



FINANCIAL LITERACY IN BALTICS.

**OECD INFE
RESEARCH 2016**

Ieva Upleja,
Head of Standing Group, FCMC
Riga, Latvia, 28.04.2017.

MAIN TASKS OF THE FCMC

- International Partnership:



- National Standing Group (4 meetings per year)
- Annual checking of indicators
- Reporting to all partners and the government
- Public opinion (PR, leaders, partnership)
- Support and trainings for teachers

NATIONAL STRATEGY 2014-2020

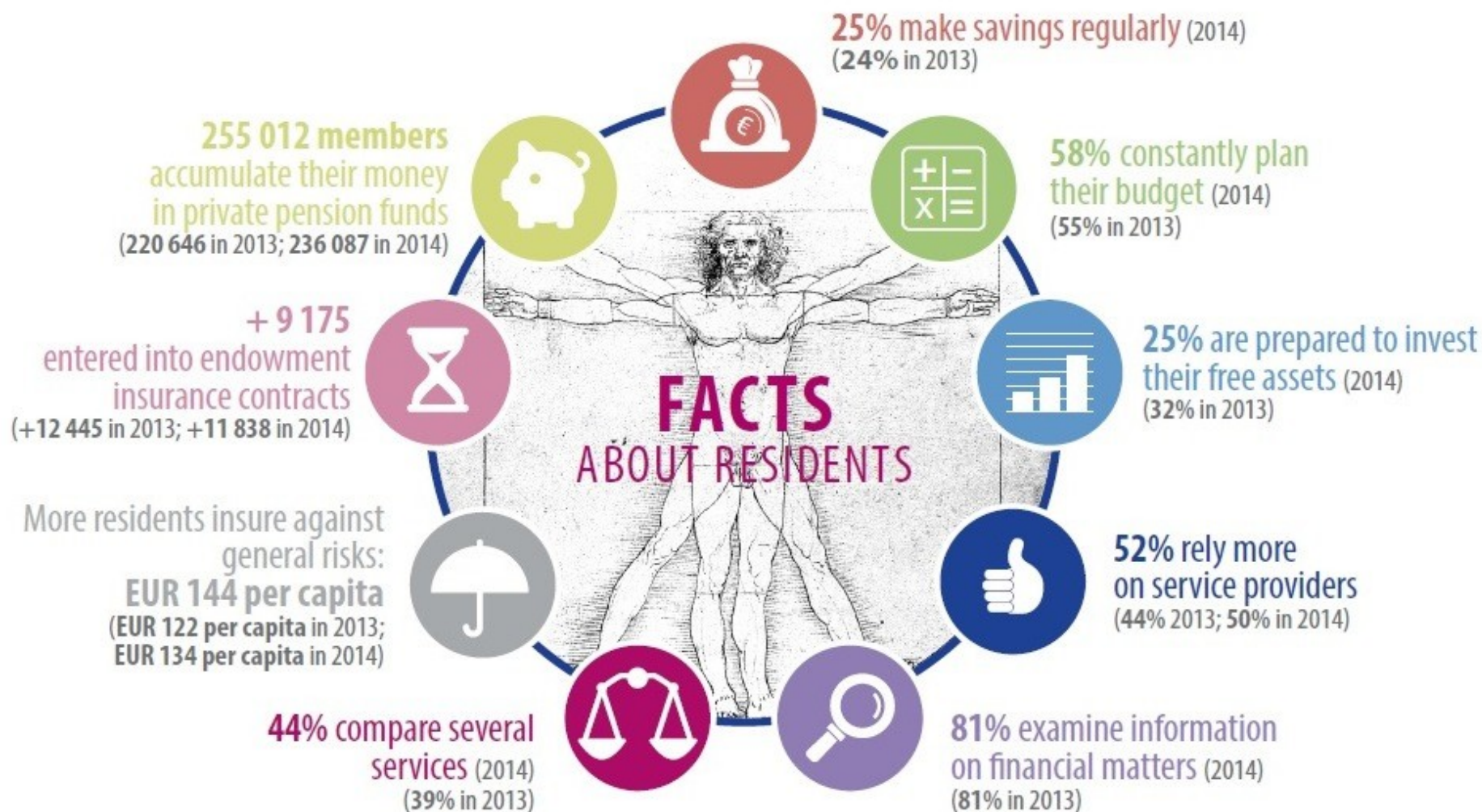
Tradition of
planning&savings
4 INDICATORS

Financial
Services&Integrity
5 INDICATORS

Sustainability of
Public Finances
4 INDICATORS

- proportion of planners and active savers
- total amount of household savings
- share of the life insurance (to total insurance market)
- confidence in the financial sector/ service providers
- total amount and number of problem loans
- premiums written on risk insurance (per capita)
- proportion of household loans/deposits
- total resident deposit stock and GDP (per capita)

INFORMATION TOOLS FOR EVERYONE



OECD PISA 2012

Belgium
Estonia
Australia
New Zealand
Czech Republic
Poland

Latvia 501

OECD average 500
USA, Russia, France

“Latvia has built an educational system which provides equal opportunities for all students from families with a different socio-economic status to achieve a good level of financial literacy .”

FINANCIAL LITERACY INDEX

Interactive tool consisting of two components:

A - the score in seven financial literacy topics



B - summary of indicators featuring the Latvian household financial stability and sustainability (comments on the situation as from year 2004)

[INDEX on our website](#)

INDICATORS USED FOR INDEX

Unemployment rate



Average salary (net)
(over the previous period)



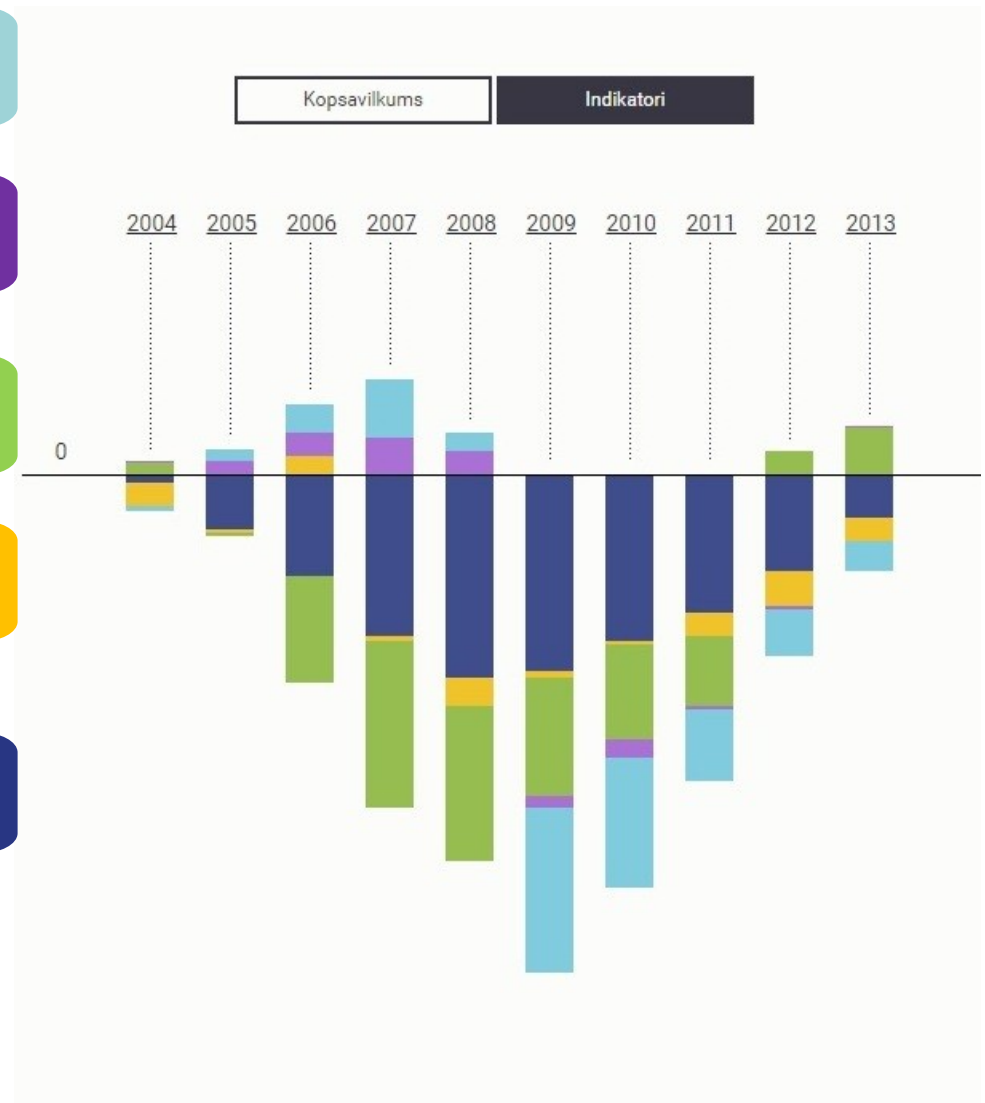
Households' interest
payments (% of GDP)



Household deposits
(% of GDP)



Household loan/
deposit ratio
(110/100)



[INDEX on our website](#)

NATIONAL SURVEYS 2014, 2015

Based on OECD INFE *Core Questionnaire:*

- Insufficient level of planning/budgeting
- Important number of residents don't have any savings for rainy day
- Low level of longterm savings
- Users of fast credits – 32%

REGULARY
PLANNING 55%
2013 – 51%

24% MAKE
SAVINGS
REGULARY
2013- 31%

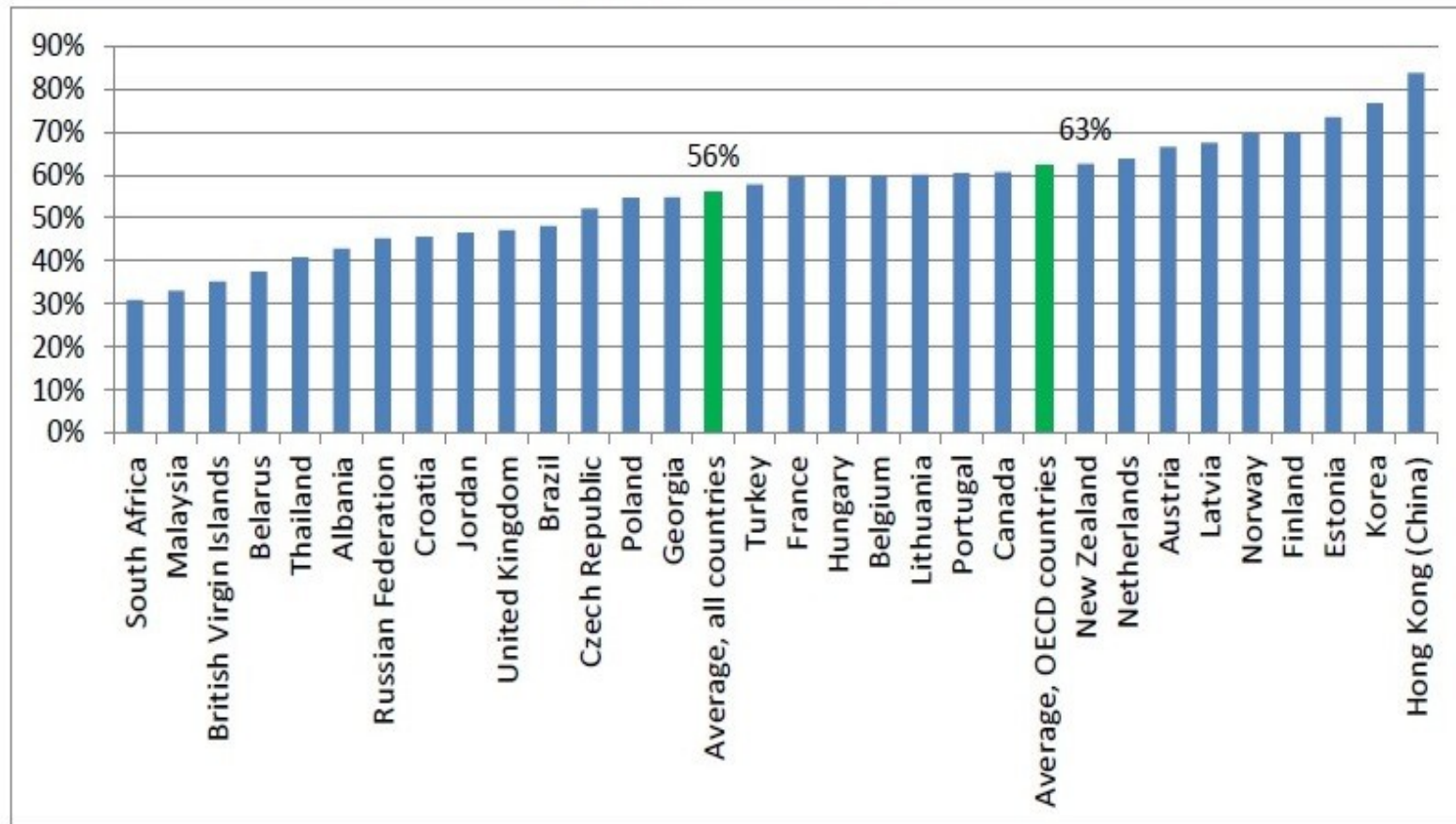
82% HAVE ONLY
THE STATE
PENSION IN
RETIREMENT

63% DO NOT
HAVE ANY
SAVINGS

OECD SURVEY 2016: KNOWLEDGE

Figure 2. High score (5 or more) on financial knowledge

Percentages (weighted data): all respondents

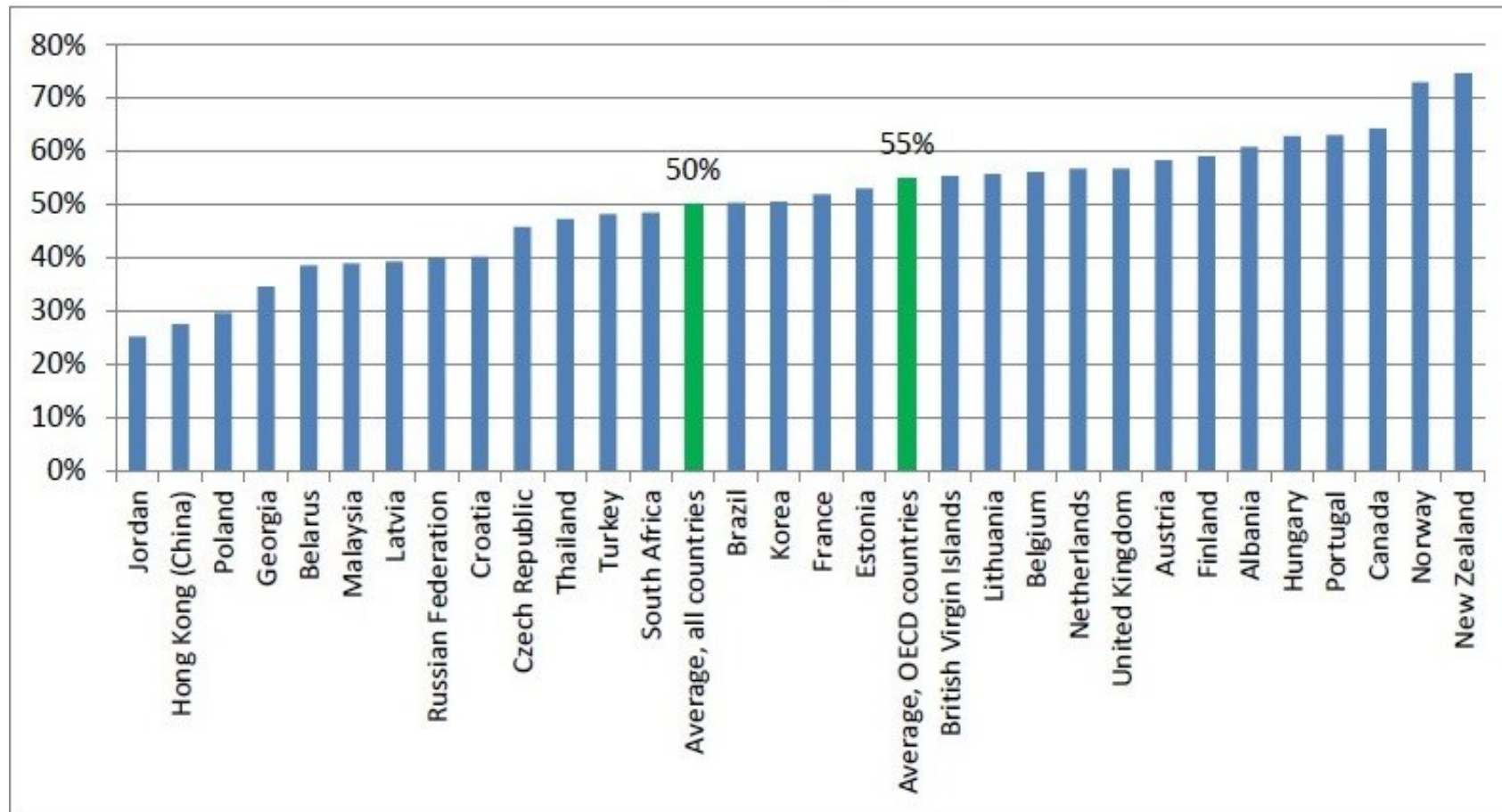


Average, all countries and Average, OECD countries report the mean of the country/economy percentages. Each country/economy is therefore given equal weight.

OECD SURVEY 2016: ATTITUDE

Figure 12. High score (more than 3) on financial attitudes

Percentages (weighted data): all respondents



Average, all countries and Average, OECD countries report the mean of the country/economy percentages. Each country/economy is therefore given equal weight.

OECD SURVEY 2016: **BEHAVIOUR**

Does your household have a budget?

% responding yes, OECD ave - 57%)

LV – 90% LT – 65% EE – 43%

Does your income always cover all living costs?

(% responding no, OECD ave – 28%)

LV – 36% LT – 30% **EE – 24%**

Hasd your household borrowed to make ends meet?

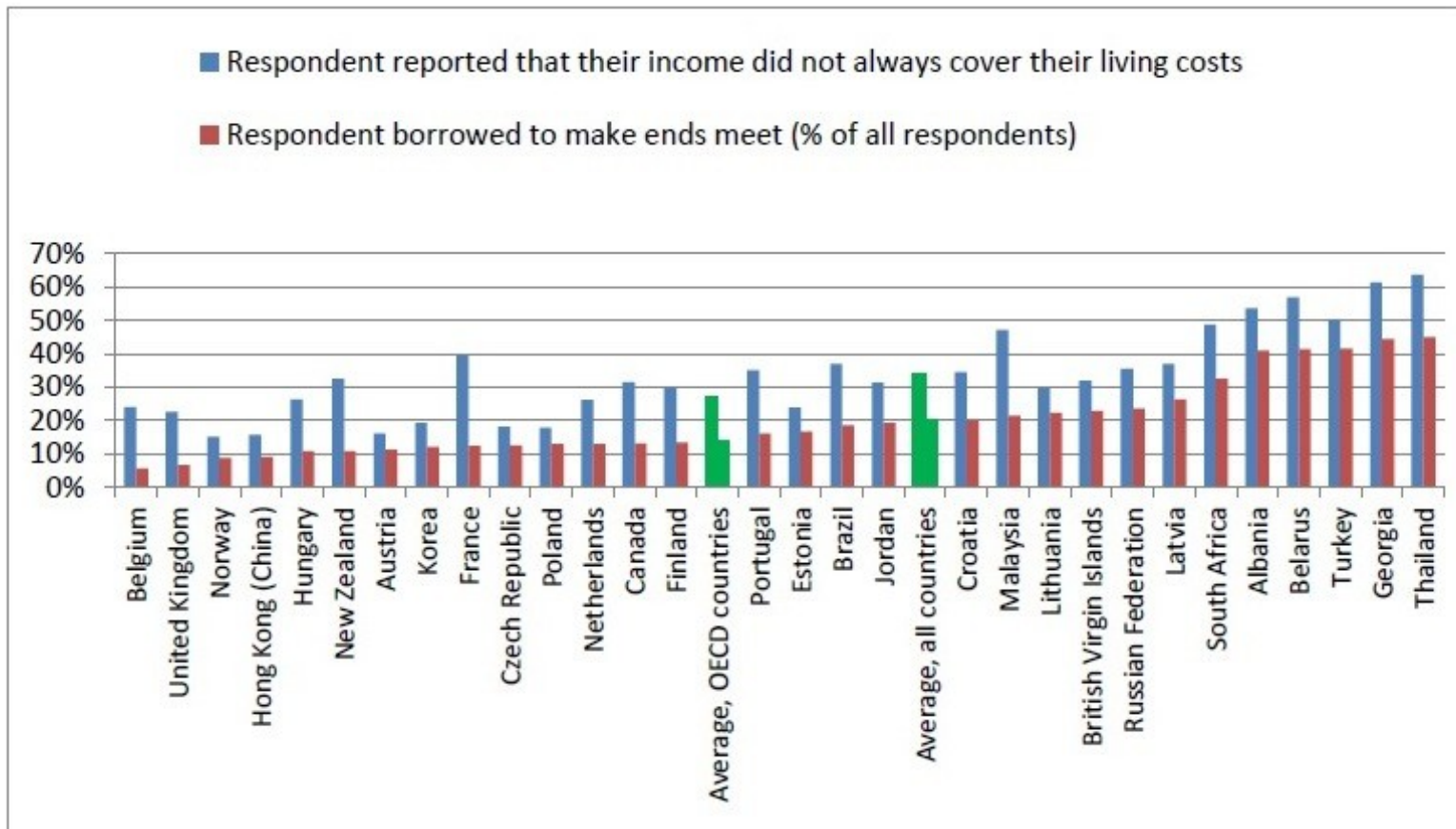
(% responding yes, OECD ave – 14%)

LV- 28% LT – 21% **EE- 16%**

OECD SURVEY 2016: BEHAVIOUR

Figure 7. Making ends meet

Percentages (weighted data): all respondents, sorted by 'borrowed to make ends meet'

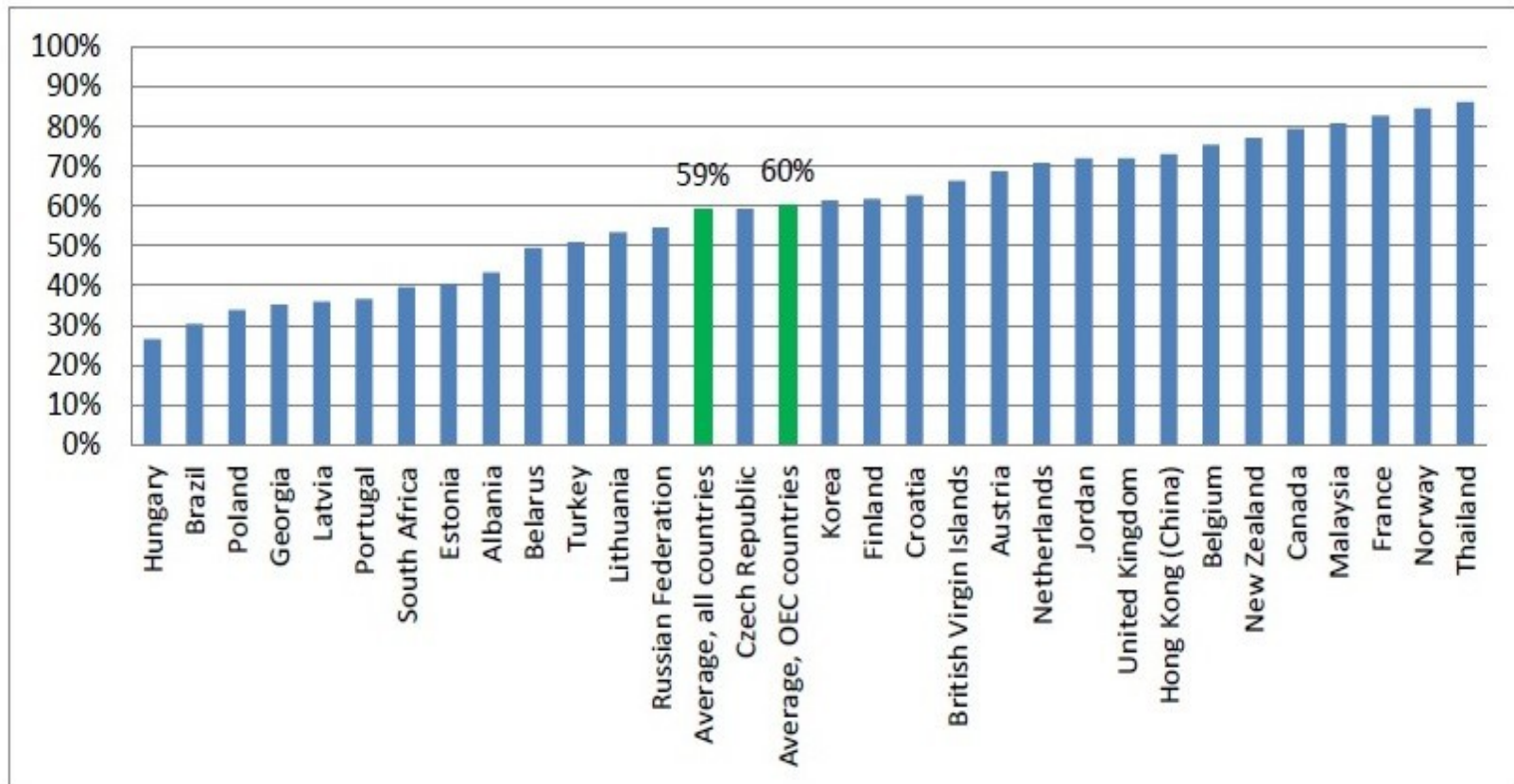


Average, all countries and Average, OECD countries report the mean of the country/economy percentages. Each country/economy is therefore given equal weight. Derived responses from QF11 and QF12.

OECD SURVEY 2016: BEHAVIOUR

Figure 5. Active savers

Percentages (weighted data): all respondents



Average, all countries and Average, OECD countries report the mean of the country/economy percentages. Each country/economy is therefore given equal weight.

BALTIC'S – FINANCIAL LITERACY

	KNW	ATT	BEH	AVR
EE	5.3	3.2	4.9	13.4
LV	5.1	3.0	5.3	13.3
LT	4.7	3.2	5.5	13.5

0

LV EE LT **OECD**

20



13.7

OECD: GENDER DIFFERENCES

Knowledge OECD ave – 69% M, 56% W

Attitude OECD ave – 52% M 58% W

Behaviour OECD ave - 53% M, 55% W

	KNW	ATT	BEH
EE	74% M 73%W	51% M 55% W	36% M 40% W
LV	68% M 67% W	38%M 41% W	44% M 52% W
LT	68% M 53% W	54% M 57%W	53% M 49% W

NEXT STEPS IN LATVIA

Lifelong Educational Programme on FinLit for Adults & Tests and Exercises

in line with:

MEASUREMENT
INFORMATION
INTERNATIONAL



RESEARCH
CONSULTATION
COOPERATION



FINANCIAL AND CAPITAL
MARKET COMMISSION OF
THE REPUBLIC OF LATVIA

www.fktk.lv

www.klientuskola.lv

