudulent financial product, while less than 1% incorrectly gave financial information to unauthorized persons or

found out that someone was using their account to pay for goods and services without their prior approval. These percentages testify a highly prudent behaviour of individuals in terms of investment and safeguarding personal financial data over the last two years.

4.8 Behaviour to making ends meet

In addition to direct questions aimed at measuring the respondent's saving behavior, budgeting, planning and borrowing to cover daily expenses, the questionnaire used for this survey also contains two additional questions, which aim to measure these indicators indirectly. Thus, through answers to 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?", we can shed light on the budgeting and financial management capabilities of the respondents.

Chart 43. In the past 12 months, has it happened to you that your income does not quite cover your monthly expenses?

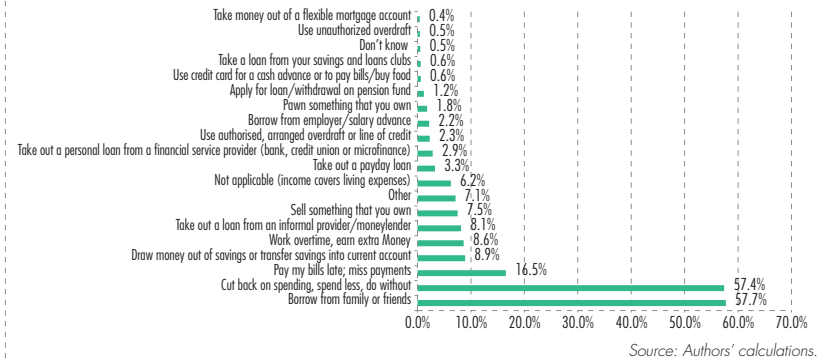


Source: Authors' calculations.

According to the data presented in Chart 43, only 43% of respondents did not face difficulty in covering their monthly expenditures over the past year, demonstrating good budgeting and management skills.

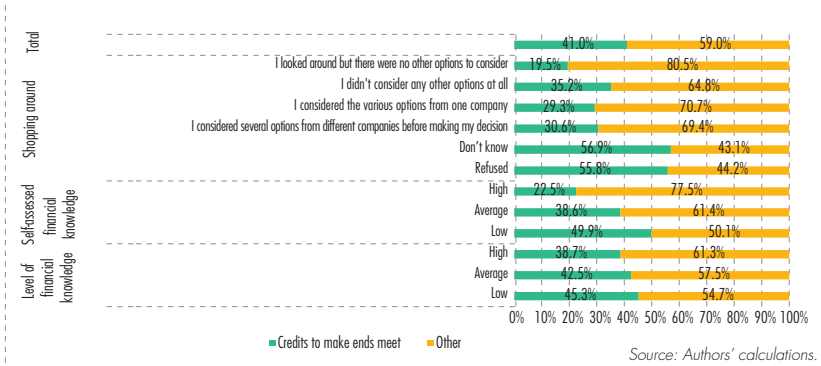
While with the second question, “If yes, what did you do to make ends meet the last time this happened?” we intend to find out whether in case of being in financial distress, they were able to make ends meet without borrowing, proving that they have budgeted and planned appropriately to withstand financial difficulties.

Chart 44. What did you do to make ends meet the last time this happened?



As presented in Chart 44, the most used way to cope with financial distress when income does not cover monthly expenses is borrowing from relatives or friends (58%), explained by still very close family relationships in our country. Almost the same percentage of respondents claim to have “cut back on spending” (57%), thus

Chart 45. Credits to make ends meet, by the financial knowledge score, self-assessment of financial knowledge and shopping around



handling the situation without borrowing. While other alternatives are used relatively little. The second form of borrowing in the list, is the alternative “borrowing from an informal lender” with 8%. The formal borrowing sources such as consumer bank loans or overdrafts are used only by 3% and 2% of respondents, respectively.

In Chart 45, the data on how respondents have faced a period of financial distress are grouped according to the credit or non-credit nature and then analyzed by the level of financial knowledge, the self-assessed level of this knowledge, as well as shopping around when choosing a product. From those claiming to be unable to cover the monthly expenses, 41% have borrowed to make ends meet, compared to 59% who have chosen other forms. Found in the same situation, the share of high-level financial knowledge respondents who used a form of borrowing to cope with a difficult financial period (39%) is lower than the share of those with a low level of financial knowledge (45%). In general, the higher the level of financial knowledge, the lower the use of credit to make ends meet. The same relationship is also noted for the self-assessed level of financial knowledge. Interestingly, when analyzing borrowing by shopping around when selecting a financial product, it turns out that individuals who have not considered different options in the market, have relied more on credit forms to cover monthly spending when facing financial distress (35%)¹⁷.

4.9 Financial behaviour score

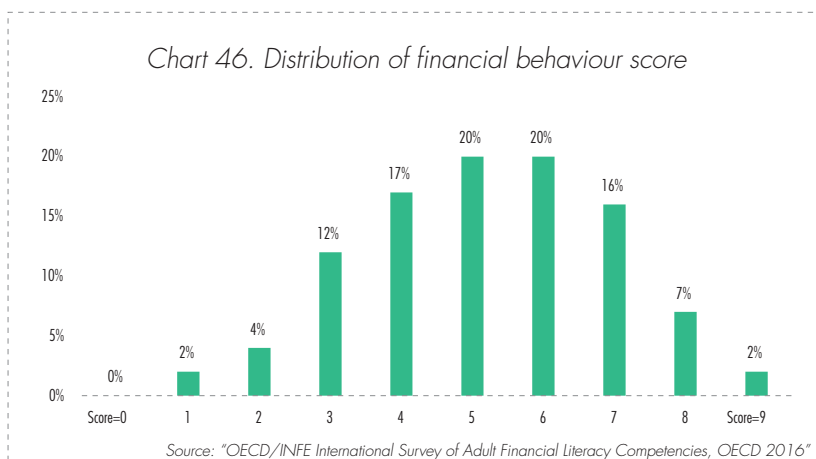
According to the methodology used in the 2015 survey, the financial behavior score was created by elaborating the correct answers provided by each respondent to the questions used to measure the financial behavior, presented in the previous subsections¹⁸. The behaviour score is computed as a count of the number of “financially savvy” behaviors and gets values from 0 to 9. This figure reflects the higher weight of financial behavior compared to the other two financial literacy components (maximum

¹⁷ More information on borrowing to make ends meet by demographic characteristics, is found in Table 1.2 in the Annex.

¹⁸ More information on the creation of this score can be found in: “OECD/ INFE International Survey of Adult Financial Literacy Competencies, OECD 2016”.

value 7 for the score of financial knowledge and maximum value 5 for attitudes), thus demonstrating the importance of this indicator, whose change and improvement is the ultimate goal of any educational effort in this area.

Chart 46 shows the distribution of responses of individuals that behave in financially literate ways, expressed as a percentage of the total sample surveyed. In the first column on the left are presented the percentage of individuals with no proper financial behavior, whereas on the right are presented those who hit the maximum target score.



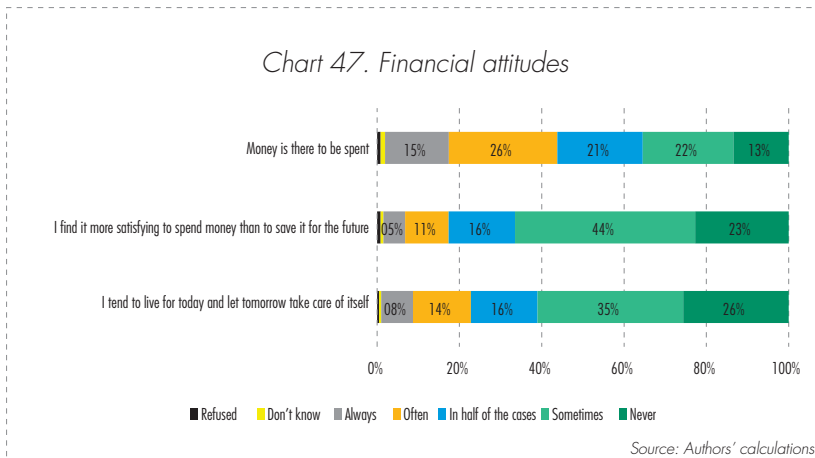
According to the OECD/INFE International Survey of Adult Financial Literacy Competencies, the minimum target score to be classified as financially literate is at least 6 appropriate responses out of 9. Thus, from the data collected in Albania, it turns out that, only 45% fall in this category, highlighting the need to address the wrong financial behavior of the rest of Albanians.

5: FINANCIAL ATTITUDES

Along with knowledge and behavior, financial attitudes are the third component of financial literacy. Beyond good knowledge and appropriate financial behavior, a forward-looking attitude is needed to influence decision making or long-term goals in order to achieve a personal financial well-being. The analysis of individual attitudes sheds light on their inclinations to spend or save, to think more about the present or the future, demonstrating their likelihood of improving financial sustainability and personal well-being in the future.

5.1 Attitudes towards saving for the future, long-term goals and financial risk taking

In our survey, according to OECD/INFE guidelines, financial attitudes are measured through 3 questions, which aim to analyse the degree of compliance with 3 statements related to spending money and future planning (Chart 47).

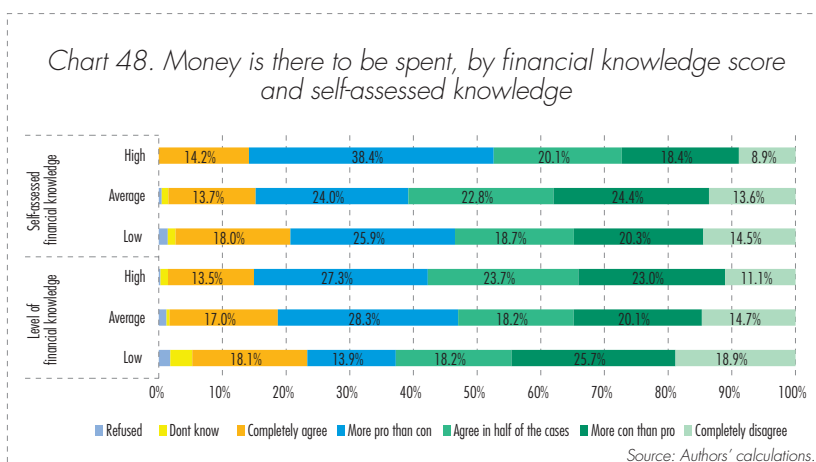


The first statement that assesses the financial attitudes of the respondent, quotes: "Money is there to be spent". Data indicate

that more than 1 out of 3 individuals (36%) disagree or completely disagree with the statement, compared to 42% who agreed or completely agreed, demonstrating a slight prevailing of a spending attitude of money versus the more savvy one.

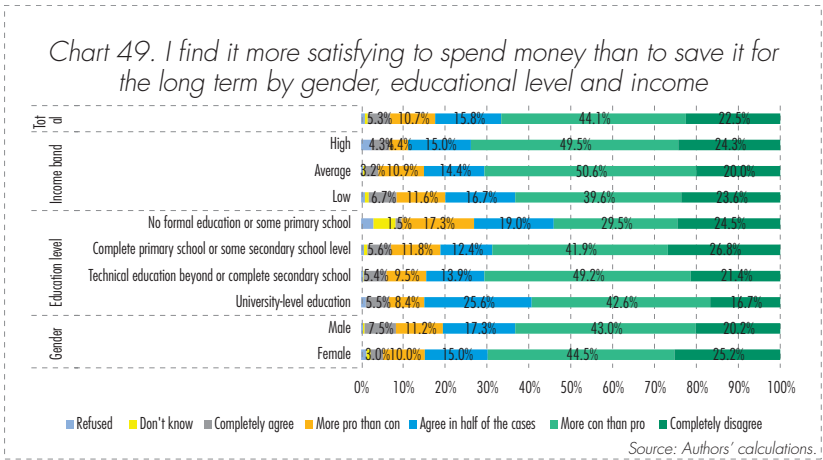
The second assertion for measuring financial attitudes, quotes: "I find it more satisfying to spend money than to save it for the future" Despite the similar character of the statement with the previous one, the results differ. Only 16% of individuals say they are more willing to spend money, (agree and completely agree), compared to 67% who are more cautious, preferring to keep it for the future (responses against or completely against). For individuals who are willing to spend money, this attitude can implicate economic stability, i.e. savings or sufficient investments, safe work contracts, and so on. While for the majority of the population, this does not seem to be true.

The third statement quotes "I tend to live for today and let tomorrow take care of itself". The results of this question point out that only 22% of individuals agree or fully agree with the tendency to live the present, compared to 61% of individuals who tend to worry more about the future, thus proving a longer-term attitude.



The first statement for measuring financial attitudes (Money is there to be spent), analysed by the level of financial knowledge

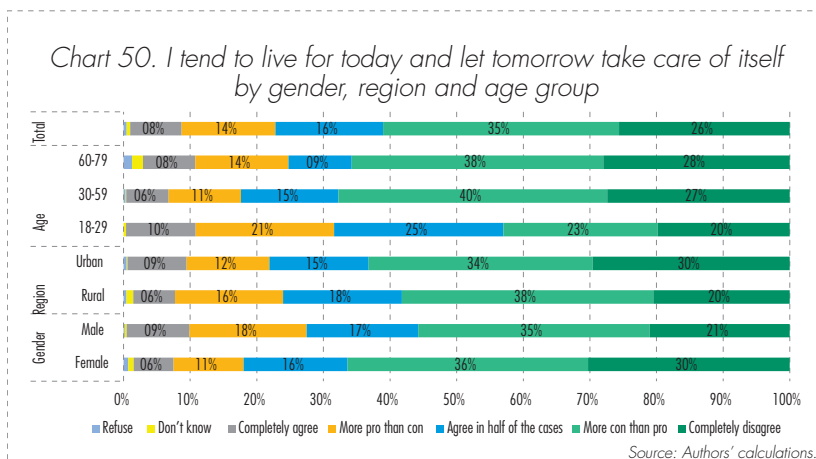
and self-assessed knowledge of individuals, shows that financial knowledge is in a negative relation with the tendency to spend money. The socio-demographic categories that tend to be cautious in spending money, disagreeing or completely disagreeing with the statement, are: 45% of individuals with low level of knowledge, 35% of those with average knowledge and 34% of those with high knowledge. While 24% of individuals with high knowledge agree in half of the cases. On the other hand, the self-assessment of financial knowledge seems not to determine any trend of attitude regarding this question.¹⁹



The second statement (“I find it more satisfying to spend money than to save it for the future”), analyzed by gender, educational level and income level (Chart 49) points out that women tend to have a more careful attitude (70% of them are against or completely against the preference for spending and only 13% agree or completely agree), than men (63% against or completely against, and 19% agree or completely agree). The educational level has an adverse effect on the attitude towards spending money rather than saving it for the future. Only 14% of respondents with university level education or beyond, 15% of those with secondary education, 17% of those with primary or some secondary school and 19% of those with no education or some primary school, agree or completely agree

¹⁹ More information on attitudes to the assertion “Money is there to be spent”, can be found in Table 13 in the Annex.

with the statement. The same trend results also from the analysis of this attitude by the level of income. Individuals with higher income levels, are more cautious about spending money and prefer to save it for the future (against or completely against: 63% of low-income individuals, 71% of those with average level of income and 74% of high income).²⁰



The third assertion of financial attitudes (“I tend to live for today and let tomorrow take care of itself”) was analysed by gender, place of residence and age group (Chart 50). The answers to this question reconfirm the more cautious attitude of women compared to men, when thinking about the future (66% of women, against 56% of men disagree or completely disagree with the statement). Residence is another indicator that influences financial attitudes. 58% of respondents living in a rural area and 63% of those living in an urban area disagree or completely disagree with the statement, indicating that their spending is forward-looking. On the other hand, the respondents’ age appears to have an inverted U-shaped impact on financial attitudes, where individuals aged 30-59 show more cautious, thinking more about the future (68% of individuals aged 30-59, compared to 43% of those aged 18-29

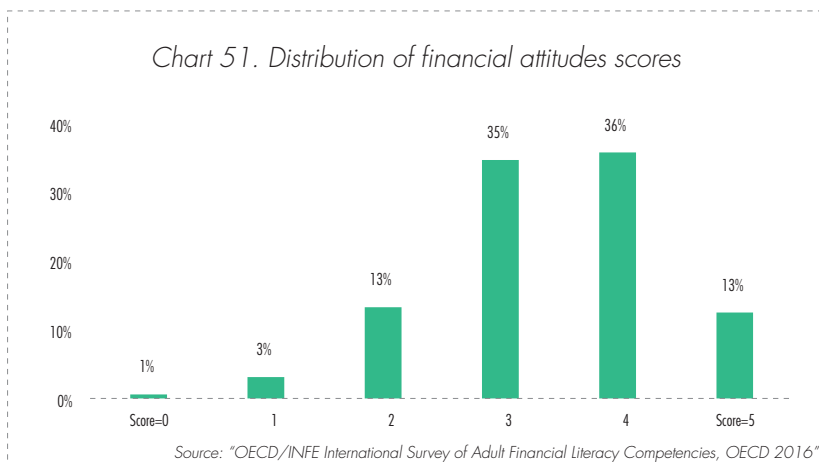
²⁰ More information on attitudes to the assertion “I find it more satisfying to spend money than to save it for the long term”, can be found in Table 14 in the Annex.

and 66% of those aged 60-79 are against or completely against the assertion).²¹

5.2 Financial attitudes score

In the same way as the knowledge and behavior scores, the financial attitudes score is also created according to the OECD/INFE²² methodology, and measures the preference of individuals to spend or live for the moment, compared to those with a more forward-looking attitude, thinking about the future (level of disagreement with the assertions). The score calculates an average of the attitudes and is based on the sum of the answers given to the 3 statements presented in subsection 5.1, and then dividing them by 3. Thus, the index takes values from 1 to 5.

Chart 51 presents the distribution of financial attitudes scores. According to the OECD, a financially literate person should have a minimum target score of 3 or more. As noted in the chart, in the case of Albania, nearly half of the respondents (49%) belongs to this category.



²¹ More information on attitudes to the assertion "I tend to live for today and let tomorrow take care of itself", can be found in Table 15 in the Annex.

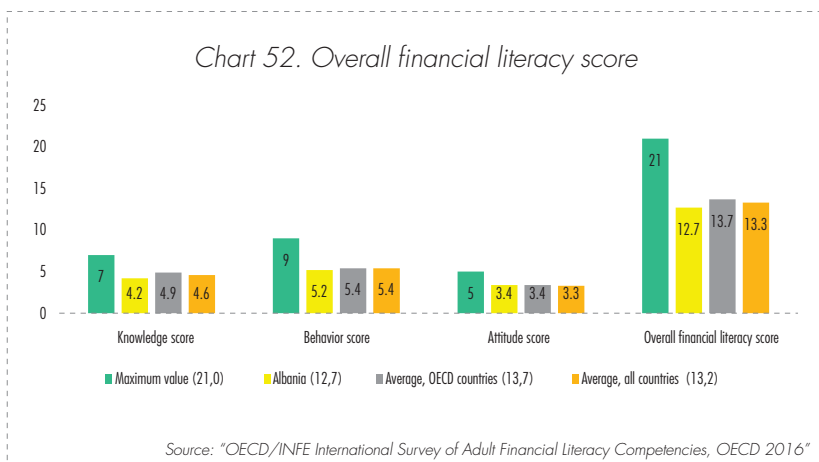
²² More information on the creation of this score can be found in: "OECD / INFE International Survey of Adult Financial Literacy Competencies, OECD 2016".

Thus, the compared data of the three scores indicates a slightly better performance of Albanians in the component of financial attitudes vs behavior (45% with proper financial behavior) and knowledge (43% with good financial knowledge), but still there is plenty of room for further improvement.

6. FINANCIAL LITERACY: KEY FINDINGS AND CONCLUSIONS

6.1 The overall financial literacy score

In Sections 3, 4 and 5, divided by topic, we have analyzed separately the scores of financial knowledge, behavior and attitudes resulting from the correct answers or appropriate behavior and forward-looking attitudes. As in the chart below, the overall financial literacy score is created as a combination of three previously mentioned scores. This general score is nothing more than the sum of the average scores of: financial knowledge (maximum value 7); financial behavior (maximum value 9); and financial attitudes (maximum value 5); and takes values from 0 to 21.



As shown in the chart, the survey results indicate that our country has an overall financial literacy score of 12.7 out of 21, or one point below the OECD countries average, and 0.5 points below the average of all the countries participating in this survey in 2015. These differences come mainly as a result of the gap in the knowledge score, while the level of our country's attitudes score is the same as that of the OECD countries and that of the behaviors is slightly below the OECD countries average and the average of all countries.

6.2 Key findings of the survey and the differences in the levels of financial literacy 2011-2015

After the first survey carried out in 2011, this is the second step made by our institution in the effort to collect and publish comparable data on the financial literacy of the population. This section presents a comparative analysis of the data between the two periods: summer 2011 (Ceca K., Koleniço A., Isaku E., Haxhimusaj B., 2014) and summer 2015. According to the subject addressed and as suggested by the OECD/ INFE methodology, the data obtained by the survey were examined separately according to the socio-demographic and were presented structured into four chapters: financial inclusion (Section 2); financial knowledge (Section 3); financial behaviour (Section 4); and financial attitude (Section 5).

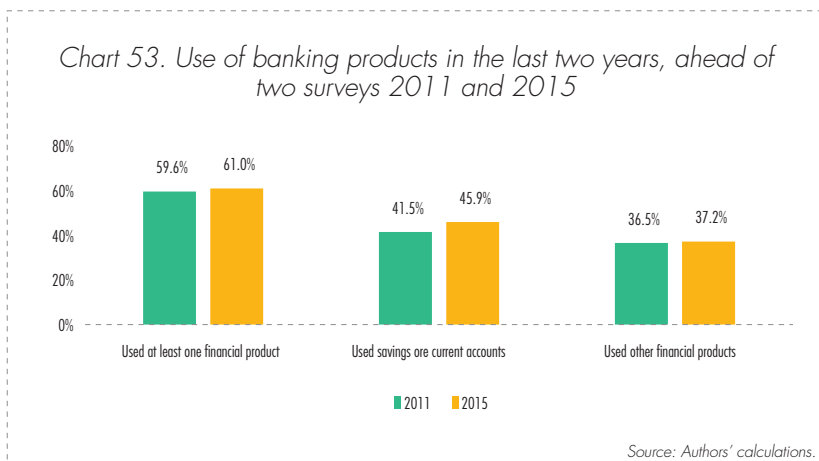
Financial Inclusion, 2015

The data obtained for the questions that measure the financial inclusion, addressed in Section 2, show that Albanians are not very included financially. Thus:

- 14% of individuals have never heard of the current and savings account, which are basic banking products, commonly used and that offer access to other products and services;
- 58% of individuals have heard of the current account, but only 51% of them own one. As for the savings account, this figure falls to 30% from 79% who have heard about the product;
- The least known product is the microfinance loan (17%), while the less used product are treasury bills (1%);
- Percentages of holding current and savings account at the time of the survey (respectively 51% and 30%) are lower than they were in the last two years - 56% and 35% for each of these two products respectively.

Analysed by the socio-demographic characteristics, it is noted that the product awareness is positively related to the level of education and the level of monthly household income, while negatively related to the age of the respondents. The same relationships exist in holding and using financial products, where there are huge

increasing differences (over 25%) between low, middle and high income individuals. The answers to the three questions measuring the financial inclusion do not point out any significant gaps between women and men, despite a slight advantage of the latter.



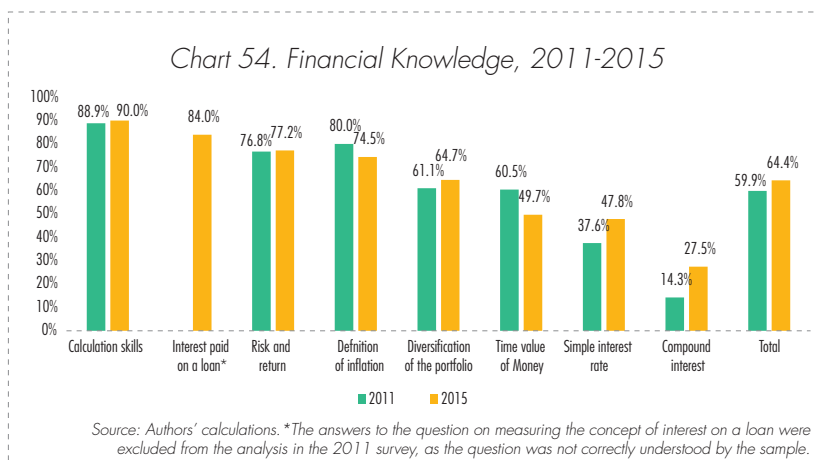
Comparison of the data on financial inclusion from the two surveys, 2011 and 2015, shows that the use of financial products in the last two years ahead of the 2015 survey has had a slight increase, mainly due to the use of the current/saving account, from 42% to 46% (Chart 53). Although the trend measured between the two surveys is slightly positive, the level of financial inclusion in our country remains low, and addressing it effectively still poses a challenge for policymakers.

Financial Knowledge, 2015

The first criteria used to measure the financial literacy of individuals is that of financial knowledge, broken down into mastery of basic concepts and the ability to apply numeracy skills in a financial context. The results obtained from the questions in section 3 show that Albanians do not possess very good financial knowledge, with only 1 out of 2 possessing the minimum target score. More in detail:

- over 90% of respondents are able to perform a simple division;
- only half of respondents know how to calculate a simple interest rate, while ¼ give an incorrect response and the remaining ¼ do not know how to respond;
- only 29% of them answer the question on compound interest, while half of them give a wrong answer;
- only 52% respond accurately to the question that tests the concept of time value of money;
- 89% of respondents understand the interest on loan;
- 78% of them understand the relationship between risk and return from an investment;
- 71% know the concept of inflation and its effect on the cost of living;
- While only 66% of them answered correctly the question about the relationship between risk and diversification of the portfolio.

The analysis of the answers obtained for questions measuring financial knowledge, according to socio-demographic characteristics, reveals that there is no difference in the financial knowledge of men and women. While the region appears to influence this indicator, since the percentage of accurate responses provided by individuals living in rural areas is only 38%, compared to 54% of those living in urban areas. The level of financial knowledge is negatively related to age, and in line with expectations, positively related to the level of education of the respondents.



Comparison of data collected in a 4-year distance (Chart 54) reveals an increase of 4% of the overall level of correct responses in financial knowledge. Significant improvement is noted in the level of understanding the concepts of simple and compound interest rate, resulting in an increase of accurate answers respectively by 10% and 14%, probably due to the intensification of the relationship between individuals and banks. By contrast, the understanding of inflation and the time value of money concepts have dropped by 5% and 11% respectively from 2011 to 2015. This decrease calls for more attention in informing the public these concepts.

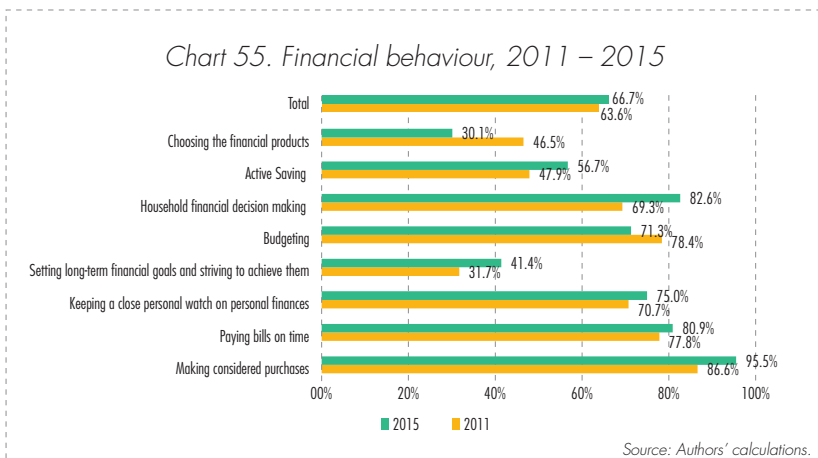
Financial Behaviour, 2015

To measure the second and most important component of financial literacy, the survey collects information on the behaviour of respondents in terms of money management and budgeting, repayment of liabilities on time, as well as financial planning and following-up of long-term financial objectives. The results of data analysis show that Albanians generally have sound financial behaviour. More in detail:

- 95% of respondents consider previously whether they are able to afford an expense;
- 81% of them pay bills on time;
- 75% of respondents state that they consistently keep a close personal watch on their finances;
- Only 41% agree to set long-term financial goals and try to fulfil them, while 28% do not;
- 71% of respondents claim to have a family budget, while the involvement of the individual surveyed in the family financial decision-making is high, at 83%;
- Only 44% of respondents have long-term financial objectives and the most important objectives range from education (30%) or children's education (19%), to covering wedding (1%) or travel expenses (1%);
- Only 45% of respondents actively save and 29% can afford a high expense (equal to the monthly income) without borrowing or getting help from friends or family;
- 27% of respondents are confident that they have established

- a good pension plan, while 16% do not have one; 67% state that their pension will be covered by the public pension scheme, while 18% do not know how it will be funded;
- only 30% of the sample have shopped around to consider various products offered in the financial market (considering several options from different companies or although looking around in the market, there were no other options to consider); by contrast, 34% stated that they did not consider any other offer;
- Only one out of 10 individuals state that an independent sources of information influenced their choice of financial product;
- Only 3% have received advice on investing in fraudulent financial products, and less than 1% have provided financial information to unauthorized persons or their accounts have been used without their consent;
- 54% of respondents state that over the past year they have been in the situation where their income did not cover their monthly expenses, and 41% of them claimed to have borrowed to overcome this difficulty.

The high number of questions that collect information on respondents' behaviour towards financial issues provides quantity and variety of data on this component of financial literacy, analysable by socio-demographic features. In general, the data



confirms a slightly more cautious financial behaviour of: (i) female respondents - mainly in terms of prudent purchases, timely payment of bills, budgeting, involvement in financial decision making and financial goals; and (ii) 18-29 year-old respondents - who demonstrate proper behaviours in terms of budgeting, active savings, efforts to select the best banking product in the market, information from independent sources when choosing a product, and not borrowing to cover daily expenses.

According to Chart 55, the behaviour towards money issues reported in the 2015 survey turns out to have improved from the first measurement carried out in 2011, especially with regard to active savings (9% increase), involvement in financial decision-making (14% increase), setting long-term financial objectives (9%), as well as prudent behavior before purchases (9% increase). Despite this overall improvement, there is a noticeable decrease in the percentage of households holding budgets and those who shop around for the right financial product - both of these extremely important issues toward which our efforts need to gravitate in order to improve financial behaviour in particular, and financial literacy in general.

Financial attitudes, 2015

The figures on the third component of financial literacy, the financial attitudes of respondents, were obtained asking three questions, built to collect accurate information on their approach with regard to money relations. These trends or attitudes – i.e. how individuals think about, how they feel or how they approach financial matters - serve to further break down their present or future financial behaviors.

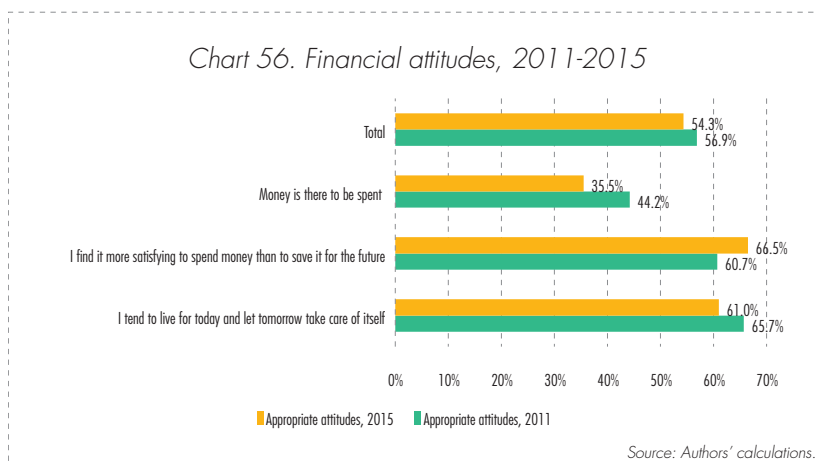
From the processing of respondents' responses to questions that measure their financial attitudes, it turns out that:

- 42% of the sample agree or fully agree with the statement "Money is there to be spent" versus 1 out of 3 (36%) who disagree or completely disagree with the statement;
- Only 16% of individuals say they are more willing to spend

money, (agree and completely agree with the statement “I find it more satisfying to spend money than to save it for the future”), compared to 67% who say they prefer to save for the future (disagree or completely disagree);

- Only 22% of individuals agree or completely agree with the statement “I tend to live for today and let tomorrow take care of itself”, compared to 61% who tend to worry more about the future (disagree or completely disagree).

The results obtained on the three statements aimed at measuring the financial attitudes of respondents, analyzed by demographic characteristics or their level of financial knowledge, point out that the latter is negatively related to the tendency to spend money. Also, in general, the categories more cautious about money and more inclined to worry about the future are: (i) women, (ii) individuals aged 30-59, (iii) residents of urban areas, and (iv) those with a high level of monthly household income.



Regarding the financial attitudes development of the Albanian population in the 2011-2015 period, the data presented in Chart 56 show that the percentage of appropriate attitudes has decreased for the statements “Money is there to be spend” and “I find it more satisfying to spend money than to save it for the future”, respectively by 8% and 5%, and increased by 6% for the statement “I tend to

live for today and let tomorrow take care of itself". All three of these statements aim to measure prudent attitudes, and the results of the surveys point to a general decline (3%) in appropriate attitudes from 2011 to 2015. Although small, it indicates a change in time in the unwanted direction, to be taken into account when drafting financial education policies in the future.

6.3 Conclusions

The survey for measuring the level of financial literacy of the population, developed by the Bank of Albania according to the OECD/INFE guidelines and methodology, was conducted by INSTAT through face-to-face interviews in July-August 2015. After the 2011 survey, this is the second step set by BoA in the effort to collect and publish data on this indicator, comparable in time within the country and with other countries.

Comparison between the data collected from different countries that have been subjected to the questionnaire has been extensively addressed in the "OECD/ INFE International Survey of Adult Financial Literacy Competences", 2016. While our paper further studies the 2015 data at country level, as well as offers a comparative analysis between the two measurements: summer 2011 and summer 2015.

This overall analysis of the survey results, as well as other specific further analyses of interest for future research, constitutes an important instrument in identifying issues that need attention and intervention through educational projects (Ceca K., Koleniço A., Isaku E., Haxhimusaj B., 2014).

Although not a direct component of the overall financial literacy score, financial inclusion indicators, along with the appropriate level of financial literacy, play an important role in the empowerment of individuals and, in general, in achieving stability of the financial system (OECD, 2016). This is particularly true for developing countries, with relatively new financial and banking systems and with limited access of citizens to them, such as Albania. Socio-

demographic groups with lower financial inclusion consist of: the elderly; the less educated; residents of rural areas; and those with low monthly income; while there are no differences between males and females.

The data indicates that Albanians are not very financially included. Although reporting a 4% increase from 2011, only 46% of respondents declare having held and used a current or savings account in the last two years. Leaving room for further policies to promote access to financial and banking products.

The first criteria used to measure the level of financial literacy of individuals is that of financial knowledge, decomposed into the understanding of basic concepts, such as inflation or interest rate, and the use of computational and mathematical skills for personal finance actions. The results for this component show that Albanians do not possess very good financial knowledge, scoring a 64% overall level of correct answers, performing particularly poorly regarding concepts such as simple and compound interest. As expected, socio-demographic groups with better financial knowledge are: residents in urban areas; younger and highly educated people; while no difference was found between men's and women's level of knowledge.

To measure the second and most important component of financial literacy, financial behavior, the survey gathers information on respondent behavior in terms of money management and budgeting, paying bills on time, and setting and following-up of long-term financial goals. The results of analyzing the reported behavior of the sample show that Albanians generally have sound financial behavior. The groups with more appropriate behaviour with regards to personal and household finance issues are women and young people of age 18-29.

Mirroring their importance, the number of questions used in the 2015 questionnaire to gather information on respondents' behaviour towards financial issues is very large. This provides quantity and variety of data on this component of financial literacy that we have analysed by socio-demographic groups.

The data on the third component of financial literacy, that of the financial attitudes of respondents, were obtained using three questions, built to collect more accurate information about their inclinations to spend or save. These trends or attitudes – i.e. how individuals think, how they feel or approach financial issues - serve to further break down their present or future behaviours. Data on financial attitudes show that, in general, the groups with appropriate attitudes to money-related issues are: (i) women, (ii) 30-59 year olds, (iii) residents of urban areas, and (iv) those with a high monthly income.

Financial knowledge and financial attitudes can shed light on the reason behind wrong financial behaviours. Improvement knowledge and financial attitudes would bring about improvement of individual's behaviour towards personal finance issues. As discussed in subsection 6.1, from the three components of the overall financial literacy score, the outcomes of the attitudes score for Albania are more positive and at the same level with the average of OECD countries, followed by the behaviour score, which performs slightly below the average of the participating countries in the survey. While the financial knowledge score for Albania is significantly lower than that of the OECD countries and all participating countries average, making this the component where policymakers should focus their attention and initiatives for future improvement.

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Table 1. Socio-demographic characteristics of the sample

Gender	Female	49,6%
	Male	50,4%
Age	18-29 years old	25,2%
	30-59 years old	51,7%
	60-79 years old	23,1%
	Refused	0,1%
Educational level	University-level education	21,5%
	Technical/vocational education beyond secondary school level or Complete secondary school	35,1%
	Complete primary school or some secondary school level	37,0%
	No formal education or some primary school	6,3%
	Refused	0,2%
Work status	Self-employed [work for myself]	20,4%
	In paid employment [work for someone else]	20,8%
	Student or Apprentice	7,0%
	Looking after the home or not working and not looking for work	10,9%
	looking for work [unemployed]	20,0%
	Unable to work due to sickness or illhealth or Retired	19,8%
	Other	0,8%
	Refused	2,8%
	Don't know	0,9%
	Low	56,5%
Monthly household income band	Average	31,3%
	High	8,5%
	Rural	43,6%
	Urban	56,4%
	1 member	6,9%
Number of family members	2	20,9%
	3	15,3%
	4	29,0%
	5	15,9%
	6	7,6%
	7+	4,1%
	Total	100,0

Source: Authors' calculations.

Table 2. Educational level, by age and gender

Refused	Educational level						Total
	University-level education	Technical/vocational education beyond secondary school or Complete secondary school	Complete primary school or some secondary school	No formal education or some primary school			
18-29		42,2%	34,6%	23,2%		100,0%	
30-59	0,2%	16,1%	38,5%	42,2%		100,0%	
60-79		10,8%	28,1%	40,2%		100,0%	
Total	0,1%	21,5%	35,1%	37,0%		100,0%	
Female		23,0%	31,8%	37,3%		100,0%	
Male	0,3%	19,9%	38,5%	36,6%		100,0%	
	0,1%	21,5%	35,1%	37,0%		100,0%	

Source: Authors' calculations.

Table 3. Heard of financial products by socio-demographic characteristics²³

	Heard of a bank loan secured on a property	Heard of an unsecured bank loan	Heard of a pension or retirement product	Heard of a credit card	Heard of a microfinance loan	Heard of insurance	Heard of bonds
Gender	Female	48,2%	47,7%	47,8%	48,2%	43,6%	45,7%
	Male	51,8%	52,3%	52,2%	51,8%	56,4%	54,3%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Age	18-29	30,1%	31,4%	25,2%	35,0%	38,0%	29,0%
	30-59	53,4%	53,8%	51,9%	49,9%	50,6%	49,5%
	60-79	16,5%	14,7%	23,0%	15,1%	11,3%	21,5%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
	Refused	4%	3%				
Educational level	University-level education	35,0%	32,4%	39,1%	37,6%	53,6%	36,6%
	Technical/vocational beyond secondary school or Complete secondary school	37,6%	35,4%	31,0%	36,8%	25,8%	33,8%
	Complete primary school or some secondary school level	25,2%	28,5%	27,5%	24,5%	19,9%	24,0%
Educational level	No formal education or some primary school	1,8%	3,4%	2,3%	1,1%	0,8%	5,5%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
	Refused	3%	2%		5%		0,6%
Work status	Self-employed	17,1%	20,5%	16,3%	15,5%	23,1%	19,0%
	In paid employment	29,4%	25,8%	28,8%	30,5%	32,0%	25,6%
	Student or Apprentice	9,2%	12,1%	10,1%	12,5%	14,7%	11,3%
	Looking after the home or not working and not looking for work	9,0%	9,0%	9,4%	9,8%	8,4%	9,5%
	Looking for work	19,9%	20,7%	16,6%	19,0%	14,9%	16,3%
Work status	Unable to work due to sickness or ill-health or Retired	13,5%	11,3%	18,5%	11,8%	6,9%	16,6%
	Other	1,6%	0,4%	0,3%	0,5%		1,1%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Work status	Refused	3,1%	3,0%	3,0%	3,0%	1,4%	2,2%
	Don't know	1,0%			1,3%	0,5%	0,2%
	Low	42,4%	45,6%	42,6%	40,7%	39,9%	41,7%
Income band	Average	36,3%	38,6%	37,9%	40,5%	35,5%	40,8%
	High	17,2%	12,7%	16,4%	14,6%	22,7%	15,3%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Region	Rural	26,4%	35,1%	26,4%	27,4%	31,2%	31,5%
	Urban	73,6%	64,9%	73,6%	72,6%	68,8%	68,5%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

²³ When interpreting the results of understanding of financial products, the weights of demographic sub-categories should also be taken in to account.

Table 4. Currently holding other financial products²⁴, by socio-demographic characteristics

	Currently holds a bank loan secured on a property	Currently holds an unsecured bank loan	Currently holds a pension or retirement product	Currently holds a credit card	Currently holds a microfinance loan	Currently holds an insurance	Currently holds bonds	
Gender	Female	54,4%	49,3%	48,8%	56,8%	45,3%	42,4%	27,2%
	Male	45,6%	50,7%	51,2%	43,2%	54,7%	57,6%	72,8%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Age	18-29	35,5%	18,1%	8,2%	31,4%	20,9%	21,5%	
	30-59	58,1%	75,3%	30,9%	59,8%	74,8%	64,6%	41,4%
	60-79	6,4%	6,6%	61,0%	8,8%	4,3%	13,9%	58,6%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Educational level	Refused	0%						
	University-level education	19,2%	42,6%	14,1%	58,4%	23,1%	23,3%	27,2%
	Technical/vocational education beyond secondary school level or Complete secondary school	53,5%	27,2%	42,9%	21,3%	23,3%	41,7%	52,2%
Educational level	Complete primary school or some secondary school level	27,3%	30,3%	37,1%	20,3%	53,6%	32,8%	20,7%
	No formal education or some primary school			5,9%			2,2%	
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Work situation	Refused	0,0%						
	Self-employed [work for myself]	13,0%	29,2%	6,2%	12,3%	44,7%	29,7%	81,7%
	In paid employment [work for someone else]	27,0%	28,1%	14,8%	52,4%	32,0%	31,4%	
	Student or Apprentice	10,5%	10,5%	3,6%	16,4%		8,1%	
	Looking after the home or not working and not looking for work	10,3%	14,0%	5,7%	9,5%		6,8%	
	Looking for work [unemployed]	33,0%	16,1%	14,5%	3,4%	23,3%	16,7%	
	Unable to work due to sickness or illhealth or Retired	6,1%	2,2%	55,1%	6,0%		7,3%	18,3%
Other	0,0%							
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	
Income band	Refused	2,6%	2,0%	2,9%	4,7%		0,7%	
	Don't know						0,6%	
	Low	49,2%	56,6%	61,9%	22,7%	65,2%	48,9%	20,7%
Income band	Average	26,4%	21,5%	30,8%	42,2%	27,8%	35,7%	70,4%
	High	21,7%	19,9%	4,4%	30,3%	6,9%	14,1%	8,9%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Region	Rural	16,2%	37,6%	30,6%	16,1%	69,3%	43,9%	41,4%
	Urban	83,8%	62,4%	69,4%	83,9%	30,7%	56,1%	58,6%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

²⁴ The table shows the percentages of respondents stating that they have heard of the financial products: Mortgage loan, Consumer loan, Credit card, Treasury bill, Microfinance, Insurance, Pension fund.

Table 5. Holding of other financial products in the last two years, by socio-demographic characteristics

	Recently chosen a bank loan secured on a property	Recently chosen an unsecured bank loan	Recently chosen a pension or retirement product	Recently chosen a credit card	Recently chosen a microfinance loan	Recently chosen insurance	Recently chosen bonds	
Gender	Female	50,6%	51,1%	49,7%	55,2%	44,5%	42,9%	28,4%
	Male	49,4%	48,9%	50,3%	44,8%	55,5%	57,1%	71,6%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Age	18-29	38,7%	20,5%	8,0%	32,8%	18,2%	23,1%	
	30-59	55,9%	70,6%	32,0%	57,7%	78,0%	62,1%	55,4%
	60-79	5,4%	8,9%	60,0%	9,5%	3,8%	14,8%	44,6%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Educational level	Refused							
	University-level education	22,9%	44,1%	13,9%	56,1%	25,1%	23,1%	28,4%
	Technical/vocational education beyond secondary school level or Complete secondary school	53,9%	29,3%	42,1%	26,6%	20,3%	39,5%	60,9%
Educational level	Complete primary school or some secondary school level	23,2%	26,7%	38,1%	17,3%	54,6%	35,0%	10,7%
	No formal education or some primary school			5,9%			2,4%	
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Work situation	Refused							
	Self-employed	21,6%	24,9%	6,1%	13,4%	46,9%	30,5%	42,3%
	In paid employment	27,5%	33,6%	14,6%	51,3%	27,9%	27,8%	28,6%
Work situation	Student or Apprentice	8,9%	7,9%	3,5%	14,0%		8,8%	
	Looking after the home or not working and not looking for work	8,8%	10,6%	7,3%	8,1%	4,9%	7,8%	
	Looking for work	28,1%	18,5%	14,3%	7,5%	20,3%	17,2%	19,7%
Work situation	Unable to work due to sickness or illhealth or Retired	5,2%	4,5%	54,2%	5,8%		7,8%	9,4%
	Other							
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Income band	Refused	4,4%	2,8%	4,5%	4,0%		0,6%	
	Don't know						0,6%	
	Low	41,8%	48,4%	60,8%	21,2%	69,6%	52,0%	30,4%
Income band	Average	35,3%	30,7%	30,3%	47,7%	24,3%	34,3%	50,6%
	High	18,5%	18,1%	4,3%	27,1%	6,0%	12,5%	19,0%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Region	Rural	22,2%	32,6%	31,8%	16,8%	60,5%	45,4%	55,3%
	Urban	77,8%	67,4%	68,2%	83,2%	39,5%	54,6%	44,7%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Table 6. Holding of other financial products, by socio-demographic characteristics

	Currently holds a bank loan secured on a property	Currently holds an unsecured bank loan	Currently holds a pension or retirement product	Currently holds a credit card	Currently holds a microfinance loan	Currently holds an insurance	Currently holds bonds	
Gender	Female	54,4%	49,3%	48,8%	56,8%	45,3%	42,4%	27,2%
	Male	45,6%	50,7%	51,2%	43,2%	54,7%	57,6%	72,8%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Age	18-29	35,5%	18,1%	8,2%	31,4%	20,9%	21,5%	
	30-59	58,1%	75,3%	30,9%	59,8%	74,8%	64,6%	41,4%
	60-79	6,4%	6,6%	61,0%	8,8%	4,3%	13,9%	58,6%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Educational level	Refused	0%						
	University-level education	19,2%	42,6%	14,1%	58,4%	23,1%	23,3%	27,2%
	Technical/vocational education beyond secondary school level or Complete secondary school	53,5%	27,2%	42,9%	21,3%	23,3%	41,7%	52,2%
	Complete primary school or some secondary school level	27,3%	30,3%	37,1%	20,3%	53,6%	32,8%	20,7%
	No formal education or some primary school	100,0%	100,0%	5,9%	100,0%	100,0%	100,0%	100,0%
Work situation	Refused	0,0%						
	Self-employed	13,0%	29,2%	6,2%	12,3%	44,7%	29,7%	81,7%
	In paid employment	27,0%	28,1%	14,8%	52,4%	32,0%	31,4%	
	Student or Apprentice	10,5%	10,5%	3,6%	16,4%		8,1%	
	Looking after the home or not working and not looking for work	10,3%	14,0%	5,7%	9,5%		6,8%	
	Looking for work	33,0%	16,1%	14,5%	3,4%	23,3%	16,7%	
	Unable to work due to sickness or illhealth or Retired	6,1%	2,2%	55,1%	6,0%		7,3%	18,3%
Income band	Other	0,0%						
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
	Refused	2,6%	2,0%	2,9%	4,7%		0,7%	
	Don't know						0,6%	
Region	Low	49,2%	56,6%	61,9%	22,7%	65,2%	48,9%	20,7%
	Average	26,4%	21,5%	30,8%	42,2%	27,8%	35,7%	70,4%
	High	21,7%	19,9%	4,4%	30,3%	6,9%	14,1%	8,9%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Region	Rural	16,2%	37,6%	30,6%	16,1%	69,3%	43,9%	41,4%
	Urban	83,8%	62,4%	69,4%	83,9%	30,7%	56,1%	58,6%
		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Table 7. Use of other financial products in the last two years, by demographic characteristics

	Recently chosen a bank loan secured on a property	Recently chosen an unsecured bank loan	Recently chosen a pension or retirement product	Recently chosen a credit card	Recently chosen a microfinance loan	Recently chosen insurance	Recently chosen bonds
Gender	Female	50,6%	51,1%	49,7%	44,5%	42,9%	28,4%
	Male	49,4%	48,9%	50,3%	44,8%	57,1%	71,6%
Age	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
	18-29	38,7%	20,5%	8,0%	32,8%	18,2%	23,1%
	30-59	55,9%	70,6%	32,0%	57,7%	78,0%	62,1%
	60-79	5,4%	8,9%	60,0%	9,5%	3,8%	14,8%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Educational level	Refused						
	University level education	22,9%	44,1%	13,9%	56,1%	25,1%	28,4%
	Technical/vocational education beyond secondary school or Complete secondary school	53,9%	29,3%	42,1%	26,6%	20,3%	39,5%
	Complete primary school or some secondary school level	23,2%	26,7%	38,1%	17,3%	54,6%	35,0%
	No formal education or some primary school	100,0%	100,0%	100,0%	100,0%	100,0%	2,4%
Work situation	Refused						
	Self-employed [work for myself]	21,6%	24,9%	6,1%	13,4%	46,9%	42,3%
	In paid employment [work for someone else]	27,5%	33,6%	14,6%	51,3%	27,9%	28,6%
	Student or Apprentice	8,9%	7,9%	3,5%	14,0%		8,8%
	Looking after the home or not working and not looking for work	8,8%	10,6%	7,3%	8,1%	4,9%	7,8%
	Looking for work [unemployed]	28,1%	18,5%	14,3%	7,5%	20,3%	17,2%
Income band	Unable to work due to sickness or ill health or Retired	5,2%	4,5%	54,2%	5,8%		9,4%
	Other						
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
	Refused	4,4%	2,8%	4,5%	4,0%		0,6%
	Don't know						0,6%
	Low	41,8%	48,4%	60,8%	21,2%	69,6%	52,0%
Region	Average	35,3%	30,7%	30,3%	47,7%	24,3%	50,6%
	High	18,5%	18,1%	4,3%	27,1%	6,0%	12,5%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
	Rural	22,2%	32,6%	31,8%	16,8%	60,5%	45,4%
Region	Urban	77,8%	67,4%	68,2%	83,2%	39,5%	54,6%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Table 8. Financial knowledge score by socio-demographic characteristics

Financial literacy score		Score 0 - 4	Score 5 - 7	Total
Gender	Female	52,5%	47,5%	100,0%
	Male	53,7%	46,3%	100,0%
Region	Rural	62,5%	37,5%	100,0%
	Urban	45,8%	54,2%	100,0%
Age	18-29	47,6%	52,4%	100,0%
	30-59	50,0%	50,0%	100,0%
	60-79	66,0%	34,0%	100,0%
Educational level	University-level education	30,5%	69,5%	100,0%
	Technical/vocational education beyond secondary school level or Complete secondary school	51,9%	48,1%	100,0%
	Complete primary school or some secondary school level	61,8%	38,2%	100,0%
	No formal education or some primary school	86,5%	13,5%	100,0%
	Self-employed	54,7%	45,3%	100,0%
Work situation	In paid employment	39,4%	60,6%	100,0%
	Student or Apprentice	41,3%	58,7%	100,0%
	Looking after the home or not looking for work	59,7%	40,3%	100,0%
	Looking for work	51,6%	48,4%	100,0%
	Unable to work due to sickness or illhealth or Retired	65,9%	34,1%	100,0%
Income band	Other	100,0%		100,0%
	Low	59,8%	40,2%	100,0%
	Average	44,5%	55,5%	100,0%
	High	33,1%	66,9%	100,0%
Total		52,5%	47,5%	100,0%

Table 9. Holding of financial products by the financial knowledge score

Financial knowledge level	Holds a payment product		Holds a saving or retirement product		Holds an insurance product		Holds a credit product		Total
	No	Yes	No	Yes	No	Yes	No	Yes	
Low financial knowledge	13,5%	5,6%	11,4%	6,8%	10,5%	7,9%	11,3%	4,7%	10,1%
Average financial knowledge	48,6%	35,7%	46,5%	34,3%	44,0%	37,6%	43,3%	41,9%	43,0%
High financial knowledge	37,9%	58,7%	42,1%	58,9%	45,6%	54,5%	45,4%	53,4%	46,9%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Source: Authors' calculations.

Table 10. Source of the information that has most influenced the product selection

Information that influenced decision to select a certain financial product	Yes	No	Total
Information picked up in a branch	38,8	61,2	100,0
Not applicable (no recent choice)	38,7	61,3	100,0
Advice of friends/relatives (not working in the financial services industry)	25,0	75,0	100,0
Advice of friends/relatives (who work in the financial services industry)	20,7	79,3	100,0
Television adverts	16,7	83,3	100,0
Information from sales staff of the firm providing the products	16,7	83,3	100,0
Employer's advice	16,7	83,3	100,0
My own previous experience	15,5	84,5	100,0
Television or radio programs	13,4	86,6	100,0
Other source	7,0	93,0	100,0
Product specific information found on the internet	7,0	93,0	100,0
Newspaper articles	7,0	93,0	100,0
Best-buy information found on the internet	5,8	94,2	100,0
Don't know	4,0	96,0	100,0
Newspaper adverts	3,2	96,8	100,0
Recommendation from independent financial adviser or broker	3,0	97,0	100,0
Refused	2,4	97,6	100,0
Best-buy tables in financial pages of newspapers/magazines	2,3	97,7	100,0
Unsolicited information sent through the post	2,1	97,9	100,0
Other advertising	1,9	98,1	100,0
Specialist magazines/publications	0,8	99,2	100,0

Source: Authors' calculations.

Table 11. Behavior when choosing a financial products, according to demographic characteristics

		I considered several options from different companies before making my decision	I looked around but there were no other options to consider	I considered the various options from one company	I didn't consider any other options at all	Refused	Don't know	Total
Gender	Female	31,3%	0,6%	8,4%	40,7%	5,8%	13,2%	100,0%
	Male	35,9%	0,5%	9,6%	37,1%	7,5%	9,5%	100,0%
Region	Rural	27,9%	1,1%	8,2%	35,6%	7,3%	19,9%	100,0%
	Urban	37,3%	0,1%	9,5%	40,9%	6,3%	5,7%	100,0%
Age	18-29	41,1%	0,4%	5,4%	39,5%	2,5%	11,1%	100,0%
	30-59	31,6%	0,3%	12,2%	38,8%	6,6%	10,5%	100,0%
	60-79	29,4%	1,3%	4,4%	38,0%	13,0%	13,9%	100,0%
Educational level	University-level education	47,3%		11,1%	35,3%	2,6%	3,6%	100,0%
	Technical/vocational education beyond secondary school or Complete secondary school	34,0%	0,5%	8,9%	38,0%	6,2%	12,4%	100,0%
	Complete primary school or some secondary school	21,8%	1,1%	8,4%	44,3%	10,2%	14,2%	100,0%
Work situation	No formal education or some primary	21,6%			31,4%	14,2%	32,8%	100,0%
	Self-employed	37,6%		12,7%	31,0%	6,0%	12,7%	100,0%
	In paid employment	34,5%		8,9%	45,9%	3,7%	7,1%	100,0%
Income band	Student or Apprentice	37,8%		10,2%	38,9%		13,1%	100,0%
	Looking after the home or not looking for work	35,5%	0,9%	7,4%	38,4%	3,3%	14,5%	100,0%
	Looking for work	32,7%		10,7%	33,3%	12,2%	11,1%	100,0%
Total	Unable to work due to sickness or illhealth or Retired	25,9%	2,8%	3,5%	42,3%	12,4%	13,1%	100,0%
	Other				55,7%		44,3%	100,0%
	Low	29,7%	0,4%	8,2%	37,9%	9,2%	14,6%	100,0%
Income band	Average	34,8%	1,0%	10,1%	39,6%	4,8%	9,7%	100,0%
	High	44,2%		10,3%	45,5%			100,0%
Total		33,6%	0,5%	9,0%	38,8%	6,7%	11,3%	100,0%

Source: Authors' calculations.

Table 12. Borrowing to make ends meet, by socio-demographic characteristics

	Making ends meet	Credits to make ends meet	Other	Total
Gender	Female	44,5%	55,5%	100,0%
	Male	37,5%	62,5%	100,0%
Region	Rural	42,4%	57,6%	100,0%
	Urban	39,9%	60,1%	100,0%
Age	18-29	36,5%	63,5%	100,0%
	30-59	43,2%	56,8%	100,0%
	60-79	40,9%	59,1%	100,0%
	University-level education	27,4%	72,6%	100,0%
Educational level	Technical/vocational education beyond secondary school level or Complete secondary school	36,2%	63,8%	100,0%
	Complete primary school or some secondary school	53,2%	46,8%	100,0%
Work situation	No formal education or some primary school	42,8%	57,2%	100,0%
	Self-employed [work for myself]	43,0%	57,0%	100,0%
	In paid employment [work for someone else]	31,9%	68,1%	100,0%
	Student or Apprentice	34,8%	65,2%	100,0%
	Looking after the home or not working and not looking for work	44,3%	55,7%	100,0%
	Looking for work [unemployed]	48,4%	51,6%	100,0%
Income band	Unable to work due to sickness or illhealth or Retired	42,1%	57,9%	100,0%
	Other	20,5%	79,5%	100,0%
	Low	52,5%	47,5%	100,0%
	Average	27,7%	72,3%	100,0%
	High	20,2%	79,8%	100,0%
Total		41,0%	59,0%	100,0%

Source: Authors' calculations.

Table 13. Attitudes toward the statement “Money is there to be spent”, by socio-demographic characteristics

Money is there to be spent	Refused	Don't know	Completely agree	More pro than con	Agree in half of the cases	More con than pro	Completely disagree	Total
Gender	Female	1,0%	14,8%	25,6%	18,7%	23,8%	14,7%	100,0%
	Male	0,7%	16,1%	27,1%	22,7%	20,3%	12,1%	100,0%
Region	Rural	1,4%	13,0%	24,4%	22,9%	23,4%	13,3%	100,0%
	Urban	0,4%	0,7%	17,4%	27,9%	19,1%	21,1%	100,0%
Age	18-29	0,4%	19,2%	35,7%	19,4%	17,8%	7,6%	100,0%
	30-59	0,6%	13,3%	23,5%	20,2%	25,5%	15,7%	100,0%
	60-79	2,4%	1,9%	16,2%	22,6%	23,3%	19,0%	100,0%
Educational level	University level education	1,1%	17,6%	33,8%	20,6%	19,1%	7,4%	100,0%
	Technical/vocational education beyond secondary school or Complete secondary school	0,2%	1,0%	15,9%	25,9%	22,5%	23,0%	100,0%
Work situation	Complete primary school or some secondary school	0,6%	1,1%	15,3%	22,5%	21,0%	21,3%	100,0%
	No formal education or some primary school	4,4%	4,0%	7,5%	27,0%	10,5%	29,6%	100,0%
	Self-employed	0,5%	1,3%	8,0%	26,2%	23,3%	27,3%	100,0%
	In paid employment	0,5%	1,3%	15,5%	27,0%	24,1%	22,4%	100,0%
Income band	Student or Apprentice	0,8%	1,3%	10,5%	34,8%	23,9%	19,8%	100,0%
	Looking after the home or not working and not looking for work	0,8%	1,5%	11,5%	34,6%	9,5%	24,4%	100,0%
Total	Looking for work	0,5%	2,0%	26,2%	20,9%	19,3%	18,7%	100,0%
	Unable to work due to sickness or ill-health or Retired	2,8%	1,8%	15,4%	23,5%	21,0%	19,8%	100,0%
	Other	1,1%	1,6%	40,0%	43,1%	16,9%	10,0%	100,0%
Total	Low	0,6%	1,3%	11,3%	26,8%	27,3%	23,6%	100,0%
	Average	0,9%	1,1%	15,5%	26,3%	20,8%	22,2%	100,0%
Total	High	0,9%	1,1%	15,5%	26,3%	20,8%	22,2%	100,0%
	Total	0,9%	1,1%	15,5%	26,3%	20,8%	22,2%	100,0%

Source: Authors' calculations.

Table 14. Attitudes toward “I find it more satisfying to spend money than to save it for the long term”, by socio-demographic characteristics

	I find it more satisfying to spend money than to save it for the long term	Refused	Don't know	Completely agree	More pro than con	Agree in half of the cases	More con than pro	Completely disagree	Total
Gender	Female	1,3%	1,0%	3,0%	10,0%	15,0%	44,5%	25,2%	100,0%
	Male	0,5%	0,3%	7,5%	11,2%	17,3%	43,0%	20,2%	100,0%
Region	Rural	0,4%	1,1%	4,6%	12,2%	16,5%	45,0%	20,2%	100,0%
	Urban	1,2%	0,3%	5,8%	9,3%	15,9%	42,8%	24,6%	100,0%
Age	18-29			8,2%	12,9%	17,4%	44,0%	17,5%	100,0%
	30-59	0,9%	0,6%	4,2%	9,2%	15,7%	44,2%	25,1%	100,0%
	60-79	1,7%	1,4%	4,4%	11,1%	15,8%	42,6%	22,9%	100,0%
Educational level	University-level education	1,1%		5,5%	8,4%	25,6%	42,6%	16,7%	100,0%
	Technical/vocational education beyond secondary school or Complete secondary school	0,5%	0,1%	5,4%	9,5%	13,9%	49,2%	21,4%	100,0%
	Complete primary school or some secondary school	0,7%	0,8%	5,6%	11,8%	12,4%	41,9%	26,8%	100,0%
	No formal education or some primary school	3,0%	5,2%	1,5%	17,3%	19,0%	29,5%	24,5%	100,0%
Work situation	Self-employed	0,5%	0,7%	3,0%	9,2%	14,0%	49,2%	23,5%	100,0%
	In paid employment	0,9%	0,4%	4,5%	9,0%	18,2%	47,2%	19,8%	100,0%
	Student or Apprentice			4,5%	18,7%	10,6%	47,3%	18,9%	100,0%
	Looking after the home or not looking for work	0,8%	1,4%	4,5%	7,0%	15,1%	41,8%	29,5%	100,0%
	Looking for work	0,5%		10,6%	12,4%	20,0%	37,0%	19,5%	100,0%
	Unable to work due to sickness or illhealth or Retired	2,0%	1,4%	4,0%	11,5%	14,6%	40,3%	26,1%	100,0%
Income band	Other					16,9%	62,4%	20,7%	100,0%
	Low	0,9%	0,9%	6,7%	11,6%	16,7%	39,6%	23,6%	100,0%
	Average	0,5%	0,5%	3,2%	10,9%	14,4%	50,6%	20,0%	100,0%
	High	2,4%		4,3%	4,4%	15,0%	49,5%	24,3%	100,0%
Total	0,9%	0,7%	5,3%	10,7%	15,8%	44,1%	22,5%	100,0%	

Source: Authors' calculations.

Table 15. Attitudes toward “I find it more satisfying to spend money than to save it for the long term”, by socio-demographic characteristics

I tend to live for today and let tomorrow take care of itself		Refused	Don't know	Completely agree	More pro than con	Agree in half of the cases	More con than pro	Completely disagree	Total
Gender	Female	0,7%	0,8%	6,0%	10,5%	15,6%	36,1%	30,3%	100,0%
	Male	0,2%	0,3%	9,4%	17,6%	16,7%	34,8%	21,0%	100,0%
Region	Rural	0,4%	1,0%	6,3%	16,2%	17,8%	37,8%	20,5%	100,0%
	Urban	0,5%	0,1%	8,9%	12,4%	14,9%	33,6%	29,6%	100,0%
Age	18-29		0,4%	10,5%	20,8%	25,4%	23,1%	19,8%	100,0%
	30-59	0,3%	0,1%	6,3%	10,9%	14,7%	40,3%	27,4%	100,0%
	60-79	1,3%	1,6%	7,8%	14,0%	9,5%	37,8%	28,0%	100,0%
Educational level	University-level education	0,6%		9,3%	12,9%	19,8%	37,1%	20,3%	100,0%
	Technical/vocational education beyond secondary school or Complete secondary school		0,6%	6,2%	15,7%	15,8%	38,1%	23,6%	100,0%
Work situation	Complete primary school or some secondary school level	0,4%	0,1%	8,4%	12,7%	15,8%	32,2%	30,5%	100,0%
	No formal education or some primary school	3,0%	4,1%	7,4%	17,7%	8,4%	34,4%	25,1%	100,0%
	Self-employed	0,3%	0,4%	5,0%	14,3%	20,4%	33,9%	25,7%	100,0%
	In paid employment Student or Apprentice Looking after the home or not working and not looking for work			9,3%	12,3%	15,3%	40,3%	22,8%	100,0%
Income band	Low	0,6%	0,7%	8,2%	14,0%	15,3%	33,8%	27,5%	100,0%
	Average	0,2%	0,2%	6,1%	15,8%	18,1%	38,7%	20,9%	100,0%
Total	High	0,8%		11,3%	7,6%	15,9%	36,4%	28,0%	100,0%
	Total	0,5%	0,5%	7,7%	14,1%	16,2%	35,4%	25,6%	100,0%

Source: Authors' calculations.

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