

# Financial Literacy: Money Management for Creating a Life of Well-Being

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# Chart 1 Financial Literacy Survey

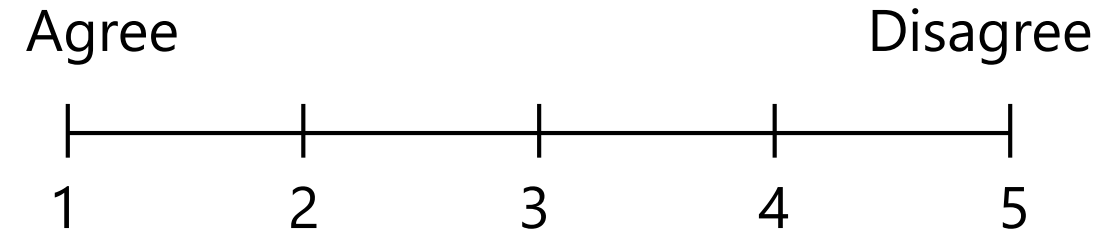
True/false questions on "financial knowledge and financial decision-making skills"

■ If interest rates rise, what will typically happen to bond prices?

1. They will rise
2. They will fall
3. They will stay the same
4. There is no relationship between bond prices and interest rates
5. Don't know

Questions on "characteristics of behavior and attitude"

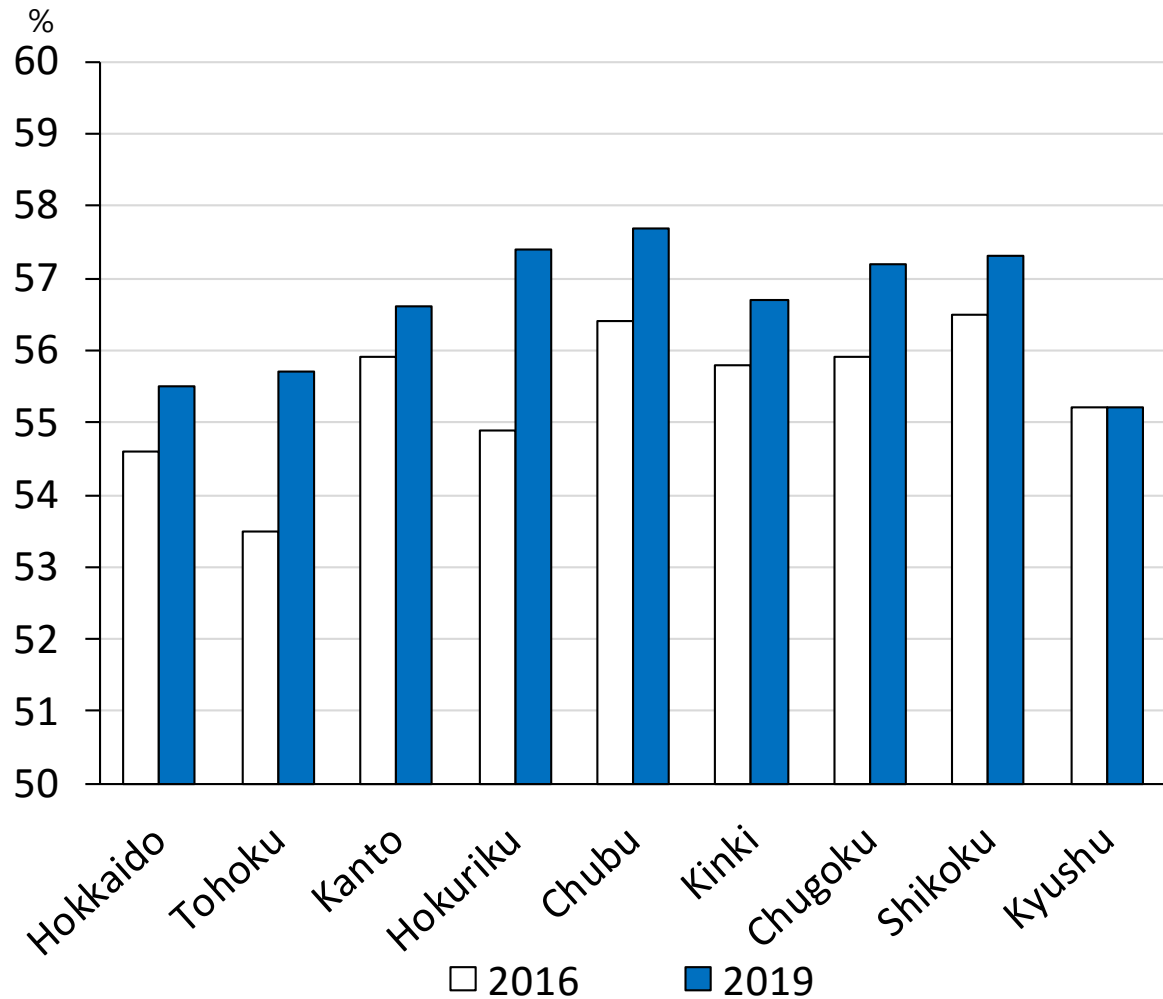
■ I set long-term financial goals and strive to achieve them.



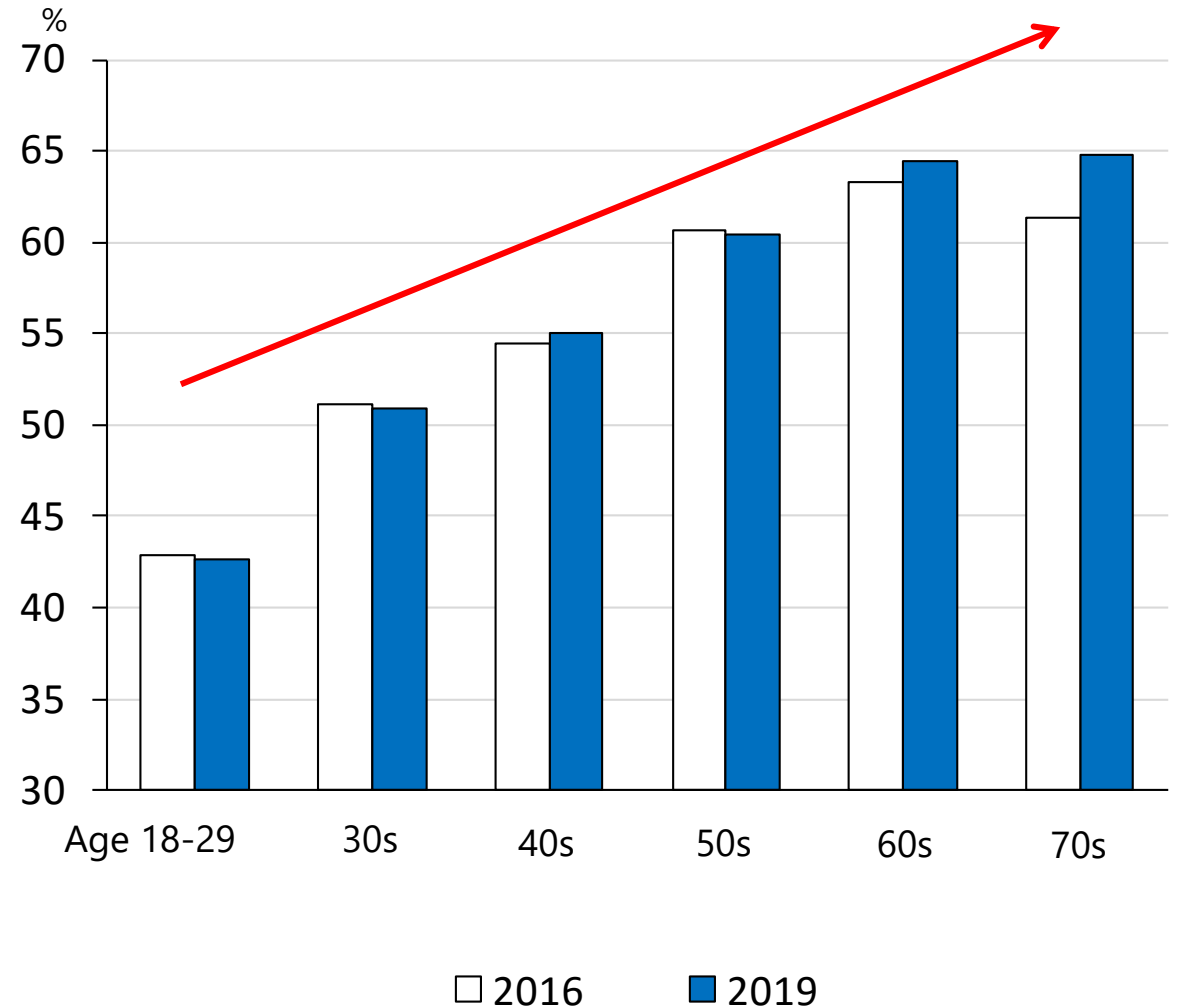
# Chart 2 Correct answers to true/false questions (1)

Nationwide average: 56.6% (2016 survey: 55.6%)

### By region



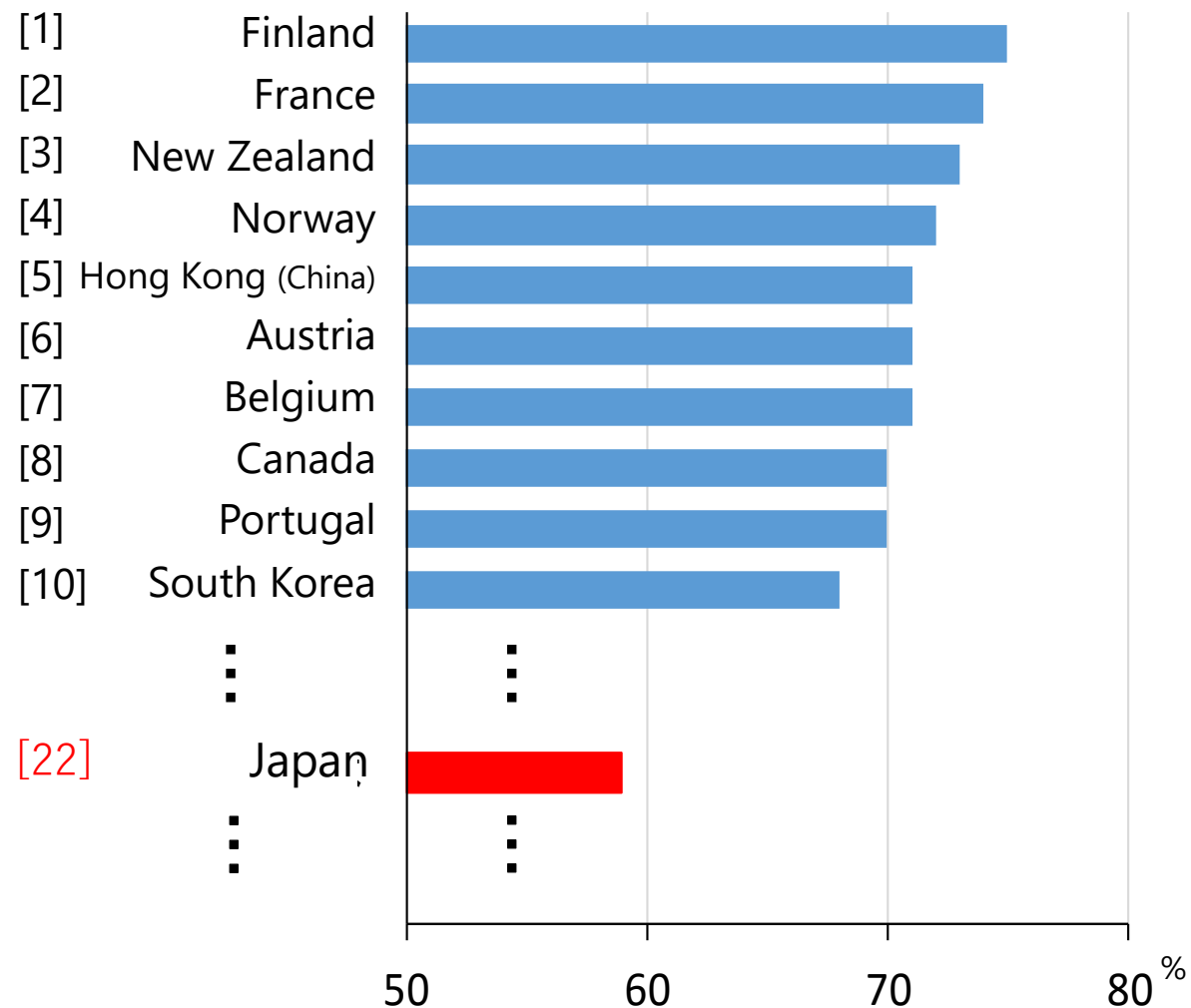
### By age group



# Chart 3 Correct answers (2): International comparison

## OECD Survey (11 common questions)

Questions with relatively low percentage of correct answers in Japan



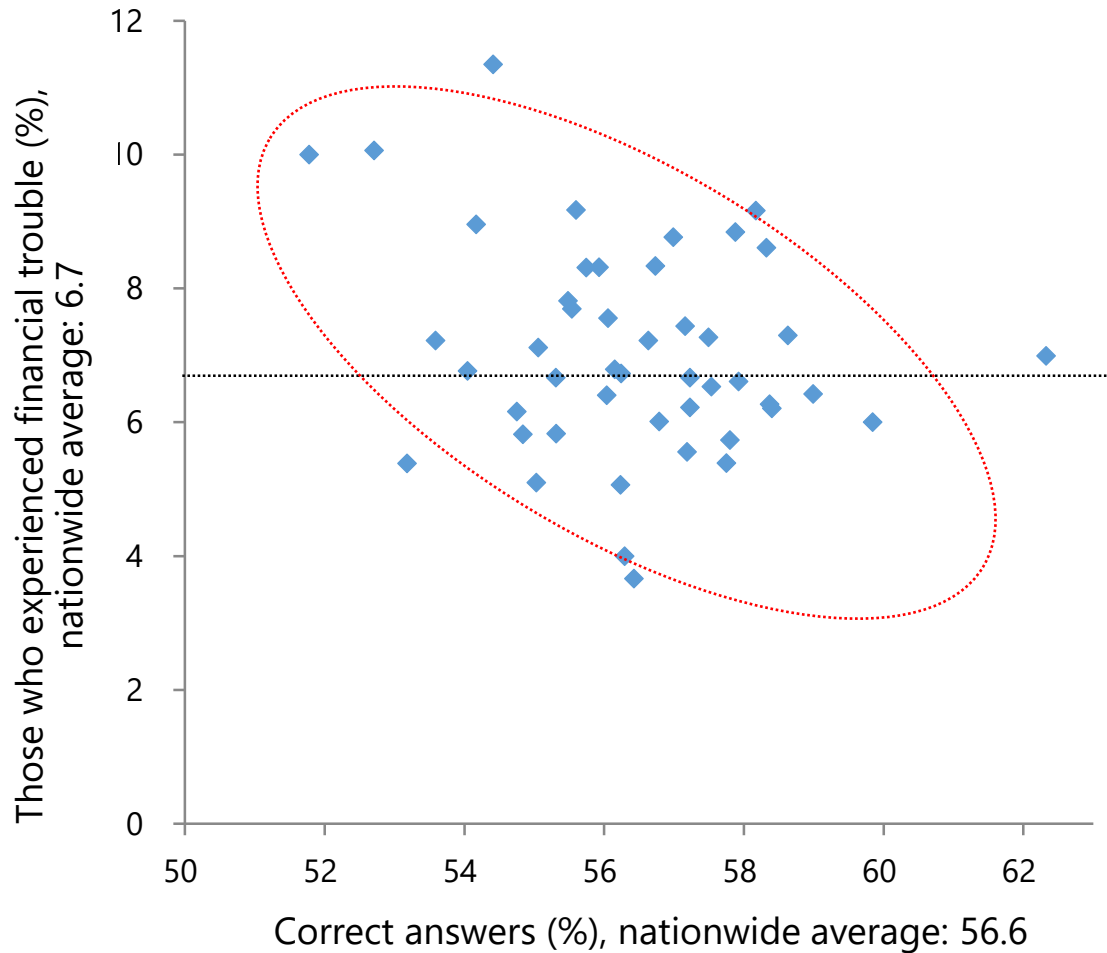
■ **Inflation** (true/false question): "High inflation means that the overall cost of living is increasing rapidly"

■ **Compound interest**: "Suppose you put 1 million yen into an account with a guaranteed interest rate of 2% per year. If no further deposits or withdrawals are made, how much would be in the account after 5 years (disregarding tax deductions)?"

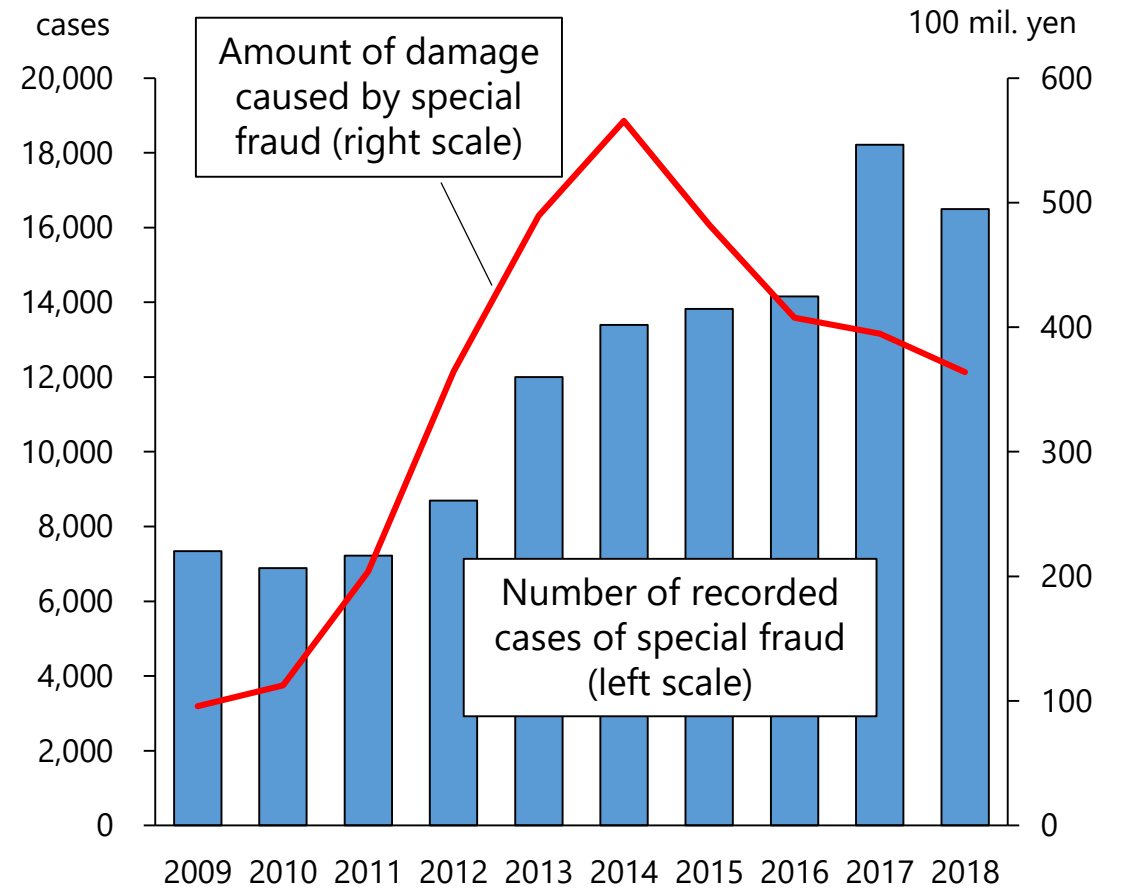
■ **Diversified investment** (true/false question): "Buying a single company's stock usually provides a safer return than a stock mutual fund (a financial product for investing in stocks of several companies)"

# Chart 4 High scores vs Financial trouble

Percentage of correct answers and proportion of respondents who had experienced financial trouble



(Reference) Damage caused by special fraud

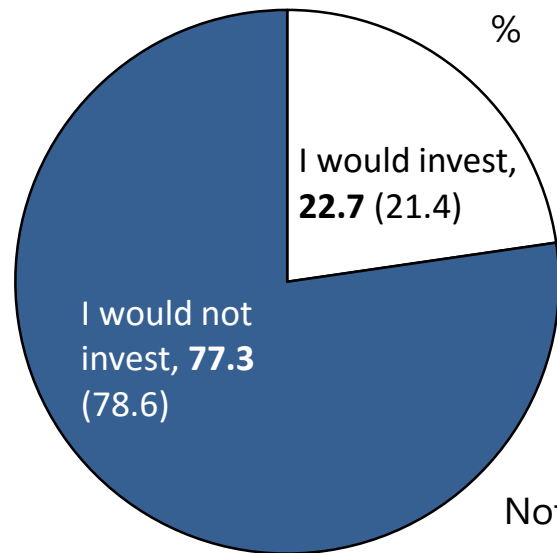


Source: National Police Agency, *Cases of Special Fraud Reported and Arrested, 2018 (Final Figures)*.

# Chart 5 Investment stance

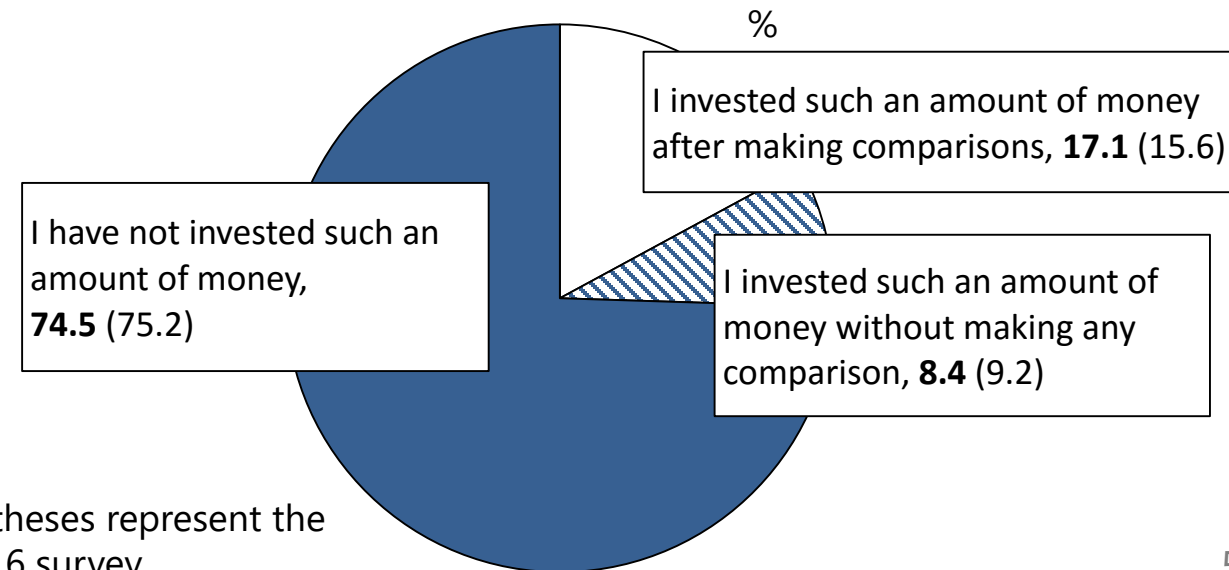
## Risk-taking stance

- Suppose that, if you invested 100,000 yen, you would get either of the following at a 50% probability:
  - a capital gain of 20,000 yen, or
  - a capital loss of 10,000 yen.What would you do?



## Money investment

- Have you ever invested an amount of money that exceeded your monthly living expenses?
- When you invested such an amount in a financial product most recently, did you compare it with other financial institutions' products or other types of financial products in order to choose one that was considered to be the most beneficial?



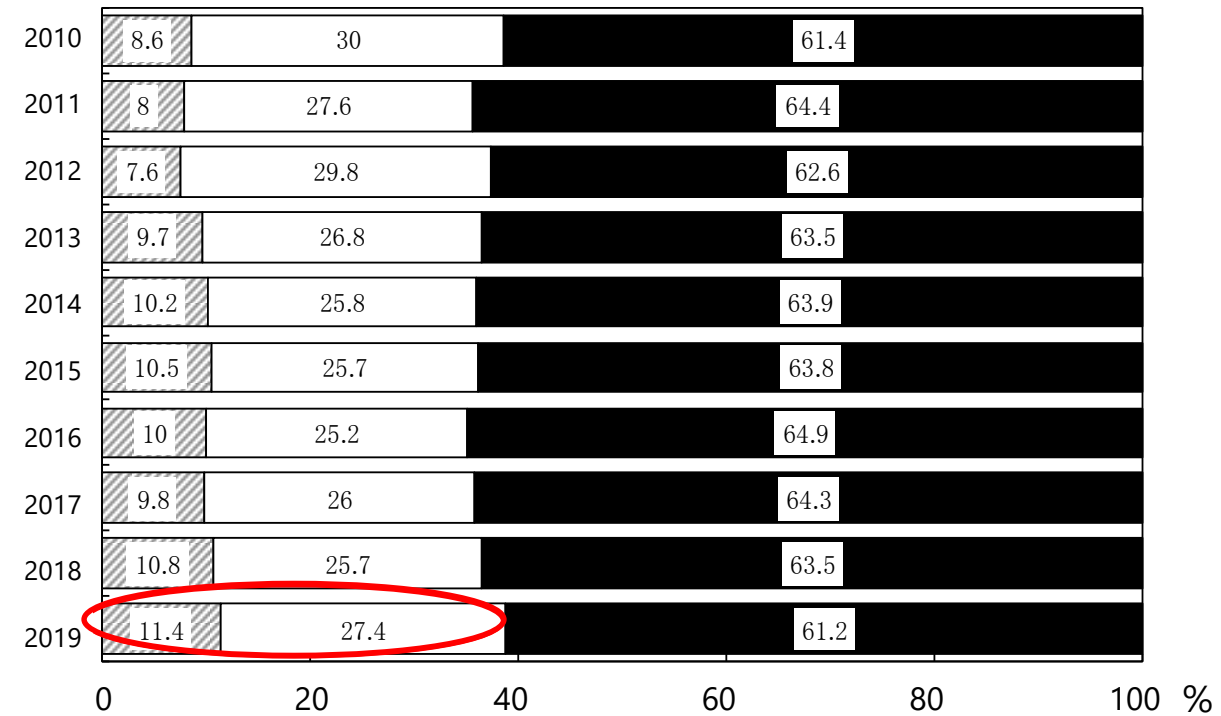
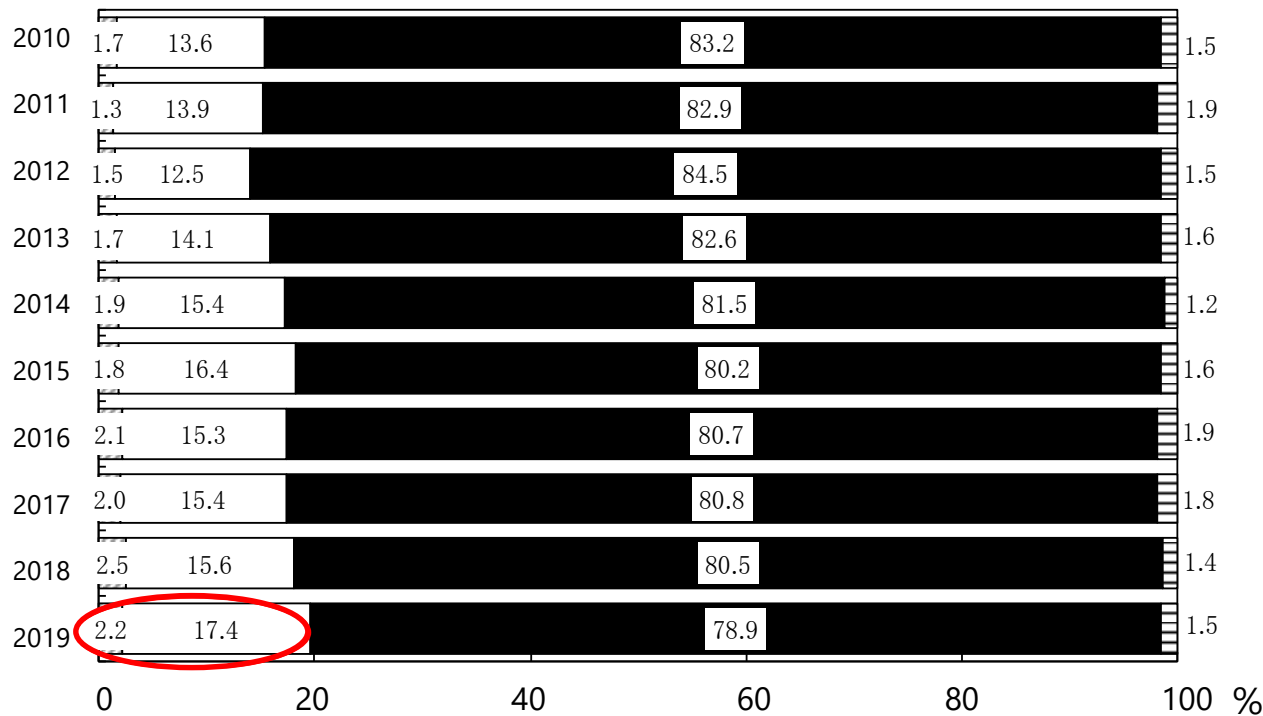
Note: Figures in parentheses represent the results of the 2016 survey.

# Chart 6 Investment stance (*Survey on Household Finances*)

■ To what extent do you intend to hold financial products that have a risk of falling below par, but are expected to be profitable, over the next one or two years?

### Two-or-more-person households

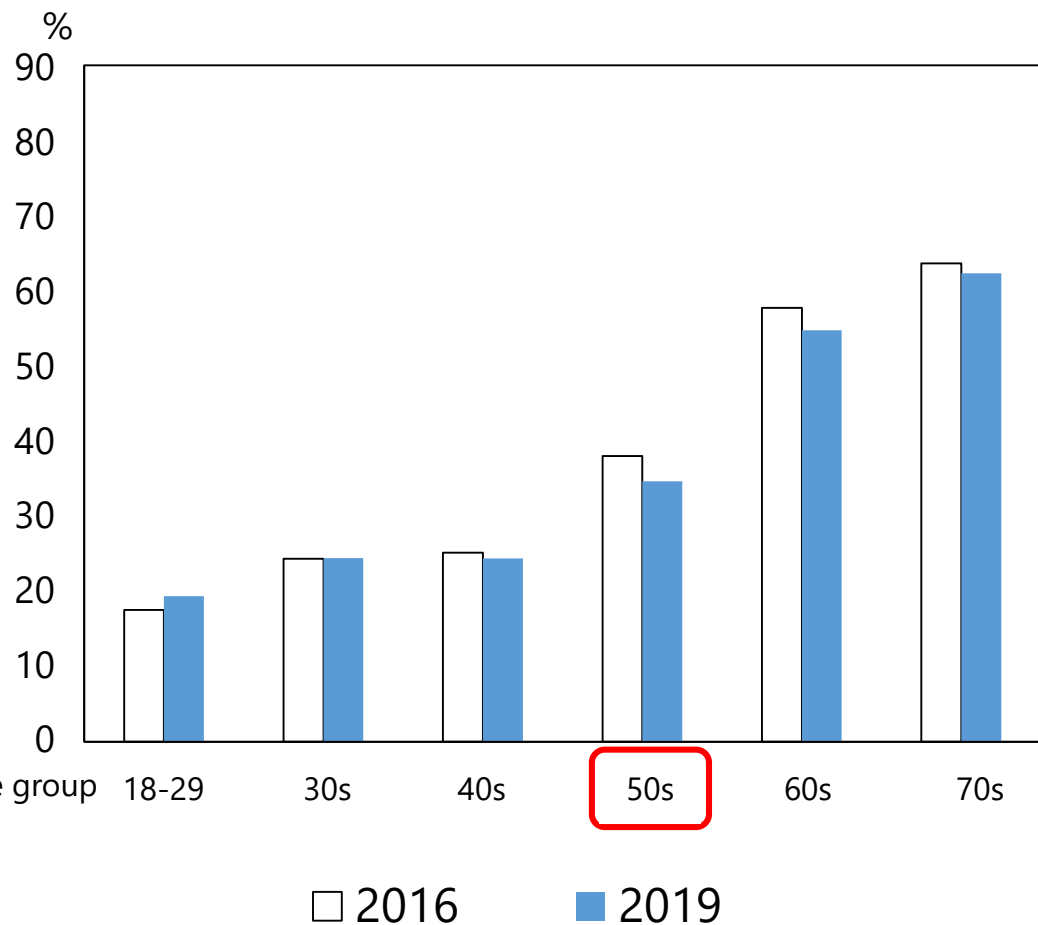
### Single-person households



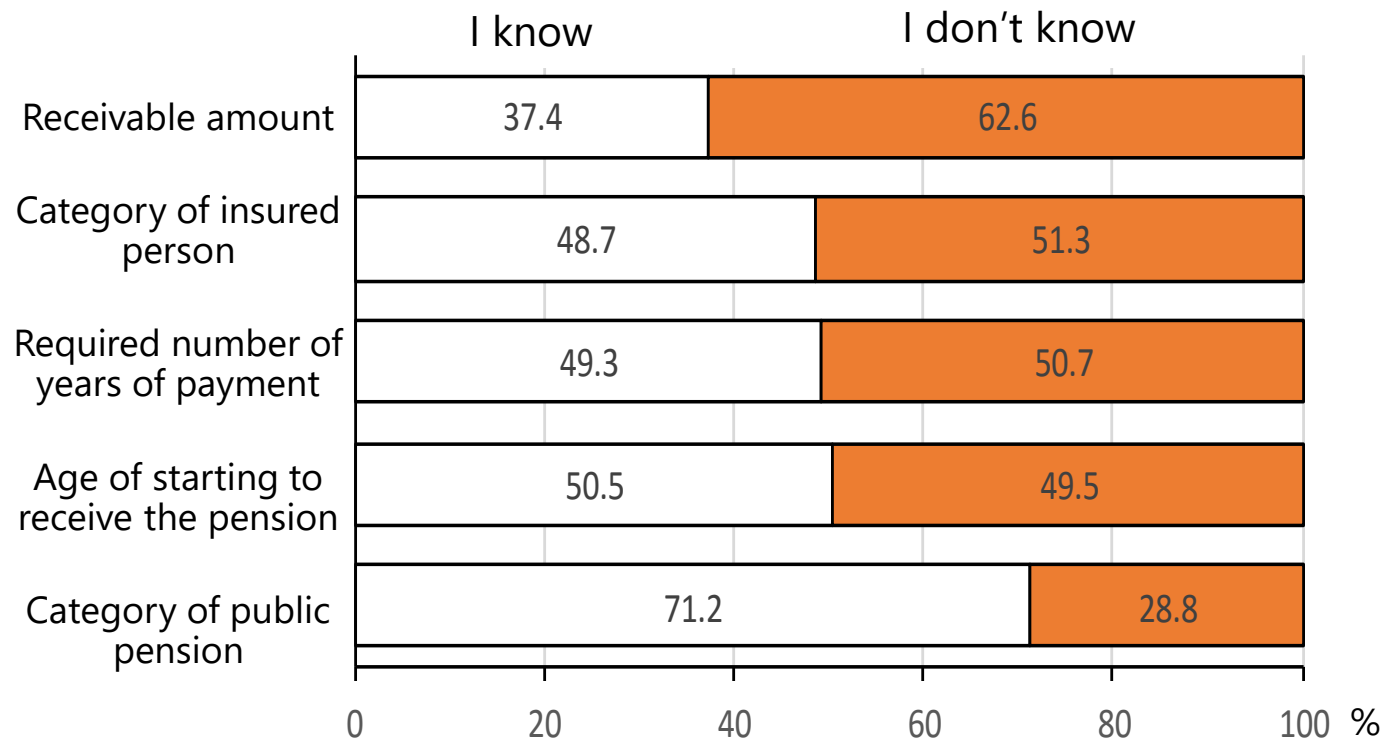
I intend to hold such products proactively.
  I intend to hold such products to some extent.
  I have no intention of holding such products.
  No answer

# Chart 7 Funds for retirement

Percentage of respondents with a financial plan for "living expenses for retirement"



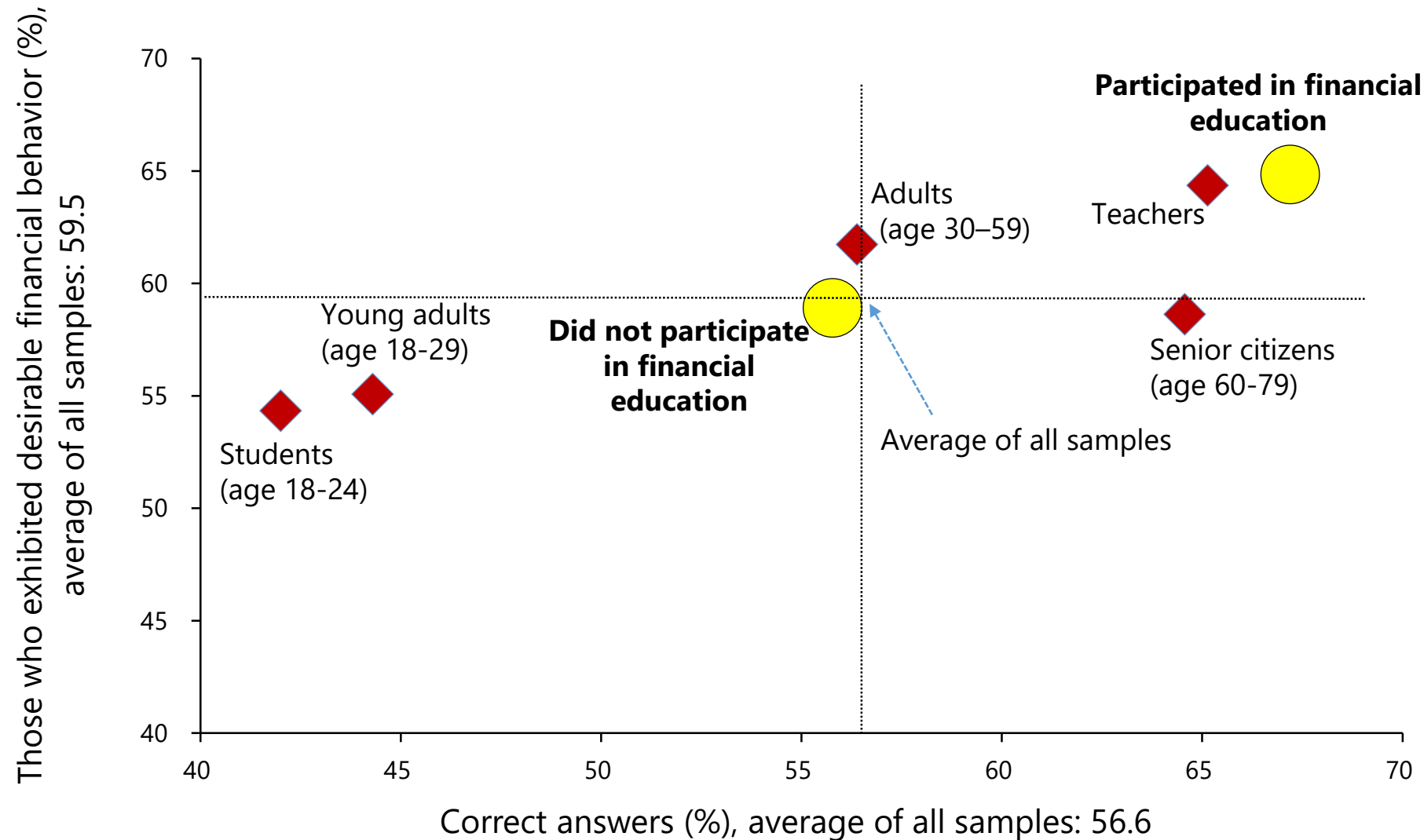
Understanding of one's own public pension (those in their 50s)





# Chart 8 Effects of financial education

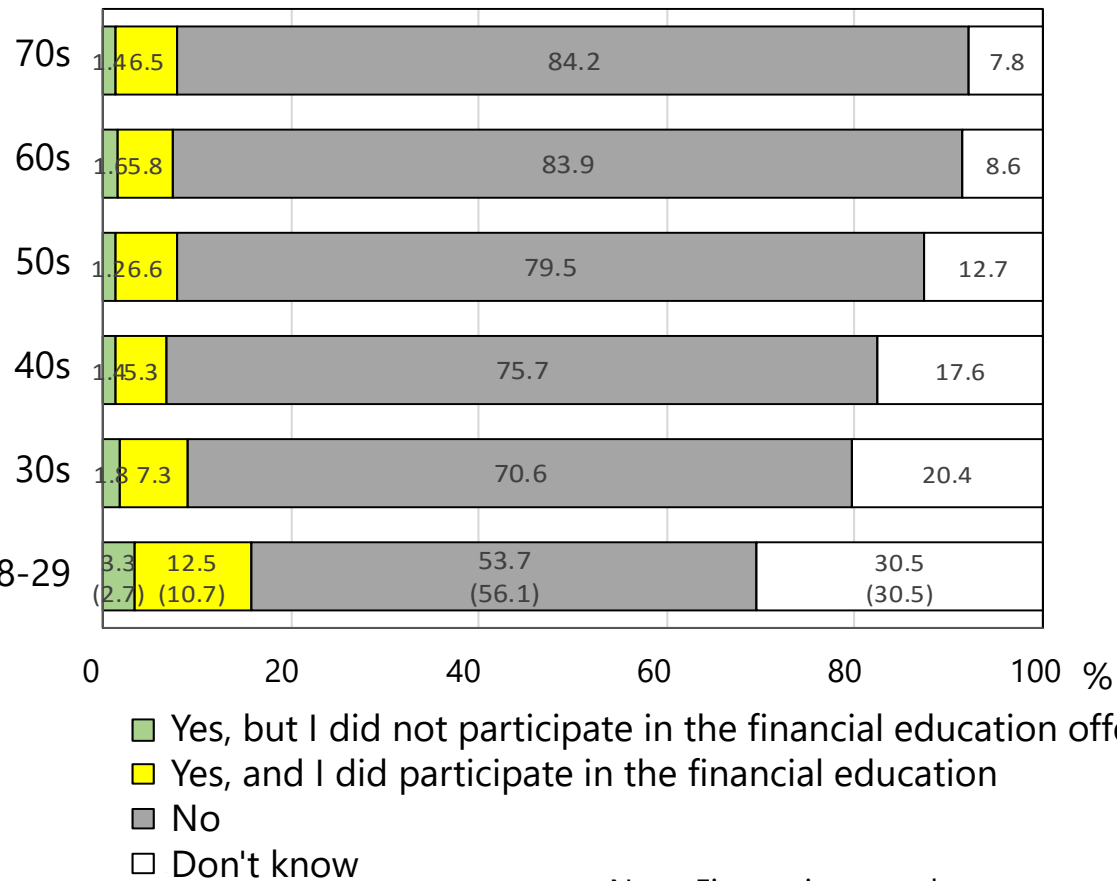
## Correct answers and behavior by occupation/age group



# Chart 9 Experience of financial education

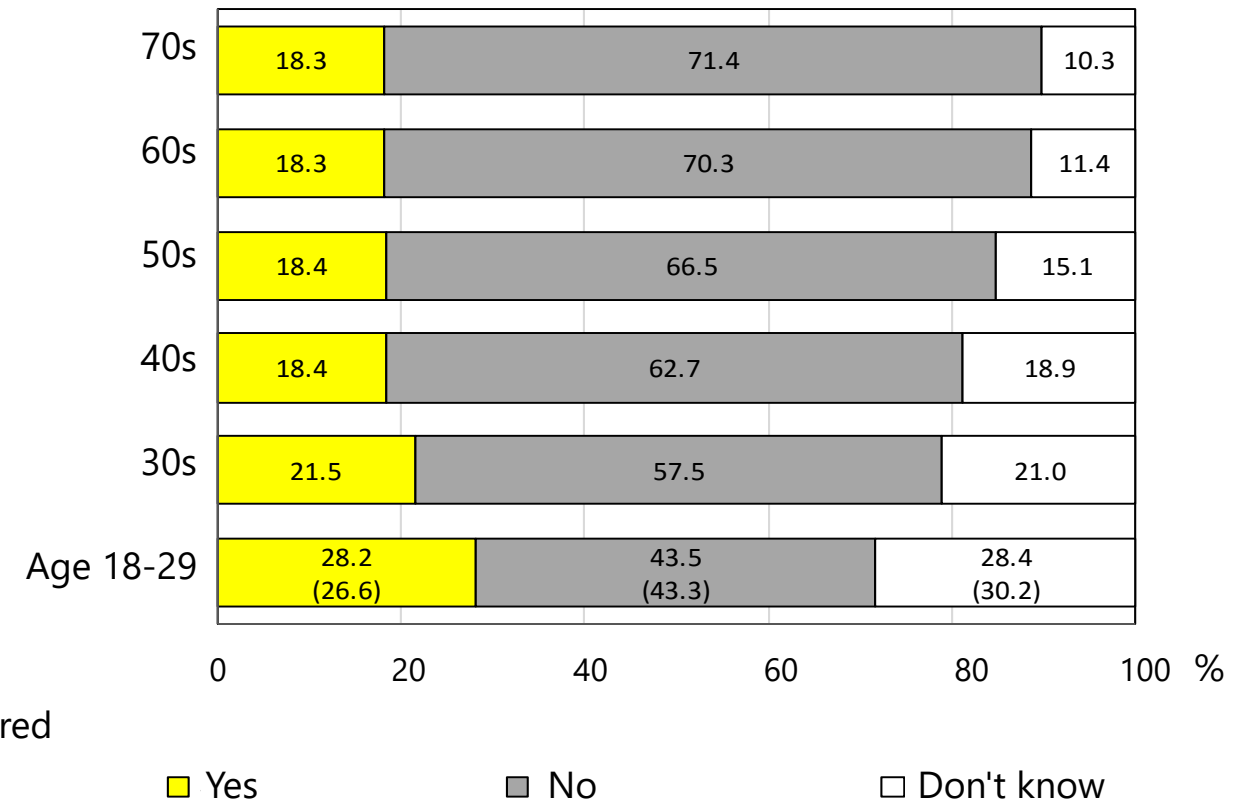
## Financial education at school, etc.

■ Was financial education offered at your school or college, or at your workplace?



## Financial education at home

■ Did your parents or guardians teach you how to manage your finances?



Note: Figures in parentheses represent the results of the 2016 survey.

# Chart 10 Tools for financial education

## Pamphlets for respective age groups



Primary and secondary school students

High school students

University students

Adults

PR magazine *Kurashi-juku Kin'yu-juku* ("First steps toward financial literacy for everyday life")

## Website of the Central Council for Financial Services Information

