



## USAID FINANCIAL SECTOR TRANSFORMATION PROJECT

# FINANCIAL LITERACY, FINANCIAL INCLUSION AND FINANCIAL WELL-BEING IN UKRAINE IN 2021

## REPORT ON THE RESULTS OF THE RESEARCH

Prepared by Info Sapiens



[www.sapiens.com.ua](http://www.sapiens.com.ua)

on behalf of DAI Global LLC, USAID Financial Sector Transformation Project in Ukraine

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## SECTION I. SUMMARY

This report provides the results of a nationwide survey on financial literacy, conducted in August 2021. 2,040 Ukrainians, aged 18 to 79 participated in the survey. The questionnaire was developed based on the OECD methodology, which made it possible to calculate the financial literacy score for Ukraine and compare the results with the results of other countries that took part in similar surveys in 2020 and 2016, as well as with the previous wave of research conducted in Ukraine in 2018. The report covers the following main topics:

1. Financial literacy score and its components: financial knowledge; financial behavior; financial attitude;
2. Financial inclusion, which is assessed by the following items: knowledge of at least 5 financial products; purchase of the product during the last year; asking family/friends to borrow money or take it to save it; use of financial products at the moment; use of financial products, except for the pension from the solidarity system, which will provide respondents with adequate living conditions after reaching retirement age;
3. Financial resilience involves the evaluation of 6 elements: keeping control over money, taking care with expenditure, availability of financial cushion, coping with a financial shortfall, planning individual finances and fraud awareness;
4. Financial well-being, the definition of which is based on the evaluation of the following statements: my finances control my life; I just make ends meet; I have money left over at the end of the month; because of my money situation, I feel that I will never have the things I want in life; I am concerned that my money won't last.

It is worth noting that the survey took place during the COVID-19 pandemic, and this may have had some impact on respondents' responses. At the same time, the crisis caused by the COVID-19 pandemic, had a minimal negative impact on the financial market and consumer behavior compared to the economic crises of recent years. Instead, lockdown and other pandemic-related restrictions have prompted greater digitalization in various areas, including financial services.

### MAIN FINDINGS OF THE SURVEY IN 2021:

- Ukraine has grown in terms of financial literacy both compared to 2018 and compared to other countries (Ukraine's trends are sometimes significantly better than of other countries);
- There are differences in financial literacy by age, place of residence, education and income, which is typical for the OECD countries in 2020. At the same time, there are almost no differences by gender (in the OECD Report, on the contrary, the issue of differences between the financial literacy of men and women is relevant); Ukrainians have a lower level of income and, accordingly, a smaller margin of safety in case of loss of the main source of income and they feel greater stress due to the state of their finances compared to the respondents from the countries of comparison.

### CHARACTERISTICS OF THE FINANCIAL LITERACY SCORE

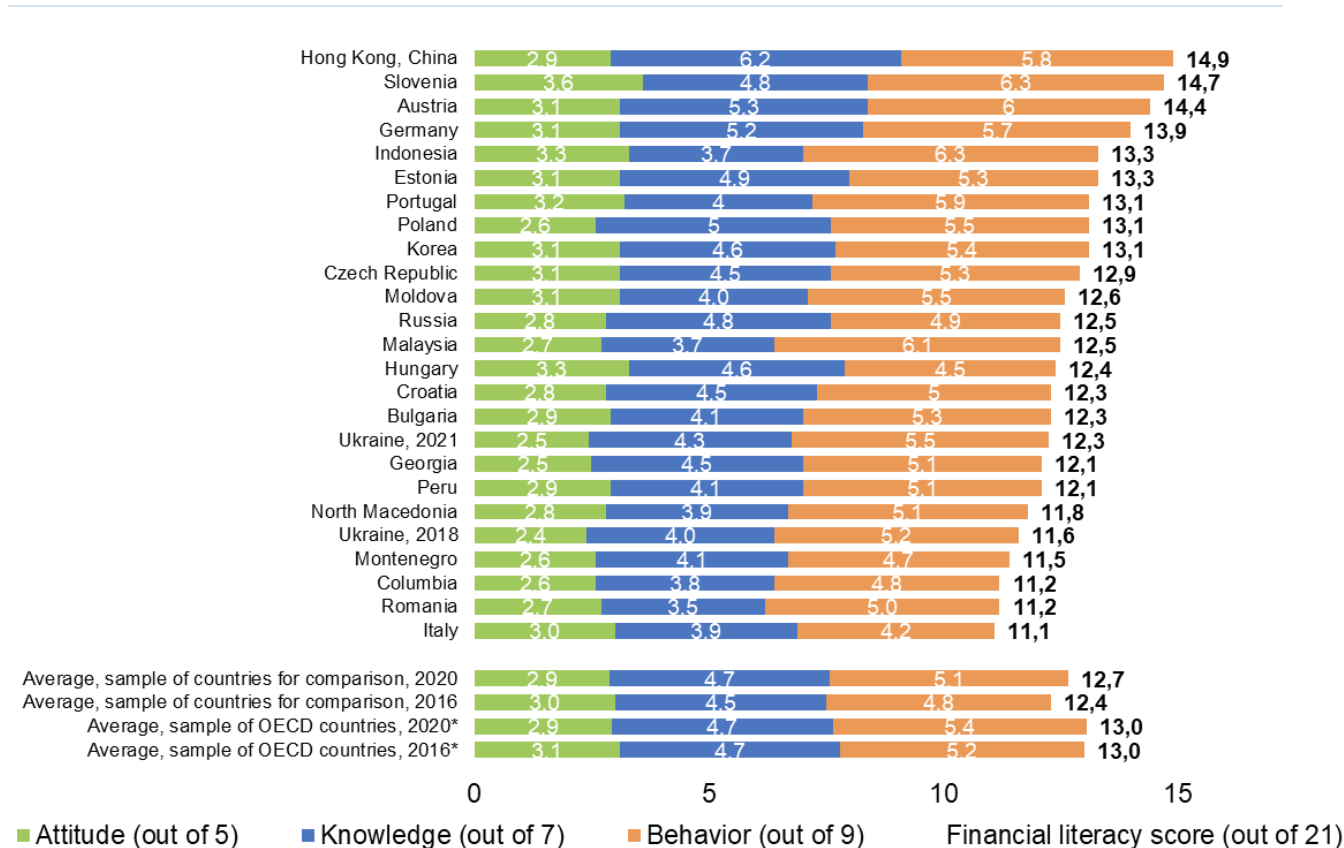
**According to the OECD methodology, the overall financial literacy score of Ukraine equals 12.3 points (or 58% of its maximum value).** The financial literacy score in Ukraine is currently showing good trends – in less than 3 years there has been an increase by 6.0%; all components of the indicator have improved. While, the growth rate of the financial literacy score in the countries of comparison<sup>1</sup>, that participated in the OECD surveys in 2016 and 2020 (Georgia, Estonia, Poland, Russia, Hungary,

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<sup>1</sup> The countries of comparison were selected according to four criteria: 1) the presence of the country in two OECD studies on financial literacy (2016 and 2020); 2) the index of financial development is less than 0.5; 3) located in Europe; 4) lower middle, upper middle or high level of GDP per capita according to the World Bank methodology. See Annex 2.

Croatia, and the Czech Republic) amounted to only 2.4%. Similarly, Ukraine came close to those countries in percentage terms from the maximum (60%).

Figure 1. Financial literacy score: comparison with other countries



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

### Demographic features in the Financial Literacy Score

The overall financial literacy score in Ukraine did not demonstrate differences by gender, but differences were recorded in such characteristics as age, region, place of residence, income level and education, as well as the use of technology and the availability of savings. As in 2018, the difference in knowledge and behavior is especially noticeable.

**Age.** A relatively lower financial literacy score was recorded in the age group 18-24 years old with a score of 11.4 points. However, it should be noted that this group had the greatest increase in the score compared to the results of the survey in 2018. Also a group of respondents older than 60 years old is a vulnerable group (11.6 points in 2021).

**Income.** Groups of respondents with a higher level of income (for example, with personal income of UAH 7,000 and higher) are characterized by a higher level of financial literacy. For groups of respondents with a higher level of income, for example, UAH 7,000 – UAH 15,000, the value of the financial literacy score equals 12.9 points, and for UAH 15,001 – UAH 20,000 – 13.2 points.

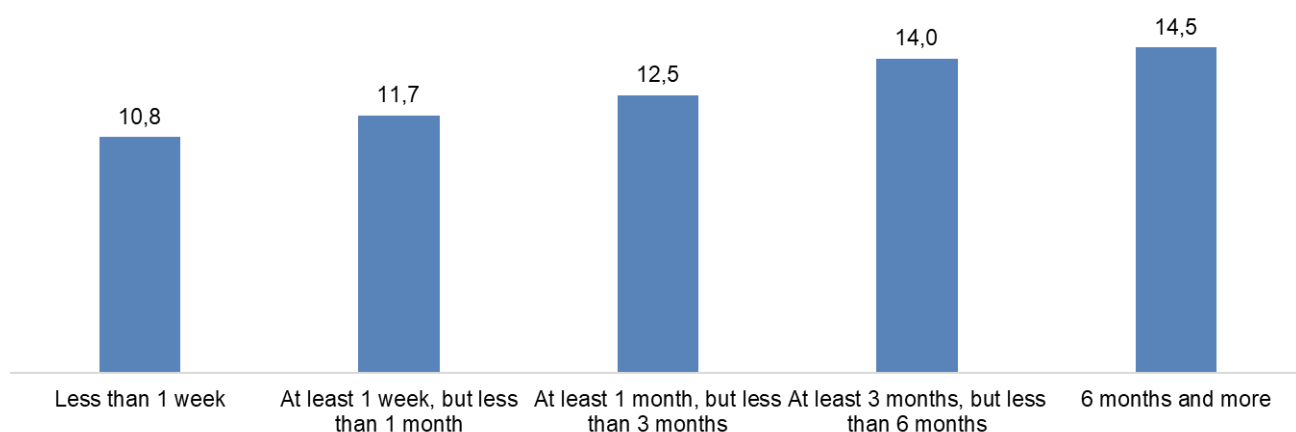
**Education.** As in 2018, so in 2021 there is a direct link between the level of financial literacy and education: the higher the level of education, the higher the financial literacy score. If the overall score of persons with secondary special education (vocational school) is 11.9 points, then persons with higher education – 13.3 points. It is worth noting that the increase in financial literacy has occurred at all levels, except for incomplete secondary education.

*Place of residence.* There has been a widening of a gap in financial literacy between rural and urban areas. If in 2018 the financial literacy score was at about the same level, now the respondents from the city have 12.6 points, and from the village – 11.8 points (statistically significant difference). Regarding the regional level, in the Central and Northern regions, the financial literacy score was lower than the average. Instead, East and South have higher than average scores for knowledge, West – for behavior, South – for attitude.

*Use of technology.* Non-users of technology (according to the OECD 2020 report – those who have not used a computer, e-mail, Internet and mobile phone in the last week) have a much lower financial literacy score (9.9) due to knowledge and behavior. It is noteworthy that this category constitutes only 5% of the sample and 68% consists of people aged 60 and older.

*Availability of savings.* The group of respondents who have savings to cover current expenses for at least three months showed a significantly higher financial literacy score, including all its components (Fig. 2).

*Figure 2. Average financial literacy score (on a scale from 1 to 21) depending on the period for which the respondent will have enough savings in case of loss of the main source of income*



### **Financial knowledge score**

The financial knowledge score in Ukraine amounts to 4.3 points out of 7 possible, or 61%. 48% of the adult population in Ukraine correctly answered to at least 5 out of 7 questions for testing knowledge (which is considered the minimum target) versus 43% in 2018.

### **Financial behavior score**

The average financial behavior score in Ukraine amounts to 5.5 on a scale from 0 to 9 (or 61%) and according to this indicator Ukraine is in the TOP-10 countries in the OECD 2020 survey. 51% of the adult population in Ukraine received at least 6 out of 9 points (which is considered the minimum target) versus 36% in 2018.

### **Financial attitude score**

In 2021, the average score in Ukraine was 2.5 (on a scale from 1 to 5) compared to 2.4 in 2018. Only 17% of the adult population in Ukraine scored more than three points out of 5 (which is considered the minimum target). On the positive side, Ukraine has slightly improved its average score since the last wave, while in many other countries this indicator has deteriorated. Ukrainians focus on short-term plans and spending money rather than saving it.

### **FINANCIAL INCLUSION:**

- awareness of financial products is quite high and growing: 79% of respondents know at least 5 financial products (74% in 2018);

- the level of use of financial products is quite low: 57% of respondents said that they have used financial products in the last two years;
- 21% of respondents asked relatives or friends to borrow money or take it to save it, thus avoiding the purchase of appropriate financial services – this is another marker that indicates the potential for the development of financial inclusion;
- The most popular products are payment accounts – 53% use a payment card (debit, salary or for social payments) or mobile banking. 29% use loans, 12% use deposit, investment or pension products, 9% - insurance services.

## FINANCIAL RESILIENCE

Ukraine is in the TOP-10 countries in terms of adequacy of savings to cover current expenses for at least three months in case of loss of the main source of income. The share of respondents who are able to cover their current expenses in case of loss of the main source of income for the month in Ukraine is 41%, from one month to six months – 41%, more than six months – 7%.

The data also show that Ukrainians are worried about financial matters. At the same time, there is such a positive trend: if in 2018, 73% of respondents in Ukraine were worried about paying daily expenses, in 2021 this figure decreased by 9 percentage points, down to 64%.

## FINANCIAL WELL-BEING

**The financial well-being score** for Ukraine in points amounts to 8.3 points or 42% of the maximum possible value (8.1 points in 2018). This means that respondents are more likely to be unsure of their ability to survive financial shocks in the future and are more likely to accept that their finances limit their life choices.

## PROPOSALS AND RECOMMENDATIONS REGARDING STATE POLICY

The analysis showed the presence of a number of problem areas that need attention, in particular for the following three sections:

- work with vulnerable groups by age and place of residence. The biggest problems with financial literacy are observed in such age groups as 18-24 years old (especially 18-19) and older than 60 years old. The rural population also has gaps in financial literacy. Thus, financial education measures need to be redesigned in the most appropriate way for these groups of population, including the relevant dissemination channels. It should be noted that online education is not always available to these groups, and this raises the issue of conducting offline activities. It should be noted that the progress of recent years in Ukraine has been largely ensured by educational activities with the support of international donors, and the implementation of these measures should be continued in order to maintain and increase the effect obtained;
- carrying out explanatory work among the population of Ukraine on the benefits of using financial products. Definitely, this needs to be done not only at the level of financial regulators, but rather at the level of financial institutions, which are the ultimate producers of the financial services. It is worth noting that the awareness of financial institutions of their responsibility for unfair behavior towards consumers of financial services, in particular, in terms of disclosure of information about financial services, will be a solid basis for increasing confidence in financial institutions;
- directing the efforts of financial regulators to strengthen the protection of the rights of consumers of financial services and informing consumers about the existing opportunities to defend them. The study showed that 10% in 2021 (12% in 2018) of respondents do not know about guaranteeing deposits of individuals and only 31% in 2021 (27% in 2018) of respondents know that banks must disclose the information about the real interest rate on the loan.

## SECTION II. INTRODUCTION

### AIM OF THE SURVEY

This report contains the results of a nationwide statistically representative public opinion poll on financial literacy and financial inclusion in Ukraine according to the OECD methodology, which was conducted in August 2021 within the USAID Financial Sector Transformation Project and in cooperation with the National Bank of Ukraine (NBU).

The aim of the survey is to assess the level of financial literacy and financial inclusion of Ukrainians, including knowledge, attitudes and behavior in two aspects: in comparison with the data from other countries and in comparison with a survey conducted in Ukraine in 2018 according to the OECD methodology.

The survey aims to evaluate:

- the level of financial literacy of Ukrainians;
- financial knowledge, behavior and attitudes of Ukrainian citizens in such issues as budgeting, savings, personal finance, credit/debt management, long-term financial planning (including pension savings) and the choice of financial products;
- knowledge and use of financial products, including digital financial services and crypto-assets;
- levels of financial well-being;
- the degree of awareness of Ukrainians about the protection of rights of financial services consumers;
- regional, age, gender and other differences in financial literacy and awareness.

The report can be used for the following purposes:

- providing evidence of the need for measures to improve financial literacy, consumer protection and financial inclusion;
- identification of priorities and target groups for the national strategy for improving financial literacy;
- outlining priorities and target groups for financial inclusion projects;
- identifying basic indicators for comparison with performance indicators of future projects.

### UKRAINIAN CONTEXT

#### *Economic situation under COVID-19 pandemic conditions*

The Ukrainian economy has proved to be quite stable in the context of the crisis caused by the COVID-19 pandemic. Under COVID-19 pandemic conditions and the introduction of quarantine in 2020, Ukraine's gross domestic product (GDP) decreased by 4%<sup>2</sup>. The maximum decline occurred in the second quarter of 2020 (-11%); after that, the situation gradually leveled off, in particular due to the adaptation of economic agents to the new conditions, consumer demand, stimulating monetary policy and anti-crisis measures. According to preliminary estimates of the Ministry of Economy, GDP growth will amount to about 4% in 2021<sup>3</sup>. Thus, by the end of 2021, the Ukrainian economy will be able to reach pre-crisis levels.

It is necessary to pay attention to two parameters that affect financial behavior: real incomes and consumer sentiments of the population.

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<sup>2</sup> Thus, the decline was much smaller compared to previous crises: in 2009, GDP fell by 15.1%, and in 2014-2015 – by 6.8% and 9.9%, respectively.

<sup>3</sup> <https://www.me.gov.ua/Documents/List?lang=uk-UA&id=62459016-a04f-41fc-9eeb-10de5d40d981&tag=ValoviiVnutrishniiProdukt>

In 2020, real disposable incomes of Ukrainians decreased only in the second quarter, and according to the results of the year, showed an increase by 2.6%<sup>4</sup>.

Unemployment increased from 8.2% in 2019 to 9.5% in 2020 and 10.4% in the first quarter of 2021.

The decline in the consumer confidence index in Ukraine was not as significant as in Europe. In particular, during the second month of quarantine (April 2020), the consumer confidence index lost 7 percentage points. This loss was small compared to the deterioration of consumer confidence in April vs. March in European countries (in particular, in Poland and Hungary, the index decreased by 37 pp, in Germany – 26 pp, in Spain – 13 pp, in Italy – 10 pp<sup>5</sup>). The tendency of Ukrainians to believe in the short-term nature of the crisis (one-year horizon) and optimism about the development over the next 5 years kept consumer confidence from falling sharply. In particular, positive sentiment may be associated with effective communication between the NBU and the government. At the same time, the index of propensity to consume turned out to be the most vulnerable to the crisis: it reached a historic lower limit in April 2020, but resumed growth in June 2020. During 2021, consumer confidence is improving: according to the values of the index, July 2021 corresponds to the level of spring 2019<sup>6</sup>.

### *Characteristics of the current state of the financial system*

The peculiarity of the crisis caused by the pandemic in Ukraine, is the minimal impact on the banking system compared to the previous ones, which is explained by the effective communication of the National Bank of Ukraine with the population during the Covid-19 pandemic, as well as its targeted work to ensure financial stability in previous years. Currently, financial institutions, banks in particular, are increasing consumer lending, the transparency of which is ensured by the Law of Ukraine "On Consumer Lending".

Crisis sentiment in March 2020 led to the traditional withdrawal of funds from the accounts, but the outflow of funds lasted less than two weeks. In general, in 2020 hryvnia deposits of the population increased by 26.5%, and foreign currency deposits were much cheaper – by 0.6% (mainly the increase was provided by demand deposits)<sup>7</sup>. In 2021, there is also an increase in deposits of the population.

From July 1, 2020, the NBU took over the functions of the regulator of the market of non-banking financial services: insurance, leasing, factoring companies, credit unions, pawnshops and other financial companies. This process is called "split". At the same time, the National Commission on Securities and Stock Market will control private pension funds and construction financing funds.

### *Development of digitalization*

Adaptation to new conditions (especially during lockdown) has accelerated the digitalization and development of online services. In particular, cashless payments with payment cards in Ukraine continued to grow. The main trend of 2020 in the Ukrainian card market was the active transition of Ukrainians to contactless payments and transactions via Internet<sup>8</sup>. In 2020, the total number and amount of transactions using payment cards issued by Ukrainian banks increased by 19% and 11% respectively, in the first half of 2021 both indicators increased by a third<sup>9</sup>.

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<sup>4</sup> <http://www.ukrstat.gov.ua/express/expr2021/03/37.pdf>

<sup>5</sup> [https://tradingeconomics.com/country-list/consumer-confidence?continent=europe&fbclid=IwAR1Tc2ixb30q\\_vlDrZ0Klv-q\\_I9MzmiZZTE5nzmYWO5mhwaJ64ByqBRICV4](https://tradingeconomics.com/country-list/consumer-confidence?continent=europe&fbclid=IwAR1Tc2ixb30q_vlDrZ0Klv-q_I9MzmiZZTE5nzmYWO5mhwaJ64ByqBRICV4)

<sup>6</sup> <https://sapiens.com.ua/ua/publication-single-page?id=167>

<sup>7</sup> <https://bank.gov.ua/ua/news/all/richniy-zvit-natsionalnogo-banku-za-2020-rik-10-faktiv-pro-te-yak-zminilisya-ekonomika-ta-finansova-sistema-uprodovj-pershogo-roku-pandemiyi>

<sup>8</sup> <https://bank.gov.ua/ua/news/all/osnovni-trendi-kartkovogo-rinku-u-2020-rotsi-bezkontaktni-plateji-ta-rozrahunki-v-interneti>

<sup>9</sup> <https://bank.gov.ua/ua/news/all/suma-ta-kilkist-bezgotivkovih-operatsiy-iz-platijnimi-kartkami-zrosli-bilsh-nij-na-tretinu>



In January-June 2021, compared to the first half of the previous year, the number of cashless transactions using payment cards increased by 36% and the amount increased by 42%. According to the NBU, in the first half of 2021, nine out of ten transactions were cashless (almost 90% of the total number of transactions were done using payment card). The share of cashless transactions amounted to 61% of all card transactions. Last year, according to the results of the corresponding period, those figures were 86% and 55%, respectively.<sup>10</sup>

During the year, the infrastructure for cashless payments has significantly expanded. The number of points of sale that accept payment cards has increased by 20% - up to 356 thousand, compared with the first half of the previous year. Also, the network of trade pos-terminals in Ukraine has increased by almost 20% over the year – up to 406.4 thousand (in the first half of 2020 – 340.6 thousand). Of these, about 90% of trade payment terminals provide the possibility of contactless payment<sup>11</sup>.

### *Changing the level of public confidence in financial institutions and regulators*

The level of confidence in commercial banks is growing: according to the nationwide surveys conducted by Info Sapiens, 44% of Ukrainians trusted in banks in December 2020 (compared to 34% in 2018). At the same time, the confidence rate in banks is higher than in other financial institutions (except for payment systems). The level of confidence in the NBU has hardly changed: 26% of the population trusted the regulator in 2020 (27% - in 2018).

### *Legislative changes in the financial sector*

In 2019-2021, there were a number of positive changes in the legal and regulatory framework of the financial sector, including the financial services consumer protection, namely:

- strengthening the protection of borrowers' rights and protection against the actions of debt collection companies<sup>12</sup>;
- enabling bankruptcy of an individual<sup>13</sup>;
- improvement of the deposit guarantee system for individuals<sup>14</sup>;
- improvement of the regulatory field for non-bank financial institutions<sup>15</sup>.

## SURVEY METHODOLOGY

The survey was conducted by the research company Info Sapiens from August 10 to 26, 2021 using the method of face-to-face interviews (Computer Assisted Personal Interviewing). The average duration of one interview was 40 minutes. The survey covered all regions of Ukraine, except the Autonomous Republic of Crimea, the territories of Donetsk and Luhansk oblasts, which are not controlled by the Government of Ukraine.

The sample of the participants aged 18-79 years old was designed using random method. The final sample size was 2,040 participants. In this sample, the error does not exceed +/- 2.2%. The sample is representative of the structure of the general population of Ukraine by region, sex, age and size of settlements.

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<sup>10</sup> <https://bank.gov.ua/ua/news/all/suma-ta-kilkist-bezgotivkovih-operatsiy-iz-platijnimi-kartkami-zrosli-bilsh-nij-natretinu>

<sup>11</sup> <https://bank.gov.ua/ua/news/all/suma-ta-kilkist-bezgotivkovih-operatsiy-iz-platijnimi-kartkami-zrosli-bilsh-nij-natretinu>

<sup>12</sup> <https://zakon.rada.gov.ua/laws/show/1734-19#Text>  
<https://www.president.gov.ua/news/glava-derzhavi-pidpisav-nizku-zakoniv-shodo-zahistu-ukrayinc-68097>  
<https://www.slovovidilo.ua/2021/03/25/infografika/suspilstvo/robova-kolektoriv-zminyt-novyj-zakon>

<sup>13</sup> <https://yur-gazeta.com/publications/practice/bankrutstvo-i-restrukturizaciya/bankrutstvo-fizichnoyi-osobi--noviy-trend-shcho-nabirae-obertiv.html>, <https://www.rada.gov.ua/news/Povidomlennya/211333.html>,  
[pravda.com.ua/news/2019/12/17/654950/](https://pravda.com.ua/news/2019/12/17/654950/)

<sup>14</sup> [https://www.rada.gov.ua/news/news\\_kom/213656.html](https://www.rada.gov.ua/news/news_kom/213656.html)

<sup>15</sup> [https://bank.gov.ua/admin\\_uploads/article/FSR\\_2021-H1.pdf?v=4](https://bank.gov.ua/admin_uploads/article/FSR_2021-H1.pdf?v=4)

The survey was based on a questionnaire developed by the Organization for Economic Cooperation and Development. This made it possible to calculate the financial literacy score according to the OECD methodology and to compare Ukraine with other countries. The survey covered the following topics:

- **financial behavior** (including planning, savings, product comparisons, seeking advice, discussing financial issues);
- **attitude to financial issues** (including preferences: spending or savings, short- or long-term planning);
- **knowledge of financial issues and consumer protection issues** (including basic concepts: interest rate, inflation, risk/income, diversification, guaranteed refund of bank deposits);
- **public perception of their own level of financial well-being** (including levels of satisfaction, stress, sense of control, ability to make ends meet);
- **knowledge of financial products and their use** (including use of a bank account, investments where savings are stored);
- **demography** (including age, income, education, region).

Detailed survey methodology is provided in Annex 1, the questionnaire – in Annex 4.

This is the fourth financial literacy survey in Ukraine, previous surveys were conducted in 2010, 2017 and 2018. Since this time the sample was designed similarly to the 2018 sample, it allowed to compare Ukrainian data in the dynamics of the two waves (but, the samples in the first two waves of the study were designed according to different principles<sup>16</sup>, which makes it impossible to compare all 4 studies).

## STRUCTURE OF THE REPORT

The results of the study are presented in the following sections:

5. Financial literacy score and its components
  - a. Financial knowledge (component characteristics, comparative analysis with other countries, specific analysis for Ukraine, analysis by demographic characteristics);
  - b. Financial behaviors (component characteristics, comparative analysis with other countries, specific analysis for Ukraine, analysis by demographic characteristics);
  - c. Attitude to financial issues (component characteristics, comparative analysis with other countries, specific analysis for Ukraine, analysis by demographic characteristics);
6. Financial inclusion (general characteristics, analysis by the main indicators of financial inclusion in comparison with other countries, analysis by demographic characteristics);
7. Financial well-being and financial shocks (analysis of the financial well-being score in 2018 and 2021 for Ukraine, decision tree);
8. Conclusions and recommendations.

In addition, the annexes to the report provide a questionnaire, sample description, methodology and statistical analyzes involved in the study.

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<sup>16</sup> In 2010, only residents of large cities (not small towns or villages) were interviewed, and in 2017, the survey covered both urban and rural populations, but only those who said they used at least one financial service.

## SECTION III. FINANCIAL LITERACY SCORE AND ITS COMPONENTS

### SCORING METHODOLOGY

The format of the survey conducted in Ukraine in 2021 allows to calculate the financial literacy score according to the OECD methodology, which allows further comparisons with other countries, the report of which was published in 2016 and 2020, as well as with the first wave of the national survey on financial literacy in Ukraine in 2018

The OECD financial literacy score is calculated on the basis of 5 questions regarding attitude, 7 – knowledge and 9 – behavior<sup>17</sup>. The value of the score varies from 1 to 21 points. Achieving the maximum (21 points) suggests a basic knowledge of and use of finance.

In addition, normalized score value as a percentage of the maximum is often used in OECD reports. The concept of minimum target score is also used: for example, the minimum target score for the level of financial knowledge is five or more correct answers to 7 questions (Table 1).

*Table 1. Maximum and minimum target scores of the financial literacy score and its components, points*

	Financial literacy score	Knowledge	Behavior	Attitude
<b>The maximum possible score</b>	21	7	9	5
<b>Minimum target score</b>	14	5	6	3

### SAMPLE OF COUNTRIES FOR COMPARISON

The OECD report 2020 includes data from surveys in the following 26 countries (in alphabetical order): Austria, Bulgaria, Hong Kong, Georgia, Estonia, Indonesia, Italy, Colombia, Korea, Malaysia, Malta, Moldova, Germany, Peru, Northern Macedonia, Poland, Portugal, Russia, Romania, Slovenia, Thailand, Hungary, France, Croatia, Czech Republic, and Montenegro.

As the OECD reports for 2016 and 2020 contain different sets of countries, the countries, which data were presented in both studies, were selected for a correct comparison of trends. Therefore, when this report refers to the average in the sample of OECD countries, it is necessary to indicate which average is meant: the actual average according to the OECD report 2020 or adjusted one to compare the trends. The adjusted average includes data for the following countries (in alphabetical order): Austria, Hong Kong, Georgia, Estonia, Korea, Malaysia, Poland, Portugal, Russia, Hungary, Croatia, and Czech Republic. Thus, the average in the sample of OECD countries may not match the figures from the OECD reports for 2016 and 2020, as the data was recalculated.

Additionally, a sample of countries for comparison was formed. For this purpose, the countries were selected according to four criteria (See Annex 2):

- 1) the presence of the country in two OECD studies on financial literacy (2016 and 2020);
- 2) the index of financial development is less than 0.5<sup>18</sup>;
- 3) geographical location (Europe and/or near Ukraine);

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Detailed methodology is provided in the publication OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion, 2018 <https://www.oecd.org/financial/education/2018-INFE-FinLit-Measurement-Toolkit.pdf>

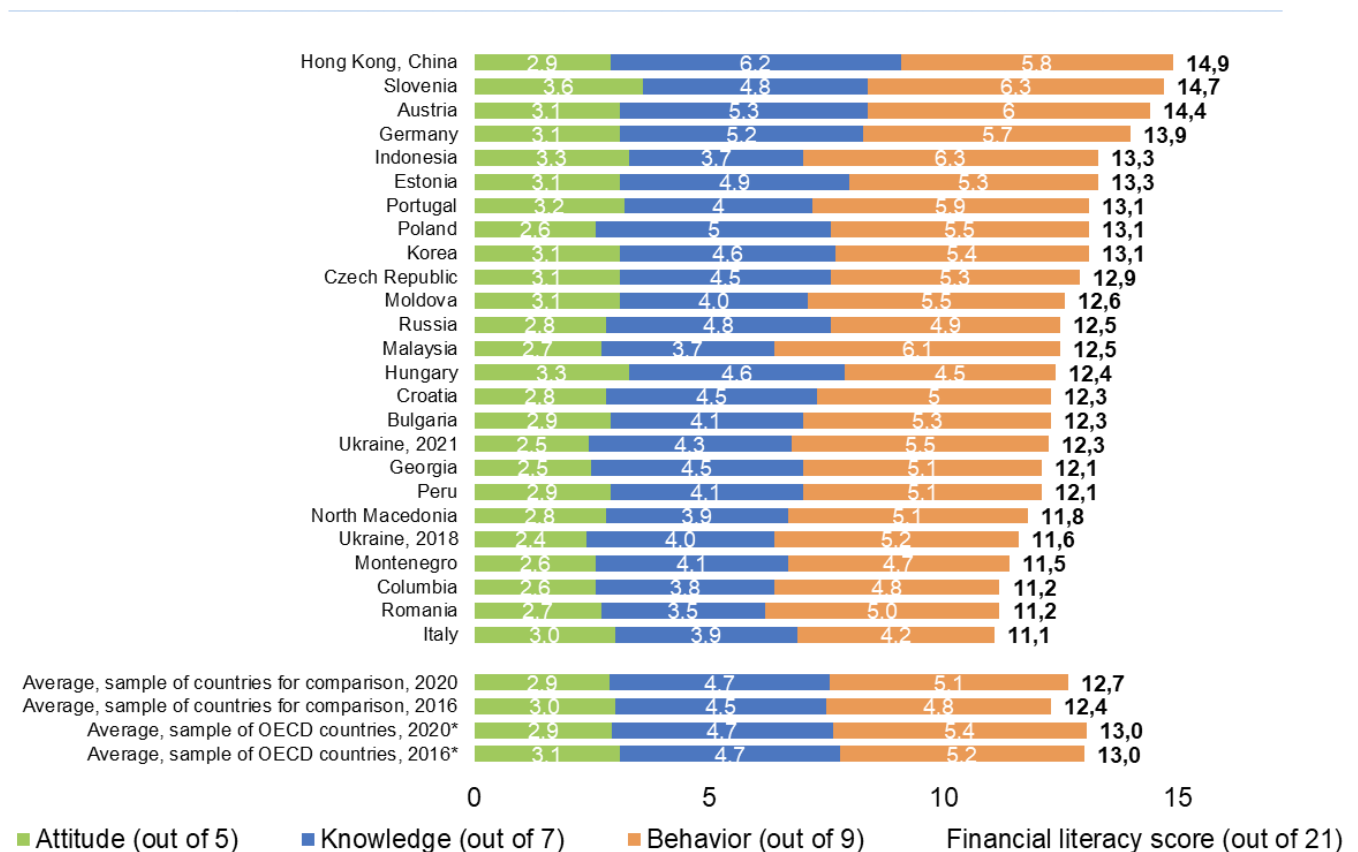
<sup>18</sup> Data on the financial development index can be found at: <https://data.imf.org/?sk=F8032E80-B36C-43B1-AC26-493C5B1CD33B>

- 4) lower middle, upper middle or high level of GDP per capita (according to the World Bank methodology)<sup>19</sup>.

## FINANCIAL LITERACY SCORE: GENERAL CHARACTERISTICS

According to the OECD methodology, **the financial literacy score of Ukraine in 2021** equals 12.3 points (or 58% of its maximum value – 21 points) (see Fig. 3). The financial literacy score in Ukraine is currently showing good dynamics – in less than 3 years, it has grown by 6.0% in terms of points. However, the growth rate of the financial literacy score in the countries of comparison included in the OECD reports in 2016 and 2020 (Georgia, Estonia, Poland, Russia, Hungary, Croatia, and the Czech Republic) constituted only 2.4%. Similarly, Ukraine came close to those countries in percentage terms from the maximum (60%).

Figure 3. Financial literacy score: comparison with other countries



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

Compared to the results of the 2018 survey, all components of the score in Ukraine have improved, as a result, the overall score increased from 11.6 to 12.3 (or from 55% to 58% of the maximum value). The OECD financial literacy score has remained at the same level, while of the comparison countries – has slightly increased. Thus, we have a tendency according to which Ukraine is catching up with more developed countries in the field of financial literacy.

There are differences in the values of the score of Ukraine and its components in comparison with other countries (Table 2):

<sup>19</sup> <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

- the **financial knowledge** score of Ukraine is slightly lower than the scores of the countries of comparison (4.3 points) and the OECD average, but at the same time, there is an extremely positive trend – an increase by 7.5% compared to an increase by 4.4% in the countries of comparison and 0.0% according to the adjusted sample of OECD countries;
- the **financial behavior** score of Ukraine is 5.5 points and is higher than in the countries of comparison and almost on a par with the average value of the adjusted sample of OECD countries;
- the **financial attitude** score of Ukraine is 2.5 points and is lower than the scores of the countries of comparison and the average value of the adjusted sample of OECD countries. However, it should be noted that in contrast to those countries, Ukraine showed an increase by 6% in less than 3 years, while in the countries of comparison there was a decrease by 3.3%, and in the OECD countries – by 6.5%.

Table 2. Financial Literacy Score: comparison of countries by components

Component	Ukraine, 2021 (score)	Ukraine, 2018 (score)	Change, %	Average in the countries of comparison, 2020 (score)	Average in the countries of comparison, 2016 (score)	Change, %	Average in the sample of OECD countries, 2020* (score)	Average in the sample of OECD countries, 2016* (score)	Change, %
Knowledge (out of 7)	4,3	4	7,5	4,7	4,5	4,4	4,7	4,7	0
Behavior (out of 9)	5,5	5,2	5,8	5,1	4,8	6,3	5,4	5,2	3,9
Attitude (out of 5)	2,5	2,4	4,2	2,9	3	-3,3	2,9	3,1	-6,5
<b>Financial literacy score (out of 21)</b>	<b>12,3</b>	<b>11,6</b>	<b>6,0</b>	<b>12,7</b>	<b>12,4</b>	<b>2,4</b>	<b>13</b>	<b>13</b>	<b>0</b>
Financial literacy score (in percent)	58%	55%	5,5	60%	59%	1,7	62%	62%	0

\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated

## STATISTICAL CHARACTERISTICS OF THE FINANCIAL LITERACY SCORE

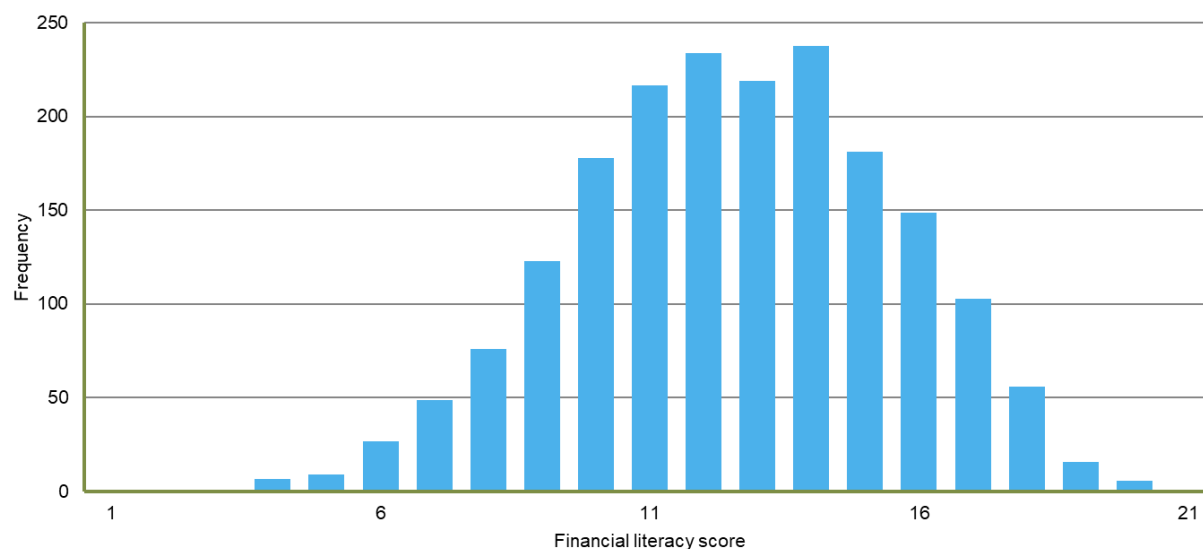
The distribution of the financial literacy score is slightly shifted to the right, in other words, in the direction of high scores (Fig. 4). The asymmetry coefficient is  $-0.155^{20}$ . This means that the rate of financial literacy is growing more evenly to the average value.

Also, the distribution is slightly flatter than normal: the excess coefficient is  $-0.281^{21}$ . This means that the indicators are not particularly grouped around the central values, and a slightly larger proportion of people have low and high indicators. This can be interpreted in such a way that many citizens can potentially significantly improve their financial literacy.

<sup>20</sup> Asymmetry is considered significant when the coefficient is less than -1 and greater than 1. In the normal distribution, the value of the asymmetry is 0.

<sup>21</sup> Excess is considered significant when the coefficients are less than -1 (then the distribution is flat) and greater than 1 (then the distribution is curved). In the normal distribution, the value of the excess coefficient is 0.

Figure 4. Frequency distribution of scores of the financial literacy score in Ukraine



## DEMOGRAPHIC DIFFERENCES IN THE FINANCIAL LITERACY SCORE

The financial literacy score in Ukraine did not show differences by gender, but there were recorded differences by such characteristics as age, region, place of residence, income level and education, as well as the use of technology and availability of savings. In terms of the components of the score, certain features can also be traced.

**Gender.** According to the results of the 2021 survey, the difference between men and women in the financial literacy score is statistically insignificant (12.26 and 12.23), as well as in its components. It is worth noting that in 2018 there was a statistically significant difference in the financial behavior of men and women, with the latter showing better results (Table 4).

**Age.** The grouping by age occurred in different age ranges. First, according to the OECD methodology, three age groups are distinguished: 18-29 years old, 30-59 years old and older than 60 years old. This grouping allows us to make comparisons in terms of countries. According to this grouping, the lowest financial literacy score was recorded in the age group older than 60 years old (11.6 points). However, awareness of financial matters of the people aged older than 60 in Ukraine is higher than in such countries as Italy, Georgia, Northern Macedonia, Montenegro, Romania, Malta, Peru and Colombia. In 2021, young people aged 18-29 in Ukraine received 12 points in terms of financial literacy, and thus it is on a par with the Czech Republic and ahead of Italy, Malta, Bulgaria, Croatia, Northern Macedonia, Montenegro, Romania, and Colombia. The age group of 30-59 years old reached 12.6 points in 2021 (Table 3).

Secondly, in the 2018 study in Ukraine, a different age grouping was used, which allows more accurate recommendations for educational activities in the field of financial literacy. Accordingly, both in 2018 and in 2021, the lowest value of the financial literacy score was recorded in the age group of 18-24 years old and it currently amounts to 11.4 points versus 10.7 points in 2018. However, it is indisputable that the growth of the score in this age group was the greatest – 7%. It is worth noting that young people aged 18-19 years old remain the least financially aware with the value of the score of 10.1 points, which means that there is a need to continue efforts to improve financial literacy in this age group and younger. Financial awareness is also significantly lower in the age group older than 60 (11.6), which also requires close attention. The highest level of financial literacy was recorded in the age group 25-34 years old –

12.7 points, but it should be noted that in the dynamics, this group lags behind the age groups 35-44 years old and 45-59 years old (Table 4).

**Income.** Given that the level of income of Ukrainian citizens has changed over the past three years, the comparison with 2018 causes some difficulties due to the adjustment of intervals. If we analyze the data of 2021, we can observe an increase in the financial literacy score depending on the income of citizens. For groups of respondents with a higher level of income, for example, UAH 7,000 - UAH 15,000, the value of the financial literacy score amounts to 12.9 points, and for UAH 15,001 - UAH 20,000 – 13.2 points (Table 4).

**Availability of savings.** According to the methodology of the OECD report 2020, the respondents were divided into two groups on the basis of the availability of savings to cover current expenses for at least three months in case of loss of the main source of income. In Ukraine, a group of respondents with such savings showed a significantly higher score of the Financial literacy score, which was 14.2 points, and thus secured it a place in the TOP-10 countries in the OECD 2020 survey (Table 3).

**Education.** As in 2018, so in 2021 there is a direct link between the level of financial literacy and education: the higher the level of education, the higher the financial literacy score. If in 2021, the overall score of persons with complete or incomplete secondary education is 11.2 points, then persons with secondary special education (vocational school) – 11.9 points, while persons with higher education – 13.3 points. It is worth noting that the growth of financial literacy occurred at all levels, except for incomplete secondary education (Table 4).

**Place of residence.** By type of settlement, we see a growing gap in financial literacy between rural and urban areas. If in 2018 the financial literacy score was approximately at the same level, now the respondents from the city have 12.6 points, and from the village – 11.8 points (statistically significant difference). If we compare the financial literacy score by the regions, the following feature is noteworthy: there is a decrease in the level of financial awareness of the respondents from the North and the Center, while the leaders are the South, West and East (Table 4).

**Use of technology.** According to the OECD methodology, non-users of technology are those who have not used a computer, e-mail, the Internet and a mobile phone in the last week. If we compare Ukraine in terms of financial literacy of non-users of technology, then 9.9 points is a fairly high figure, as there are countries where this figure starts from 8 points. However, if we analyze only the level of Ukraine, then certainly this score is low, mainly due to knowledge and behavior. It is worth noting that this category constitutes only 5% of the sample and 68% of it are persons aged 60 years old and older (Table 3).

Table 3. The Financial Literacy Score: demographic differences in Ukraine and OECD countries

			Ukraine, 2021	Average in the countries of comparison, 2020	Average in the sample of OECD countries, 2020*
Financial literacy score	Gender	Female	12,2	12,7	13,0
		Male	12,3	12,6	13,1
	Age	18-29	12,0	12,3	12,6
		30-59	12,6	13,0	13,4
		60+	11,6	12,3	12,6
	Use of technology*	NON-users of technology	9,9	10,2	-
		Users of technology	12,4	12,8	-
	Availability of savings	There will be enough savings for less than three months	11,8	12,2	12,4
		There are savings for more than three months	14,2	13,9	14,2
	Knowledge	Gender	Female	4,2	4,6
Male			4,4	4,8	4,9
Age		18-29	4,2	4,6	4,7
		30-59	4,5	4,9	4,9
		60+	4,0	4,5	4,5
Use of technology*		NON-users of technology	3,2	3,3	-
		Users of technology	4,4	4,8	-
Availability of savings		There will be enough savings for less than three months	4,2	4,6	4,5
		There are savings for more than three months	4,9	5,1	5,1
Behavior		Gender	Female	5,6	5,2
	Male		5,4	5,0	5,4
	Age	18-29	5,4	4,9	5,2
		30-59	5,7	5,2	5,6
		60+	5,0	4,8	5,1
	Use of technology*	NON-users of technology	4,4	4,1	-
		Users of technology	5,5	5,1	-
	Availability of savings	There will be enough savings for less than three months	5,2	4,8	5,0
		There are savings for more than three months	6,6	5,8	6,0
	Attitude	Gender	Female	2,4	2,9
Male			2,5	2,8	2,9
Age =		18-29	2,3	2,8	2,8
		30-59	2,5	2,9	3,0
		60+	2,6	3,0	3,0
Use of technology*		NON-users of technology	2,4	2,9	-
		Users of technology	2,5	2,9	-
Availability of savings		There will be enough savings for less than three months	2,4	2,8	2,8
		There are savings for more than three months	2,7	3,0	3,1

Statistically significant difference compared to the average value of the sample in 2021 at a significance level of 95%: **green** = high value, **red** = low.

\*The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.



Table 4. The Financial Literacy Score: demographic differences in Ukraine

		Ukraine, 2021	Ukraine, 2018	Change, %
Gender	Female	12,2	11,7	4%
	Male	12,3	11,5	7%
Age	18-24	11,4	10,7	7%
	25-34	12,7	12,1	5%
	35-44	12,6	11,9	6%
	45-59	12,5	11,9	5%
	60 and more	11,6	11,2	4%
Personal income	Up to UAH 3 500	11,2	-	-
	3,501 – 7,000 UAH	12,0	-	-
	7,001 – 15,000 UAH	12,9	-	-
	15,001 – 20,000 UAH	13,2	-	-
	20,001 – 30,000 UAH	14,5	-	-
	30,001 – 50,000 UAH	13,9	-	-
	More than 50,000 UAH	15,5	-	-
Family income	We hardly make the ends meet	10,5	10,6	-1%
	We do not have enough money even for food	11,0	10,3	7%
	We have enough money to buy food and clothes. But purchase of durable goods (a TV-set, a refrigerator) is problematic	13,0	11,5	13%
	We have enough money to buy food, clothes. and durable goods	13,9	12,3	13%
Education	Higher education	13,3	12,5	6%
	Secondary special education	11,9	11,4	4%
	Complete or incomplete secondary	11,2	10,4	8%
Region	Center	11,8	12,4	-5%
	North	11,9	12,2	-2%
	South	12,6	10,8	17%
	West	12,4	11,1	12%
	East	12,5	11,8	6%
Type of settlement	Village	11,8	11,5	3%
	City	12,6	11,7	-1%
Use of technology	NON-users of technology	9,9	-	-
	Users of technology	12,4	-	-
Availability of savings	There will be enough savings for less than three months	11,8	-	-

Statistically significant difference compared to the average value of the sample at a significance level of 95%: **green** = high value, **red** = low.

Correlation analysis shows that, as in 2018, knowledge, attitude and behavior are weakly correlated in Ukraine. Attitude and knowledge do not correlate at all. A weak correlation is observed between behavior and, both knowledge and attitude. This means that these specific elements of knowledge and attitudes from the OECD survey are not determinants of behavior.

Table 5. Correlation between the components of the financial literacy score

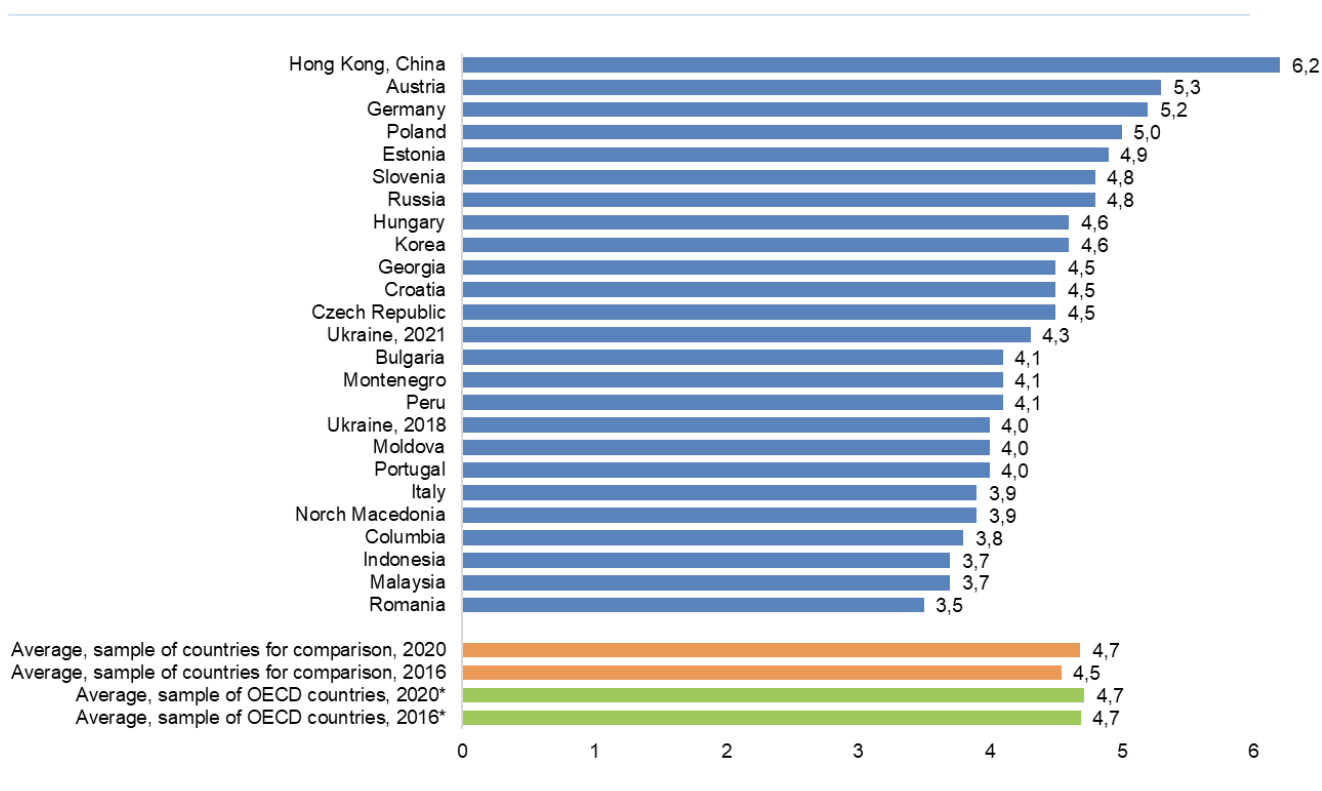
	Knowledge	Attitude	Behavior
Knowledge	1		
Attitude	- 0.01	1	
Behavior	0.27**	0.17**	1

Pearson correlation coefficient.

### III.I. FINANCIAL KNOWLEDGE

The questionnaire contained 7 questions on financial knowledge from the OECD score and a number of other questions. According to the score of financial knowledge, Ukraine is in the middle of the list of countries from the OECD Report as of 2020 with a score of 4.3 or 61% of its maximum value. According to this indicator, Ukraine is approaching the average in the sample of the countries of comparison and OECD countries (4.7 or 67%). In general, the financial knowledge score of Ukraine is higher than of Romania, Montenegro, Bulgaria, Northern Macedonia, Italy, Portugal, Moldova, Malaysia, Indonesia, Colombia, and Peru. In addition, compared to the previous survey in 2018, the financial knowledge score in Ukraine shows growth (Fig. 5).

Figure 5. Score on the component "Knowledge": comparison with other countries



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

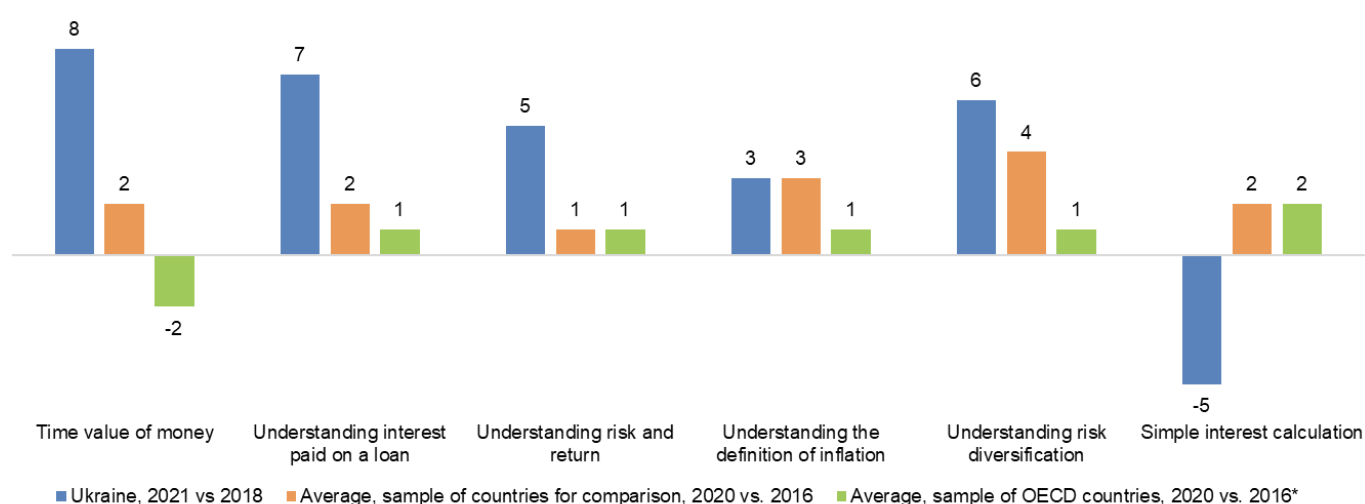
48% of the adult population in Ukraine correctly answered at least five of the seven knowledge test questions (which is considered the minimum target value) versus 43% in 2018. The Ukrainian indicator is lower than the indicator in the sample of OECD countries in 2020 (60%) and the indicator of the countries of comparison (also 60%). However, if we look at the trend, we see that Ukrainians show a more rapid improvement in awareness of the most matters than the countries of comparison and the sample of OECD countries (Table 6, Fig. 6).

Table 6. Share of correct answers on the component "Knowledge" of the financial literacy score: by country

Component	Ukraine, 2021	Ukraine, 2018	Average in the countries of comparison, 2020	Average in the countries of comparison, 2016	Average in the sample of OECD countries, 2020*	Average in the sample of OECD countries, 2016*
The value of money in time	63%	55%	70%	68%	67%	69%
Interest paid on the loan	70%	63%	88%	86%	86%	85%
Risk and return	65%	60%	79%	78%	81%	80%
Definition of inflation	87%	84%	81%	78%	81%	80%
Diversification	63%	57%	65%	61%	63%	62%
Calculation of interest plus principal	50%	55%	61%	59%	62%	60%
Compound interest for 5 years	38%	42%	-	39%	-	41%

\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

Figure 6. The difference between the correct answers on the component "Knowledge" (pp)



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

Ukrainians improved their knowledge on 5 of the 7 questions used to compute the score, including inflation, risk-return ratio, and asset diversification.

Based on their own experience, Ukrainians know the definition of inflation very well. According to the answer to this question, Ukrainians have better knowledge than the respondents from the sample of OECD countries in 2016 and 2020.

The level of knowledge of percent is lower than in other countries. It is currently difficult to explain what could be causing this situation. Of course, one could assume a connection with the use of certain financial products, and possibly the mathematical skills of Ukrainians. In fact, additional research is needed to answer this question.

65% of respondents from Ukraine understand the relation between risk and return, in particular, that promises of high returns are likely to be associated with high risk. At the same time, this cannot be considered sufficient and rather indicates that there is a possibility of attracting Ukrainians to risky investment schemes, in particular to pyramid schemes. The positive is that in 2018 the value of this

indicator was 60%. Probably this aspect should be given special attention in the preparation of educational programs.

Demographic characteristics of the "Knowledge" component:

**Gender.** There are no statistically significant differences between men and women in terms of knowledge, but men's knowledge has slightly increased in 2021 compared to 2018, by 0.3 points (Table 7).

**Age.** Young people aged 18-29 years old have a score of 4.3, which is the average for the sample of OECD countries as of 2020; in particular, it is higher than in France, on a par with the Czech Republic, and close to the level of Slovenia, Georgia, Hungary and Estonia. Despite the fact that the score for knowledge is the lowest in the age group of 60 and older, however, according to this indicator, Ukraine is also at the average level with a sample of countries from the OECD 2020 survey.

**Income.** There is the same pattern that is typical for the score: the knowledge scores increase with increasing income.

**Availability of savings.** In Ukraine, the group of respondents who have savings for more than three months in case of loss of the main place of income has a knowledge score of 4.9, which is the average for the sample of countries in the OECD 2020 survey. By this indicator, Ukraine is also on a par with the Czech Republic, Georgia and Hungary.

**Education.** Respondents with higher education have a significantly higher component of "knowledge" than other respondents, and amounts to 4.7 points (Table 7).

**Place of residence.** According to the type of settlement, the leadership of respondents from the city with a score of 4.5 points, remains. There was also redistribution by regions, as the level of knowledge decreased in the Center and the North, while this indicator increased in the East, South and West.

**Use of technology.** As it was mentioned above, there is a difference in scores for users and non-users of technology, but given the design of the sample, it is comparable to age category.

Table 7. Score on the component "Knowledge": demographic differences

		Ukraine, 2021	Ukraine, 2018	Change, %
Gender	Female	4,2	4,0	5%
	Male	4,4	4,1	7%
Age	18-24	4,1	<b>3,9</b>	5%
	25-34	4,4	4,3	2%
	35-44	4,4	4,0	10%
	45-59	<b>4,5</b>	4,1	10%
	60 and older	<b>4,0</b>	3,8	5%
	Personal income	Up to 3,500 UAH	<b>3,9</b>	-
3,501 – 7,000 UAH		4,3	-	-
7,001 – 15,000 UAH		<b>4,6</b>	-	-
15,001 – 20,000 UAH		4,6	-	-
20,001 – 30,000 UAH		4,9	-	-
30,001 – 50,000 UAH		4,7	-	-
More than 50,000 UAH		<b>5,4</b>	-	-
Family income	We hardly make the ends meet	<b>3,8</b>	3,5	9%
	We do not have enough money even for food	<b>3,7</b>	3,5	6%
	We have enough money to buy food and clothes. But purchase of durable goods (a TV-set, a refrigerator) is problematic	<b>4,7</b>	4,1	15%
	We have enough money to buy food, clothes. and durable goods	<b>4,8</b>	<b>4,2</b>	14%
Education	Higher education	<b>4,7</b>	<b>4,3</b>	9%
	Secondary special education	4,2	3,9	8%
	Complete or incomplete secondary	4,0	3,5	14%
Region	Center	<b>4,0</b>	4,4	-9%
	North	4,1	4,5	-9%
	South	<b>4,6</b>	3,9	18%
	West	4,2	3,5	20%
	East	<b>4,6</b>	4,1	12%
Type of settlement	Village	<b>4,1</b>	3,8	8%
	City	<b>4,5</b>	<b>4,1</b>	9%
Use of technology	NON-users of technology	<b>3,2</b>	-	-
	Users of technology	4,4	-	-
Availability of savings	There will be enough savings for less than three months	<b>4,2</b>	-	-
	There are savings for more than three months	<b>4,9</b>	-	-

Statistically significant difference compared to the average value of the sample at a significance level of 95%: **green** = high value, **red**=low.

Analysis of the component "Knowledge" in terms of users of financial services shows a significant gap between users and non-users. The largest gap is observed in the following positions: understanding of compound interest and interest paid on the loan (Table 8).

Table 8. Share of correct answers on the component "Knowledge": on the use of financial services

	Ukraine, 2021 – respondents, users of financial services	Ukraine, 2021 – respondents, non-users of financial services	Difference between users and non-users of financial services
The value of money in time	66%	58%	8 pp
Interest paid on the loan	76%	63%	13 pp
Risk and return	68%	61%	7 pp
Definition of inflation	89%	83%	6 pp
Diversification	66%	59%	7 pp
Calculation of interest plus principal	80%	79%	1 pp
Compound interest for 5 years	45%	30%	15 pp

Citizens of Ukraine have demonstrated that they have the skills to calculate discounts when buying goods. 76% of respondents (78% in 2018) answered correctly to the question:

*“Let’s assume that you saw a TV-set of the same model on sale in two different shops. The initial retail price of it was UAH10,000. One shop offered a discount of UAH1,500, while the other one offered a 10% discount. Which one is a better bargain – a discount of UAH1,500 or 10%?” –*

This indicates a high level of basic mathematical skills that are used to solve a familiar problem.

#### KNOWLEDGE OF GUARANTEED AMOUNT OF BANK DEPOSIT REIMBURSEMENT

Another question tested knowledge of the guaranteed amount of reimbursement:

*“If a citizen of Ukraine has a deposit in an ordinary private Ukrainian commercial bank and this bank fails and is liquidated, do you know what maximum level of coverage guaranteed?”*

Only 20% of the population chose the correct answer from the short list (UAH 200,000). 49% said they did not know, and 9% believed that the reimbursement of bank deposits is guaranteed in full amount. Awareness of this matter has not changed since 2018 (then 21% of respondents gave the correct answer, 50% did not know the answer). Among the respondents who have used financial services over the past two years, 25% chose the correct answer, among those who have "financial cushion" for three months or more – 35%.

Only 22% (23% in 2018) knew that the reimbursement of deposits in credit unions is not guaranteed. More than half of the respondents stated that they were not aware of the guaranteed amount of deposits in credit unions.

#### PERCEPTION OF BANKS OBLIGATIONS

In 2021, 31% of respondents chose the correct answer to the question about what banks should do in accordance with current Ukrainian legislation ("Inform a borrower of the total credit cost and effective rate of interest") versus 28% in 2018, in other words, the awareness of this issue has improved. 25% of respondents admitted that they do not know the answer to this question (21% in 2018), 15% chose the option "receive payments and carry out other transactions for the population free of charge" (versus

19% in 2018). Also, 11% of respondents believe that banks should issue loans to anyone (versus 17% in 2018).

#### AWARENESS OF LIFE INSURANCE

In 2021, 41% of respondents chose the correct answer to the question about the definition of life insurance (*"This is a service that can be provided solely by a specialized insurance company whereby an insured person receives an amount of money upon reaching a certain age and after his /her death, the insurance benefits are paid out to his/her heirs"*), while almost the same number of respondents (39%) chose the second of the proposed options – *"This is a service provided by any insurance company whereby it pays out insurance coverage to designated individuals in the case of death of a person whose life was insured."* Awareness of this matter has increased: in 2018, 37% of respondents gave the correct answer, while 46% chose the wrong wording.

This question is characterized by minimal differences in answers in terms of different demographic groups, probably due to the fact that insurance is not a popular financial service among Ukrainians (only 9% of respondents indicated that they or their family members use insurance services). Among users of insurance services, 62% of respondents have already given the correct answer to the question.

#### AWARENESS ABOUT THE FUNCTIONAL OF PAYMENT CARDS

In 2021, 49% of respondents knew which card allows to carry out such transactions as cashing out money, effecting payments on-line or in a shop for an amount greater than you have on your balance (chose the answer "credit card"). At the same time, 26% of respondents indicated that any payment bank card has such functionality, and 20% of respondents found it difficult to answer the question. Awareness of this issue has deteriorated (53% gave the correct answer in 2018), and may be it is due to the fact that banks offer overdraft on salary cards

#### AWARENESS OF THE DIFFERENCE BETWEEN SHARE AND BOND

The securities market in Ukraine is underdeveloped (although there have been some recent positive developments, see the Financial Behavior section), so it is not surprising that a few respondents knew the difference between a share and a bond. In this question of the questionnaire the respondent could choose several answers, and only two were correct. Only 16% (versus 21% in 2018) chose the option *"a share represents an investment into share capital, whereas a bond does not"*, and only 12% (versus 9% in 2018) chose the answer *"A common share has no guaranteed level of income, whereas bonds can have fixed and variable returns"*. Only 2% of respondents gave absolutely correct answer (mentioned two correct options).

#### AWARENESS OF THE GUARANTOR'S LIABILITY FOR THE LOAN

Awareness of the guarantor's liability for the loan has deteriorated: 32% of respondents in 2021 knew about the guarantor's liability in case of failure of the borrower to repay the loan versus 41% in 2018. 20% could not answer this question, 17% think that the guarantor encounters financial, and criminal liability in case the borrower fails to pay off the loan.

#### SELF-ASSESSMENT OF FINANCIAL KNOWLEDGE

In 2021, slightly less than half of respondents in Ukraine think that they have an average level of knowledge on financial matters, while in other countries – 54% according to the OECD survey as of 2020.

On the one hand, the data show that the higher the self-assessment of financial knowledge, the better the score on financial knowledge. On the other hand, a significant proportion of respondents believe that their level of knowledge is average, even when this is not the case. For example, 42% of respondents with a score of financial knowledge from 0 to 3 believed that they had at least an average level of knowledge. So, people do not know how little they know. Judging by the dynamics, Ukrainians

have become more aware that they have insufficient level of financial knowledge: 37% of respondents indicated their level of knowledge as low compared to 31% in 2018 (Table 9).

*Table 9. The results of answers to questions about self-assessment of financial knowledge: by countries*

	<b>Ukraine, 2021</b>	<b>Ukraine, 2018</b>	<b>Change, pp</b>	<b>Average in the countries of comparison, 2020</b>	<b>Average in the countries of comparison, 2016</b>	<b>Average in the sample of OECD countries, 2020*</b>	<b>Average in the sample of OECD countries, 2016*</b>
Low	37%	31%	+6 pp	23%	26%	24%	26%
Average	45%	52%	-7 pp	57%	56%	54%	54%
High	9%	9%	0	18%	18%	20%	20%

\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

\*\* Data may not give 100% in sum due to refusals and the "I do not know" answer.



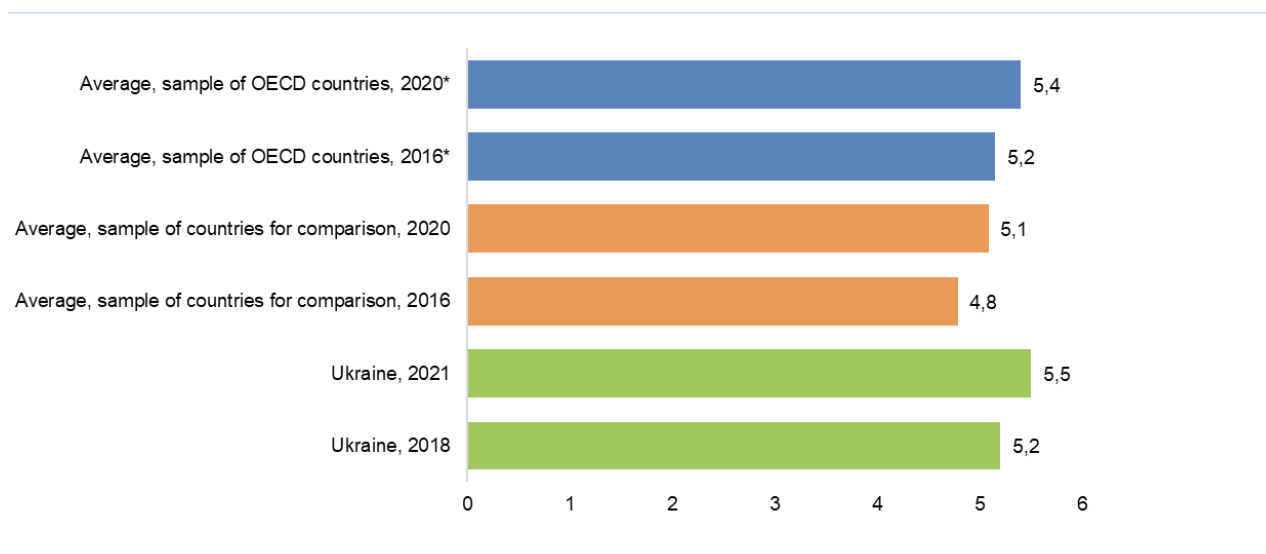
### III.II. FINANCIAL BEHAVIOR

In order to assess the component "financial behavior", the following situations are used according to the OECD methodology, when the respondent:

- manages the money of the household, AND the household is engaged in drawing up the budget;
- carries out formal savings.
- carefully consider the purchase before making it;
- pays bills on time;
- carefully controls own financial affairs;
- sets long-term financial goals and strives to achieve them;
- compares financial products when buying (1 point for trying to compare, 2 points for a more thorough comparison);
- does not need credit to make ends meet.

The average score of the component "financial behavior" in Ukraine was 5.5 on a scale from 0 to 9 (or 61% in percentage terms). Ukraine's score of financial behavior was higher than in the countries of comparison (5.1 or 56%) and at the level of the average in the sample of OECD countries (5.4 or 60%) (Fig. 7). According to this indicator, Ukraine is in the top 10 countries in the 2020 OECD survey.

Figure 7. "Behavior" score: comparison with other countries



In 2021, 51% of the adult population in Ukraine received at least six out of nine points (which is considered the minimum target score) versus 36% in 2018. This figure of Ukraine is higher than in the countries of comparison (42%), and actually, at the same level with OECD countries in 2020 (50%). Such a significant increase in the indicator also allowed Ukraine to get into the TOP-10 countries.

#### DEMOGRAPHIC DIFFERENCES IN FINANCIAL BEHAVIOR

The overall score for financial behavior in Ukraine is uneven in terms of demographic characteristics (Table 10).

**Gender.** In 2021, in contrast to 2018, there are no statistically significant differences between men and women in the component "Behavior". However, we can notice certain features of behavior in the context of individual situations. So, women are more likely to make their own spending decisions than men. The peculiarity of this wave of survey is that the share of younger men in whose families someone else

makes decisions about spending planning, has increased. Women have also significantly improved their personal finances.

**Age.** In 2021, there is a statistically significant difference in the groups of 30-59 years old and older than 60 years old. However, in comparison with the countries of OECD study as of 2020, according to this indicator, Ukraine in all age groups, firstly, is at a level close to the average, and secondly, is in the TOP-10 countries.

If we analyze only the national level, comparing 2021 with 2018, then young people aged 18-24 have become less independent in making financial decisions and are less likely to do so, as well as plan less. Respondents in this age group have other characteristics: the share of those who do nothing to plan expenses and income has significantly decreased (from 35% to 29%); the share of users of banking applications or cash management tools for tracking expenses has increased (from 12% to 16%); young people have more often begun to set up future payments (increase from 6% to 8%).

Regarding the general trends in terms of age, there has been a significant improvement, especially in the use of banking applications or cash management tools (three times) and automatic payments for people of working age (twice). As for people of retirement age, there is also improvement.

**Income.** There is the same pattern that is typical for the score: the behavior scores increase with increasing income.

**Availability of savings.** First of all, there is a statistically significant difference between the scores of those who have savings and those who do not have them to cover the expenses in case of losing the main source of income in 2021: 6.6 points (compared to OECD countries of the 2020 survey, Ukraine is in the TOP-3 countries and ranks second after Slovenia (6.7 points) and is on a par with Portugal and Malaysia, Bulgaria is in the third place with 6.5 points) versus 5.2 points, which is slightly above average of the countries from the same report. Let's note that individuals who have savings for more than 3 months also make greater use of banking applications or cash management tools at the national level to track expenses and set up automatic payments. Respondents who stated that they would have enough savings for more than 3 months, mainly planned daily expenses (83%) in contrast to those who had enough savings for less than 3 months.

**Education.** Respondents with higher education have significantly higher component "Behavior" (6.1 points) than other respondents (Table 10).

**Place of residence.** In 2021, in contrast to 2018, there was a statistically significant difference between the behavior of respondents from urban and rural areas, respectively 5.6 points versus 5.3 points. In terms of the regions, the positions of the regions have changed: if in 2018 the North was statically significantly higher, now the West has this position. At the same time, if we evaluate the behavior of respondents in terms of the situations, the respondents from the East show better results and much better dynamics than the respondents from other regions in keeping money separately to pay bills (growth from 34% to 44%), keeping records of future accounts (doubled) and the use of banking applications or other cash management tools (doubled). According to the same indicators, there was an increase in the city/village by two times.

**Use of technology.** Users of technology have 5.5 points on the Behavior component. This puts Ukraine in the third place compared to the OECD countries in 2020, when Slovenia is in the first place (6.3 points), Moldova is in the second place (5.6 points) and Ukraine occupies the third place together with Poland and Bulgaria. Non-users of technology in Ukraine have a much lower score than users, which amounts to 4.4 points. However, according to this indicator, Ukraine is significantly better than the countries in the OECD 2020 survey. In fact, Ukraine ranks second, as the first place is shared by Bulgaria and Moldova (4.5 points), accordingly, Ukraine shares the second place with Croatia, Romania and Poland – the third place (4.3 points). Also at the national level, users of technology have a better position in terms of cost and revenue planning than non-users (they demonstrate worse result even in

those positions where technology is optional), which is again understandable given the age of non-users. In addition, they are less likely to plan.

Table 10. Financial behavior score: demographic differences

		Ukraine, 2021	Ukraine, 2018	Change, %
Gender	Female	5,6	<b>5,3</b>	6%
	Male	5,4	5,1	6%
Age	18-24	<b>4,9</b>	<b>4,6</b>	7%
	25-34	<b>5,9</b>	5,5	7%
	35-44	<b>5,8</b>	5,5	5%
	45-59	5,6	5,4	4%
	60 and older	<b>5,0</b>	5,0	0%
Personal income	Up to 3,500 UAH	<b>4,9</b>	-	-
	3,501 – 7,000 UAH	<b>5,3</b>	-	-
	7,001 – 15,000 UAH	<b>5,8</b>	-	-
	15,001 – 20,000 UAH	<b>6,1</b>	-	-
	20,001 – 30,000 UAH	<b>6,8</b>	-	-
	30,001 – 50,000 UAH	6,3	-	-
Family income	More than 50,000 UAH	6,5	-	-
	We hardly make the ends meet	<b>4,5</b>	4,8	-6%
	We do not have enough money even for food	<b>4,8</b>	4,5	7%
	We have enough money to buy food and clothes. But purchase of durable goods (a TV-set, a refrigerator) is problematic	<b>5,8</b>	<b>5,0</b>	16%
	We have enough money to buy food, clothes. and durable goods	<b>6,4</b>	<b>5,7</b>	12%
Education	Higher education	<b>6,1</b>	<b>5,7</b>	7%
	Secondary special education	5,3	5,1	4%
	Complete or incomplete secondary	4,9	4,6	7%
Region	Center	5,5	5,4	2%
	North	5,4	<b>5,5</b>	-2%
	South	5,4	4,8	13%
	West	<b>5,7</b>	5,0	14%
	East	5,4	5,3	2%
Type of settlement	Village	<b>5,3</b>	5,2	2%
	City	<b>5,6</b>	5,2	-6%
Use of technology	NON-users of technology	<b>4,4</b>	-	-
	Users of technology	5,5	-	-
Availability of savings	There will be enough savings for less than three months	<b>5,2</b>	-	-
	There are savings for more than three months	<b>6,6</b>	-	-

Statistically significant difference compared to the average value of the sample at a significance level of 95%: **green** = high value, **red**=low.

Compared to 2018, the population has become to plan less. It is worth noting that people with very low self-assessment have experienced a significant decrease in the planning of daily and/or regular expenses. If we analyze the same indicator by the level of income of respondents, then low-income people are less likely to plan than people with average income level. This can be explained by the fact that lack of funds is a matter of daily survival, money is barely enough for food and living. Average incomes do not allow you to buy large purchases at once, but already allow you to save, and therefore there is the highest percentage of planning in this group.

Despite the fact that the percentage of people who plan expenses and income, has decreased, there is a generally positive trend in the regulation of personal finances. Thus, there was an increase in all options for regulation of personal finances, and for such options as cost recording, use of applications and automatic payments the increase was more than twofold. Both users and non-users of financial services have significantly strengthened their positions in keeping money for paying bills separately, recording future accounts, using applications and setting up automatic payments (users). Regarding keeping records of expenses and keeping money to pay bills separately - there was a reduction in the gap between users and non-users of financial services.

## SAVINGS

Respondents were asked whether they have made any savings in the previous 12 months. In 2021, 69% of respondents (compared to 61% in 2018) said that they made such savings in certain ways, including "saved and kept cash at home or in a wallet", "kept money in a current account or on demand deposit account", "giving money to family to save on your behalf", "buying bonds or time deposits", "investing in crypto-assets, cryptocurrencies or ICOs", "investing in shares of stocks", "saving or investing in some other way, other than making pension contributions".

A smaller percentage of respondents chose "none of the above" when asked about ways to save. In the regional context, we observe the following trends: the West (it was 39%, it became 19%), the South (it was 68%, it became 32%), the East (it was 36%, it became 20%) significantly strengthened their positions on the use of various savings tools. The item "kept money on the current account" has increased by more than twofold in the West and East, and in the South – an increase – from 1% to about 15%.

However, it is likely that the many respondents can understand "savings" in the short term. 59% (compared to 52% in 2018) of respondents said that they saved money in their wallet or kept in cash at home. The number of those who also keep funds in current accounts or deposit accounts amounts to 21% in 2021 compared to 12% in 2018. This may be due, firstly, to uncertainty due to the pandemic, and secondly, the growth of non-cash payments, thirdly, greater use of mobile banking.

Among those who keep savings in a bank account, two-thirds of respondents also have savings at home. This indicates a strong culture of cash preferences, but at the same time, there is activity in the use of bank deposits. Respondents of working age have a noticeable shift to keeping of savings in the current account. Individuals with savings that are enough for more than 3 months chose the option "none of the above" in terms of savings in 8% of cases, and those with fewer savings in 34%. The gap between these two groups for keeping of money in the current account reaches 30 percentage points in favor of those who have enough savings for more than 3 months. Young people have improved their current position on keeping the money on current account from 8% to 14%. Also, more often than in the previous wave, they give money to someone else to save (an increase from 8% to 14%). It is noteworthy that "none of the above" in response to the questions about ways to store money among young people has significantly decreased – by 12 percentage points.

The population began to diversify their own financial assets more, in particular through investments in stocks, bonds and crypto-assets. This is due to a number of factors, among which we can assume the following: first, shares of foreign issuers were admitted to the Ukrainian market<sup>22</sup>. Second, IGLBs have become more available for purchase through banking applications<sup>23</sup>. Third, information noise around crypto-assets played a role<sup>24</sup>.

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<sup>22</sup> <https://minfin.com.ua/ua/currency/articles/yak-kupiti-akciyi-apple-i-tesla-v-ukrayini/>

<sup>23</sup> <https://finclub.net/ua/news/pryvatbank-uviv-posluhu-kupivliprodazhu-ovdp-onlain.html>

<sup>24</sup> [https://bank.gov.ua/admin\\_uploads/article/Strategy\\_FS\\_2025.pdf](https://bank.gov.ua/admin_uploads/article/Strategy_FS_2025.pdf)

## FINANCIAL GOALS

About half of the adult population (45%) has a financial goal. Among people aged older than 60, the percentage of those who set such goals for themselves is lower (20%). In contrast to 2018, the top three most popular goals in 2021 included car repair/purchase, displacing home repairs. There are the following TOP-3 financial goals:

- *Education*. This goal is set by 16% of respondents: 29% among the age group 18-24 (probably referring to Education for themselves; in particular, the figure amounts to 36% among the respondents with incomplete higher education) and 22% among the age group 35-44 ( probably for their children).
- *Repair or purchase of a car*. This goal is set by 15% of respondents: 22% among men, 25% among the age group 25-34 years old.
- *Construction or purchase of housing*. This goal is set by 14% of respondents, but this percentage is higher among the younger group: 22% among people aged 18 to 24 years old.

The list of the most common actions aimed at achieving the goals – unchanged since 2018, but the "popularity" of savings has increased:

- Looking for a new/additional source of income (indicated by 51% of respondents versus 50% in 2018).
- Cut-back on spending (45% versus 42% in 2018).
- Savings (37% vs. 30% in 2018).
- Prepared a plan of action (31%, the same as in 2018).

41% of respondents agree with the statement: *"I set long-term financial goals and strive to achieve them."*

Respondents from cities plan their finances relatively more (the gap with the village has increased from 6 percentage points to 14 pp). City dwellers also increased debt payments in order to pay off the loan faster. Respondents from rural areas save more and increase in this indicator is greater than of citizens. Instead, the townspeople refocused on cutting back on spending.

Analysis in terms of the use of financial services showed that users of financial services achieve financial goals through savings, planning and a small cutting back on spending; non-users plan less, save a little more, increase loans and cut back on spending a bit, began to look for additional income more often than in 2018. Respondents who rate their financial knowledge above average, mostly cut back on spending to achieve goals.

## MAKE ENDS MEET

One of the main questions about financial behavior concerned actions when respondents' expenses exceed their income. This is an urgent situation for Ukraine, as a significant share of the population is experiencing financial difficulties (see Section V "Financial resilience and financial well-being" below).

52% of respondents said that sometimes (over the past 12 months) their income did not cover expenses (58% in 2018). The rate is higher in villages and among older people. At the same time, this is not only a problem of low income: 43% of people with a personal income of over UAH 7,000 per month also faced this problem.

Those who did not have enough income to cover expenses often managed on their own without using loans. Approximately 50% of respondents indicated that they asked for help/credit from friends or relatives, 17% - took formal loans (more often it was credit cards, occasionally – short-term loans); 16% delayed their payments.

## ATTENTION TO FINANCIAL MATTERS

Attention to financial matters is analyzed in terms of the three statements presented in Table 11 (a detailed review of individual statements is made in Section V "Financial resilience and financial well-being"). In Ukraine, the majority of respondents agree with those statements, so they pay a lot of attention to finances.

*Table 11. Attention to financial matters*

	Ukraine, 2021 % of those, who agree (fully or partially)	Ukraine, 2018 % of those, who agree (fully or partially)	Change, pp
I constantly monitor my financial affairs	74%	71%	+3 pp
Before I buy something I carefully consider whether I can afford it	76%	82%	-6 pp
I pay my bills on time	85%	73%	+12 pp

If the behavior component was analyzed above in terms of demographic characteristics, now generalized results are presented, according to which 84% of respondents (compared to 82% in 2018) indicated that they performed a number of actions to control their costs. Compared to 2018, Ukrainians in general began to use more different actions to control their budget (Table 12).

*Table 12. Actions to control the budget*

Actions	Ukraine, 2021	Ukraine, 2018	Change, pp
Make a plan to manage your income and expenses	68%	70%	-2 pp
Keep a note of your spending	23%	19%	+4 pp
Keep money for bills separate from day-to-day spending money	31%	27%	+4 pp
Make a note of upcoming bills to make sure you don't miss them	14%	7%	+7 pp
Use a banking app or money management tool to keep track of your outgoings	13%	6%	+7 pp
Arrange automatic payments for regular outgoings	6%	2%	+4 pp
DO NOTHING	16%	18%	-2 pp

*(multiple answer is possible)*

## DECISION-MAKING PROCESS FOR THE PURCHASE OF FINANCIAL PRODUCTS

When there has been a recent need to purchase a financial product, most respondents compared different options. 40% of respondents considered the proposals of different companies (versus 45% in 2018), and 14% (as in 2018) – different proposals of one company.

The influence of the recommendations from friends or family members, increased even more among the sources of information that affect their decision most:

- Recommendations from friends or family members (49% versus 45% in 2018).
- Information provided by bank staff (33% versus 32% in 2018).
- Specialist product comparisons or best-buy guidance (14% versus 17% in 2018).

- A recommendation from an independent financial advisor (14% versus 15% in 2018).

Thus, the potential of independent sources of information that people can trust remains untapped (they now rely on friends and relatives whose financial knowledge may be insufficient). It also indicates the relevance of reliable tools for comparing financial products.

### III.III. FINANCIAL ATTITUDE

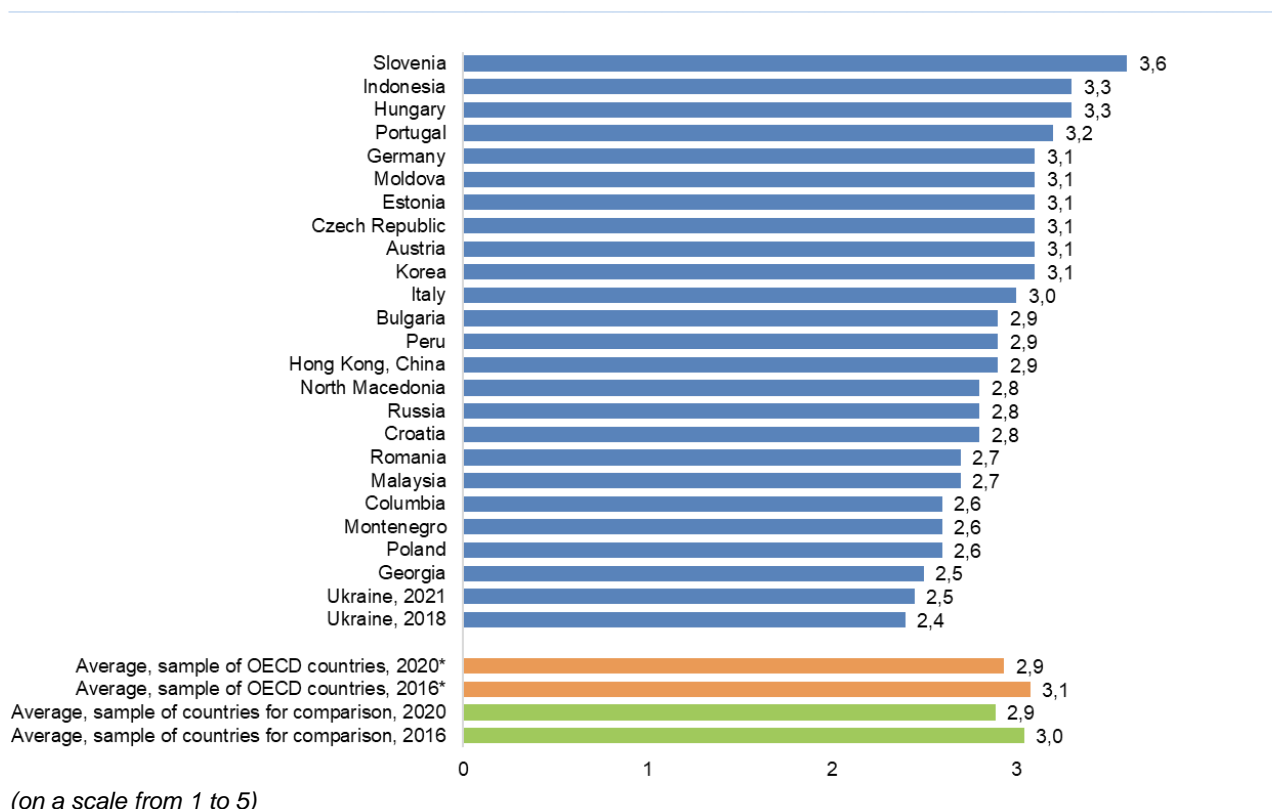
In order to assess respondents' attitudes towards money and future planning, the OECD methodology used three statements:

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

There were the options from 1 "completely agree" to 5 "completely disagree". In order to calculate the financial attitude score according to the OECD methodology, the average value of these three statements was used.

In 2020, the average score in Ukraine amounted to 2.5 (on a scale from 1 to 5) compared to 2.4 in 2018. The financial attitude score in Ukraine was lower than in the countries of comparison (2.9) and the sample of OECD countries in 2020 (2.9), however, it is almost on a par with Georgia and Poland. On the positive side, Ukraine has slightly improved its average score since the last wave, while the countries of comparison and sample of OECD countries have deteriorated (Figure 8).

Figure 8. Attitude score: comparison with other countries



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

In 2021, 17% of the adult population in Ukraine scored more than three points out of 5 (which is considered the minimum target score); in fact, the situation has not changed since 2018 (then 18% was recorded). The Ukrainian indicator is significantly lower than the indicator of the countries of comparison

(39%) and the sample of OECD countries in 2020 (40%). This means that Ukrainians are relatively more focused on short-term plans and spending rather than saving money. This attitude of Ukrainian respondents is at least partly explained by the unstable economic situation in 2020 caused by the pandemic and their own experience of several financial crises. These types of preferences can hinder the improvement of financial resilience and well-being. Thus, the promotion of long-term financial planning should be included in the relevant educational programs.

The financial attitude score did not differ much in terms of demographics compared to knowledge or behavior scores. It is interesting that among the age groups the lowest value was recorded for young people. It is expected that slightly higher scores were recorded for the respondents with higher income and savings (Table 13).

Table 13. Attitude score: demographic differences

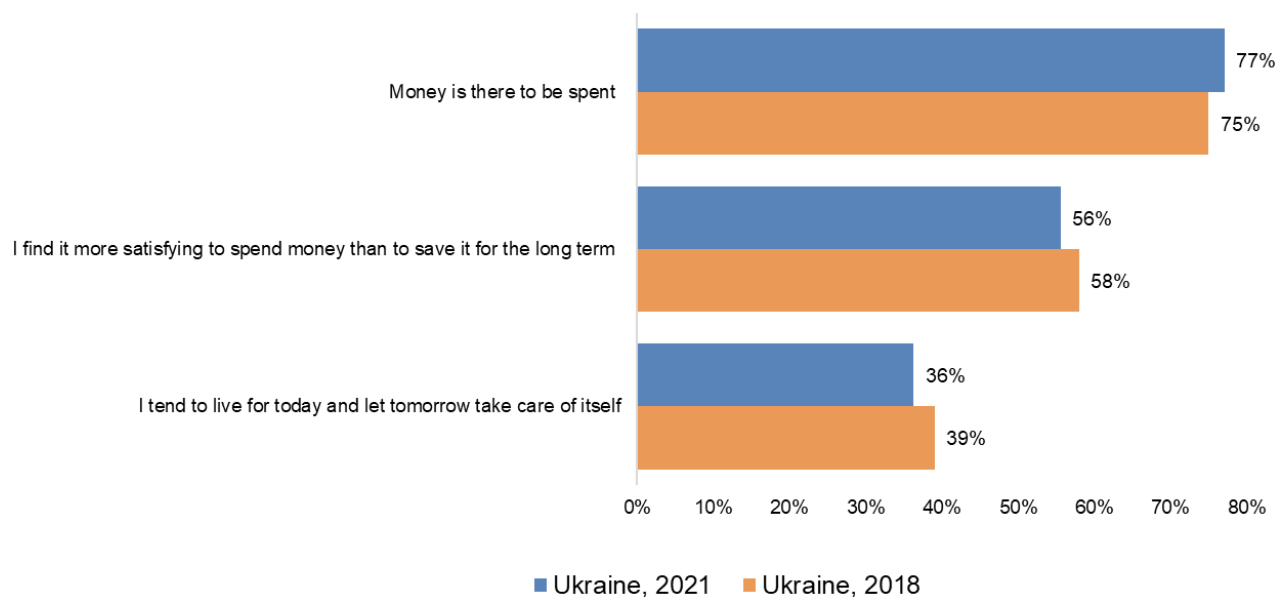
		Ukraine, 2021	Ukraine, 2018	Change, %
Gender	Female	2,4	2,4	0%
	Male	2,5	2,4	4%
Age	18-24	2,4	2,2	9%
	25-34	2,4	2,3	4%
	35-44	2,5	2,3	9%
	45-59	2,5	2,4	4%
	60 and more	<b>2,6</b>	2,5	4%
	Personal income	Up to UAH 3 500	<b>2,4</b>	-
	3,501 – 7,000 UAH	2,5	-	-
	7,001 – 15,000 UAH	2,5	-	-
	15,001 – 20,000 UAH	2,6	-	-
	20,001 – 30,000 UAH	<b>2,8</b>	-	-
	30,001 – 50,000 UAH	2,9	-	-
	More than 50,000 UAH	<b>3,6</b>	-	-
Family income	We hardly make the ends meet	<b>2,2</b>	2,3	-4%
	We do not have enough money even for food	2,4	2,4	0%
	We have enough money to buy food and clothes. But purchase of durable goods (a TV-set, a refrigerator) is problematic	2,5	2,4	4%
	We have enough money to buy food, clothes. and durable goods	<b>2,7</b>	2,4	13%
	Education	Higher education	<b>2,6</b>	2,4
	Secondary special education	2,4	2,4	0%
	Complete or incomplete secondary	2,4	2,3	4%
Region	Center	<b>2,3</b>	<b>2,6</b>	-12%
	North	2,4	2,2	9%
	South	<b>2,7</b>	2,1	29%
	West	2,5	<b>2,6</b>	-4%
	East	2,5	2,4	4%
Type of settlement	Village	2,4	2,5	-4%
	City	2,5	<b>2,4</b>	-4%
Use of technology	NON-users of technology	2,4	-	-
	Users of technology	2,5	-	-
Availability of savings	There will be enough savings for less than three months	<b>2,4</b>	-	-
	There is enough savings for more than three months	<b>14,2</b>	-	-

Statistically significant difference compared to the average value of the sample at a significance level of 95%: **green** = high value, **red**=low.



According to the statement "Money is there to be spent" respondents' positions have slightly deteriorated compared to 2018. Meanwhile, there has been an improvement by the statements "I find it more satisfying to spend money than to save it for the long term" and "I tend to live for today and let tomorrow take care of itself", and this indicates that there is a reorientation to the awareness of the importance of savings and care for the future, although it is slow due to the previous negative experience of inflation, devaluation of the national currency, as well as pandemics and financial crises (Figure 9).

Figure 9. Analysis of the "Attitude" component in terms of statements



% of those, who completely/rather agree with the statements

## PAYMENT OF TAXES

The results of the survey show that about half of Ukrainian citizens do not mind taking the opportunity to evade taxes (for example, a common way of tax evasion for employees and employers is to pay part of the salary in cash)<sup>25</sup>. At the same time, most respondents want to know how their taxes are spent, and previous research has shown that citizens' awareness of this topic is extremely low<sup>26</sup>.

The current attitude towards the payment of taxes may in particular be related to the general low level of trust in public authorities and financial institutions. The attitude of Ukrainians to the "state" contrasts with their desire for a fair attitude towards the cashier in the store (Table 14).

There is no clear trend in behavior change of Ukrainians in paying taxes. In 2021, compared to 2018, Ukrainians were somewhat more indifferent to the ways in which taxes are spent and somewhat more prone to tax evasion. At the same time, the share of those for whom it is acceptable to receive a salary in an envelope has decreased (Table 14).

<sup>25</sup> It should be noted that this statement from the OECD methodology ("If there is an opportunity to avoid paying taxes, you should go for it") can be considered by respondents as a matter of tax minimization.

<sup>26</sup> <https://cost.ua/obiznanist-ukrayintsiv-pro-podatky-j-byudzheth-znovu-krytychno-nyzka/>

*Table 14. Attitude to the payment of taxes and justice*

	<b>Ukraine, 2021</b> (% agree)	<b>Ukraine, 2018</b> (% agree)	<b>Change, pp</b>
If a shop keeper gave me too much change, I would probably keep it	13%	14%	-1 pp
If there is an opportunity to avoid paying taxes, you should go for it	45%	41%	+4 pp
You will agree if your employer offers you part of your salary in an envelope	44%	48%	-4 pp
It is important for me to understand how taxes are used	72%	77%	-5 pp

## ATTITUDE TO FINANCIAL LITERACY

Respondents are very interested in and support financial literacy. Respondents want children to learn how to manage their finances, in particular, compared to 2018, the share of those who believe that children should be taught how to manage their finances at school, has increased (Table 15).

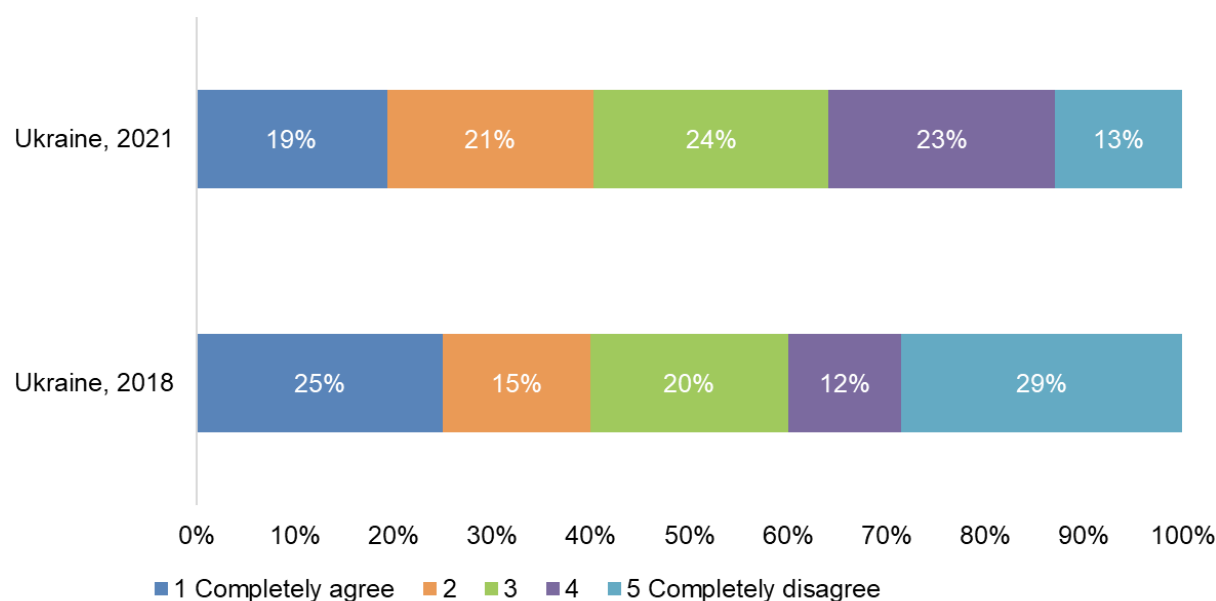
*Table 15. Attitude to financial literacy*

	<b>Ukraine, 2021</b> (% agree)	<b>Ukraine, 2018</b> (% agree)	<b>Change, pp</b>
It's interesting for me to know more about how to manage my finances in the best possible way	63%	61%	+2 pp
Parents should teach their children how to manage finances	92%	91%	+1 pp
I believe that children should be taught how to manage their finances at school	79%	70%	+9 pp

## DISCUSSION OF FINANCIAL ISSUES

Ukrainians show a polar attitude to discussing financial issues. Although 40% discuss money issues with relatives and friends, 36% do not. This indicator is important because relatives and friends are the source of information that most influences respondents when deciding on the use of financial services (Figure 10).

Figure 10. Attitude to the discussion of financial issues



## TECHNOLOGICAL PROFICIENCY

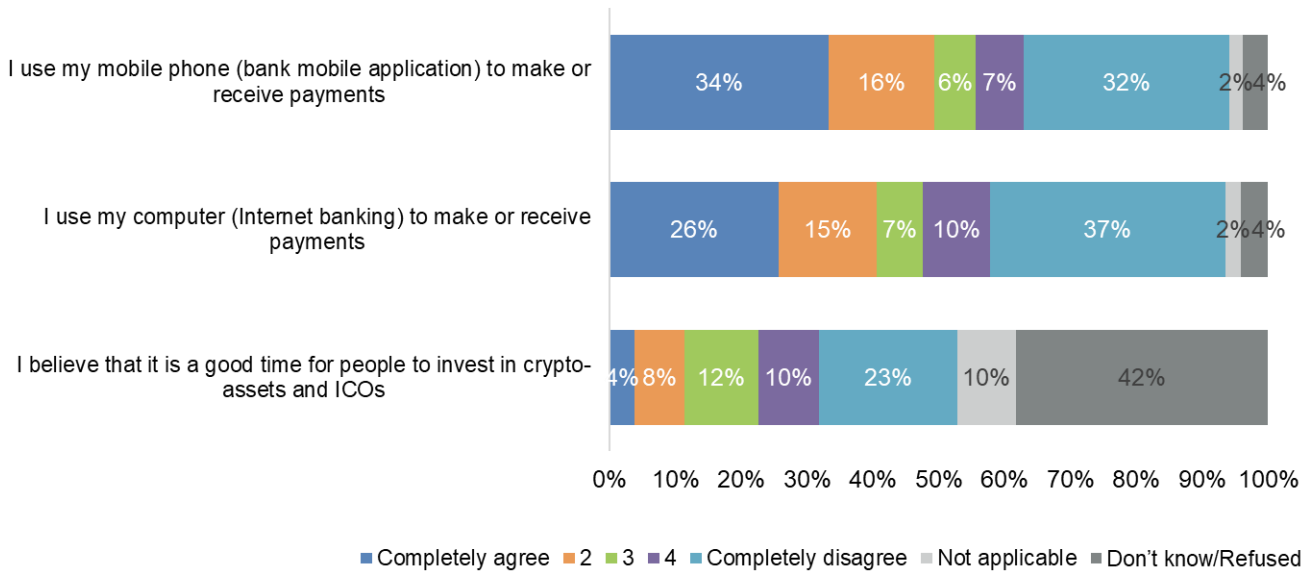
According to a study in 2021, half (50%) of respondents use or rather use a mobile phone (bank mobile application) when making payments and transactions, which makes it more popular than using a computer (Internet banking), there are 40% of respondents among its users (Figure 11).

In general, 38% of respondents use or rather use both a computer and a mobile phone to make payments and transactions, which suggests that about 50% of the population do not yet use modern technology in banking. The variety of digital, financial products, on the one hand, simplifies access to them due to the lack of need to visit the branch (to overcome the distance, select and spend time on a visit). On the other hand, the reduction in the number of bank branches may lead to some isolation of people who are not inclined to use technology (older people, villagers).

Crypto-assets and cryptocurrency markets are not in the center of attention of the adult population of Ukraine, 42% do not know whether the time is right to invest in them, another 10% consider this issue irrelevant for themselves

According to demographic characteristics, Ukrainians aged 20-49, city dwellers, and those living in the East are more technologically proficient.

Figure 11. Technological proficiency

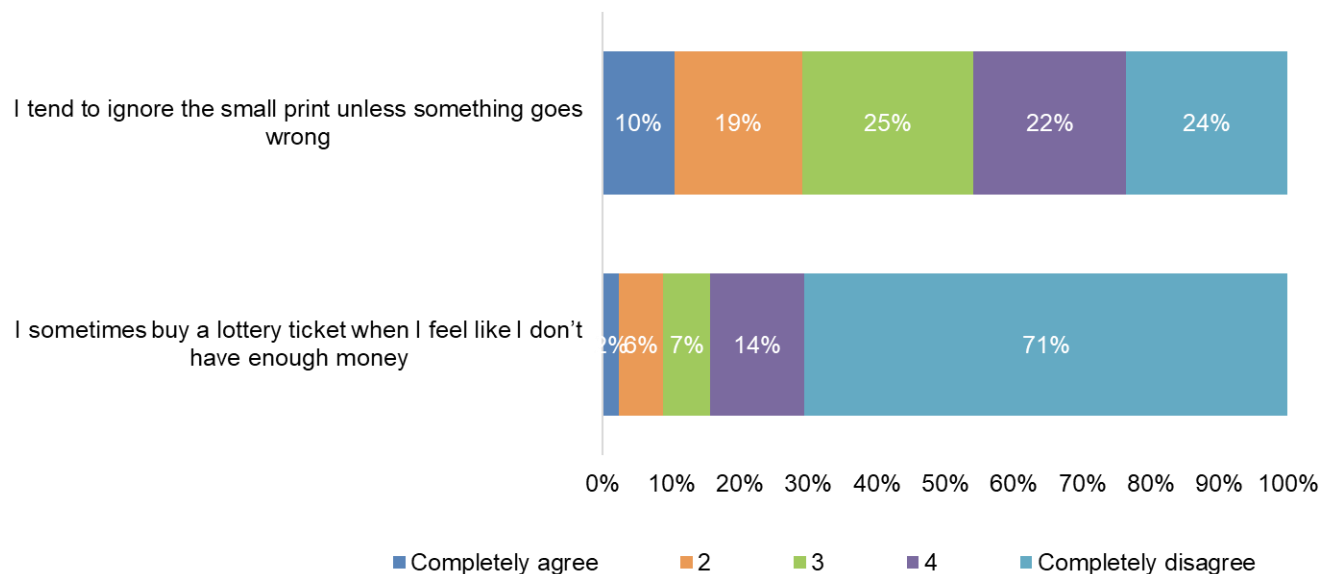


### RISKY BEHAVIOR

In 2021, 46% of Ukrainians surveyed said they did not ignore the small print, while 29% tend to ignore it unless something goes wrong. In the case of the latter, writing financial transactions in small print can lead to unexpected consequences for the user of financial services (Figure 12).

Only 8% of respondents believe that money problems can be solved by buying a lottery ticket, 85% do not agree at all or rather do not agree with it (Figure 12). Young people aged 18-29 are more gullible, and those over 60 are the least likely to believe in the lottery.

Figure 12. Risky behavior



### TRUST IN FINANCIAL INSTITUTIONS

In order to assess respondents' attitudes toward financial institutions, the study used two statements, to answer which one could choose from 1 ("completely agree") to 5 ("completely disagree"):

- "I trust financial institutions to treat me fairly".
- "I believe that money from the bank will not disappear, even if the bank goes bankrupt".

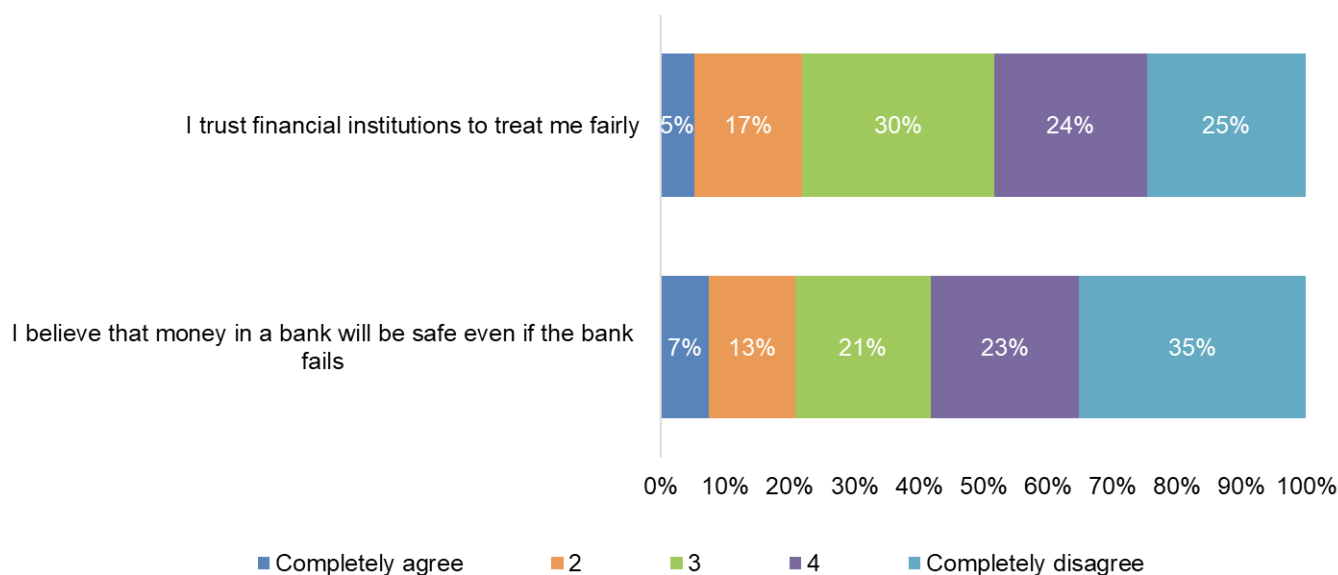
Only 23% of respondents believe in the honesty of financial institutions, half of the adult population of Ukraine completely or rather disagrees with the fact that they trust financial institutions that they treat

them fairly (Figure 13). This can be due to either actual experience or perception (more likely to be related to credits). The actual experience of citizens can be changed by increasing the requirements for information disclosure and monitoring compliance with these requirements. Perceptions can be changed by increasing financial literacy, explaining how and where you can find complete information about the terms of service.

Only one-fifth of respondents said that they would rather or completely agree that the money would not disappear from the bank, even if it went bankrupt, a third of respondents (35%) disagreed with that completely, another quarter (23%) rather disagreed. 13). Regarding the certainty that the money will not disappear from the bank, it is necessary to work more with perception by raising awareness about the deposit guarantee in general and the functioning of the Deposit Guarantee Fund, as well as deposit guarantee conditions, in particular, the maximum amount of compensation.

Ukrainians over the age of 60 trust financial institutions in general and banks in particular the least. High levels of distrust in financial institutions can limit the increase in the use of financial services and the development of the financial system. However, in most cases, reliable disclosure of information about financial services is rather the responsibility of financial institutions, than a lack of financial literacy skills for consumers of financial services. Even a financially knowledgeable person may not have access to the information necessary to make a decision to purchase a service. Thus, mistrust is exacerbated by significant differences between the public offer of financial institutions and the actual contract for the provision of financial services, in particular, in such an important part as their value.

Figure 13. Trust in financial institutions



## SECTION IV. FINANCIAL INCLUSION

Financial literacy and financial inclusion<sup>27</sup> are complementary concepts. The financial system cannot function effectively if the population does not use financial services. And this thesis is true for savings, for lending, and for investing. Of course, users of financial services must be financially literate, as only in this case the financial system will function stably.

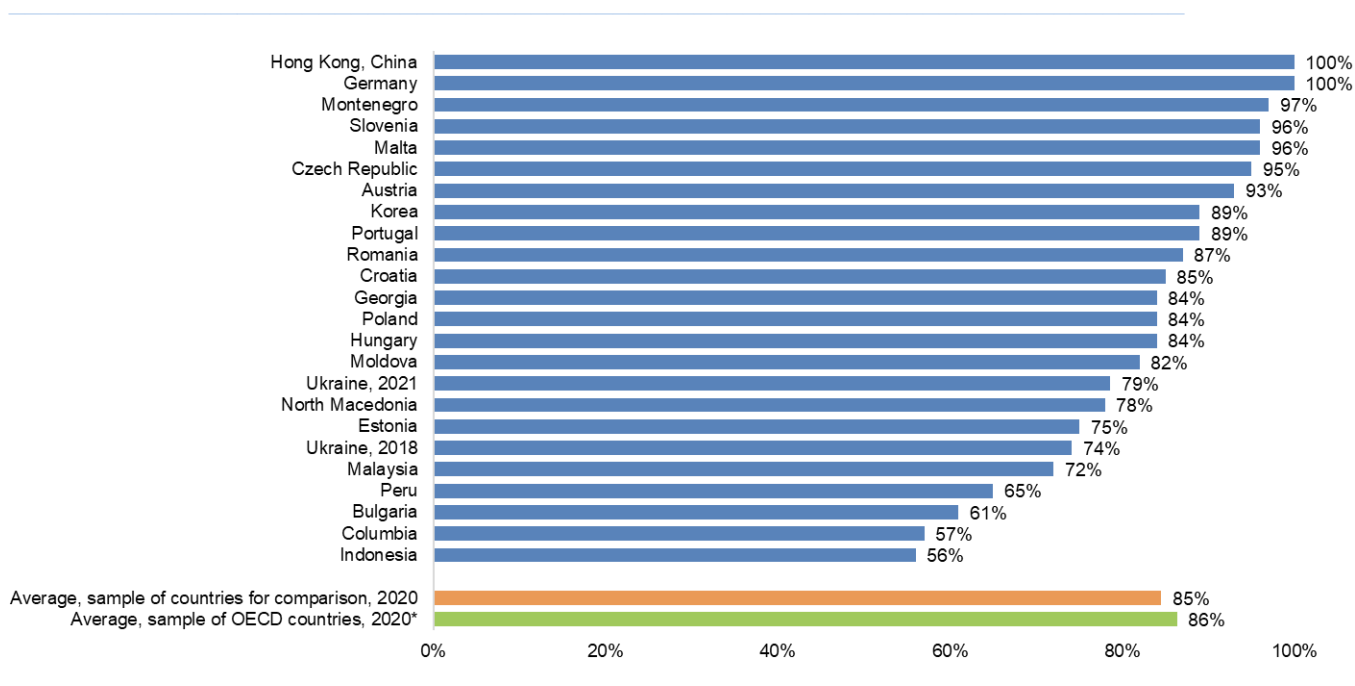
In order to assess the level of financial inclusion in the OECD 2020 Report, the main focus is on the analysis of three indicators:

- knowledge of at least 5 financial products;
- purchase of the product during the last year;
- asking family/friends to borrow money or give it to save on your behalf.

### AWARENESS OF AT LEAST 5 FINANCIAL PRODUCTS

In Ukraine, awareness of financial products is quite high and it is increasing: in 2021, 79% of respondents know at least 5 financial products (74% in 2018). Ukraine shows a better result than a number of countries: Bulgaria, Estonia, Northern Macedonia, Peru, Malaysia, Indonesia, and Colombia (Figure 14). Ukraine is also approaching Hungary by this indicator. Awareness of financial products in the countries of comparison and in the countries of OECD sample was 85% and 86%, respectively, indicating the potential for financial inclusion in Ukraine.

Figure 14. Awareness of at least 5 financial products



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

In general, if we assess the situation in Ukraine at the national level regarding the use of financial products, compared to 2018, the share of those who use only one product increased and the share of those who use two or more products decreased (Table 16).

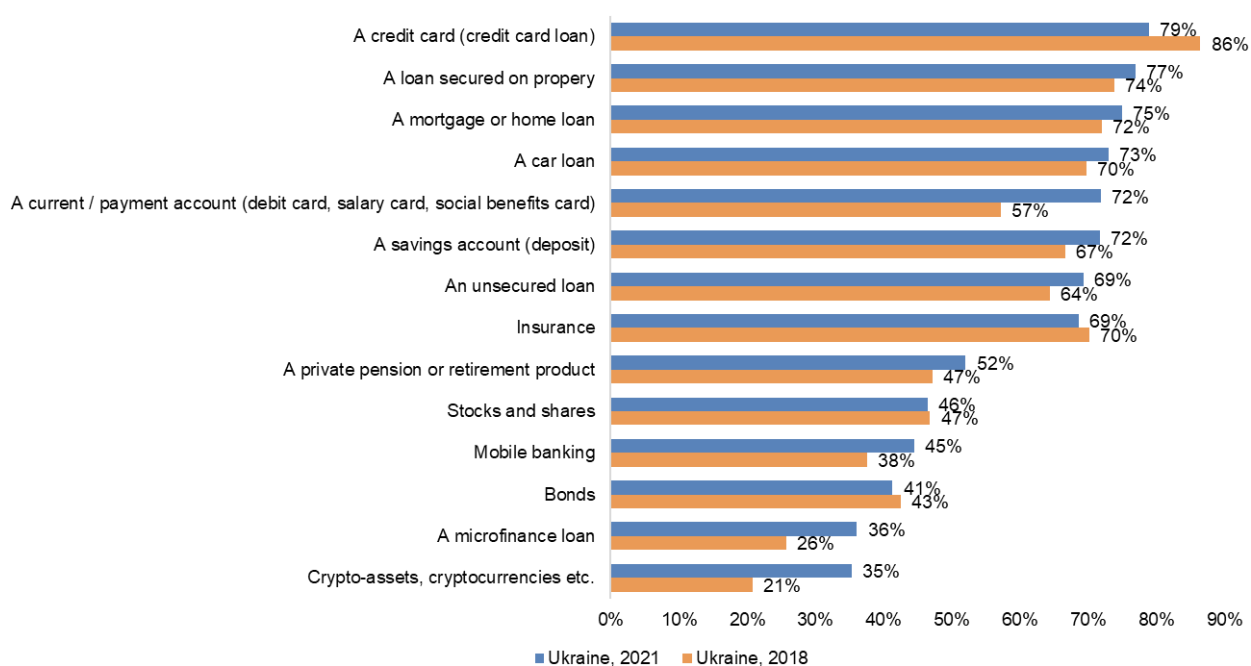
<sup>27</sup> Financial inclusion is the process of promoting accessible, timely and adequate access to a wide range of financial products and services and expanding their use by all segments of society through the introduction of special existing and innovative approaches, including financial awareness and education to promote financial well-being, as well as economic and social inclusion. (Atkinson and Messy, 2013).

Table 16. The number of financial products used

The number of financial products used	Ukraine, 2021	Ukraine, 2018	Change, pp
Did not use	43%	40%	+3 pp
1	32%	29%	+3 pp
2	15%	19%	-4 pp
3+	10%	12%	-2 pp

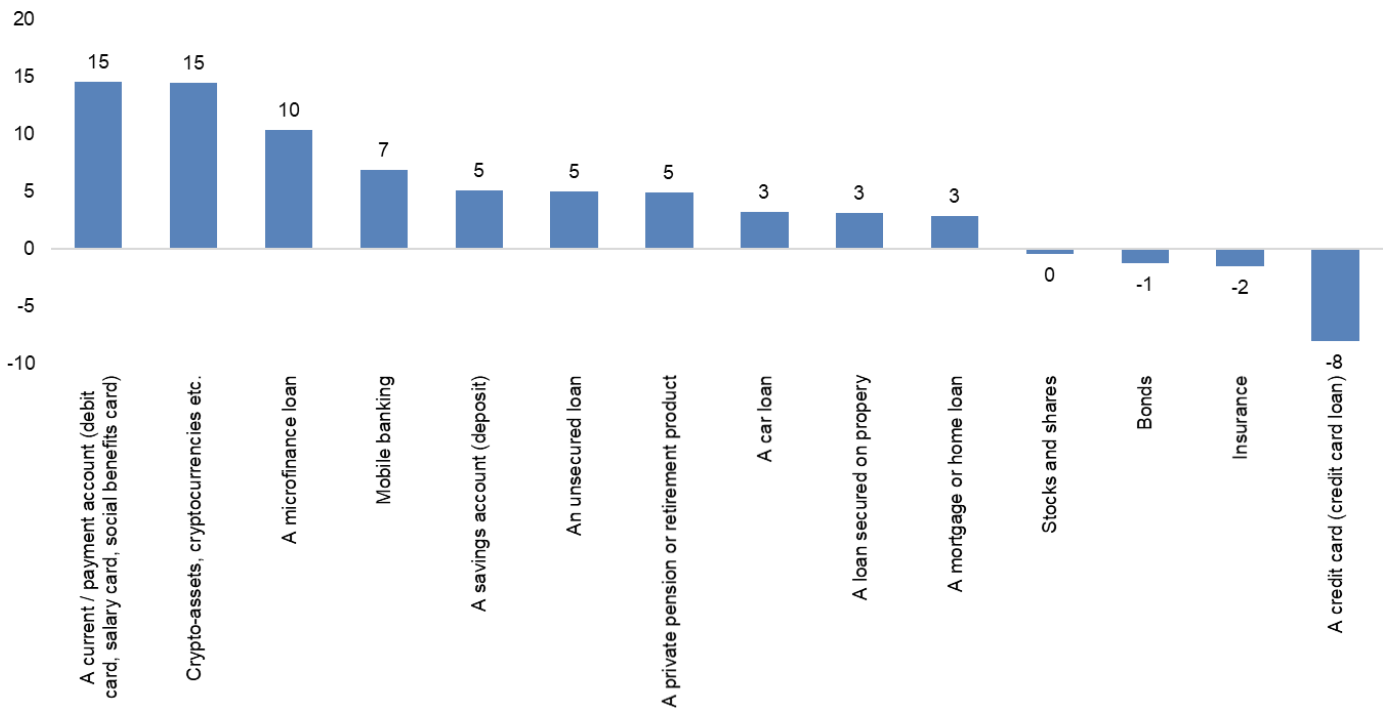
Awareness of most financial products in Ukraine has increased (Figure 15).

Figure 15. Awareness of financial products



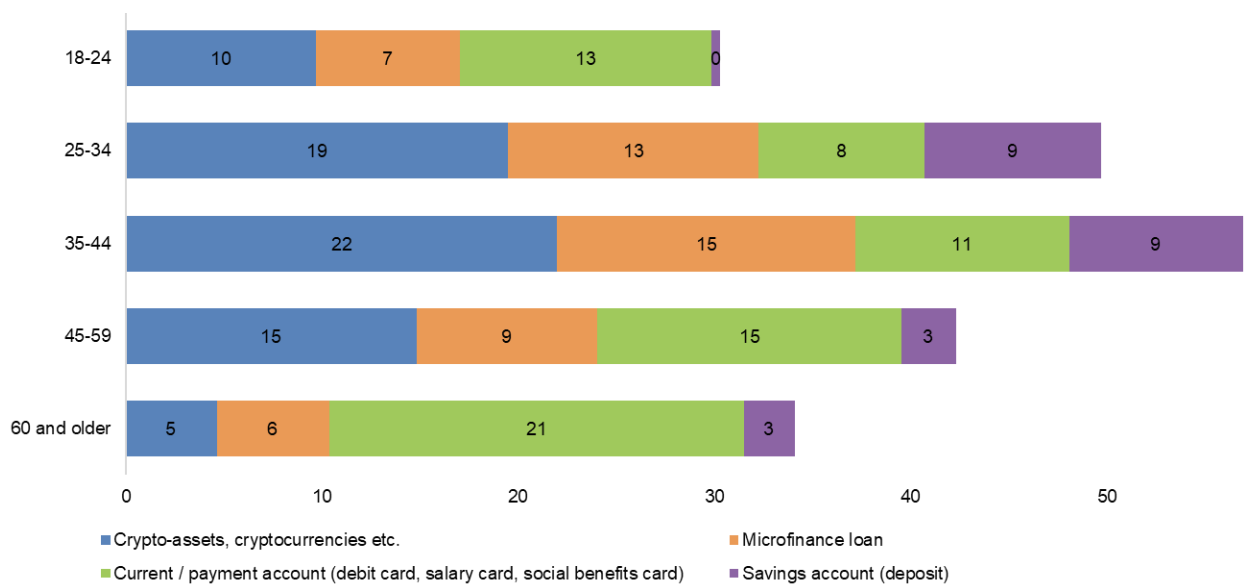
The maximum positive changes in awareness are observed for the following products (listed in descending order): current (payment) account – an increase by 15 percentage points; crypto-assets – by 15 pp; microfinance loan – by 10 pp; mobile banking – by 7 pp.

Figure 16. Difference in awareness of financial products in Ukraine: 2021 compared to 2018 (pp)



If we analyze the TOP-4 financial products by recognition in terms of age groups, it should be noted that it is significantly increasing in the age group 25-34 years old, reaching its peak at 35-44 years old, and then begins to decline (Figure 17).

Figure 17. The difference in the awareness of financial products between 2021 and 2018 by age, pp



It is surprising that the level of knowledge about credit cards has decreased by 7%, but at the same time we are observing a decrease in the level of use of credit cards as a separate product. It has also been pointed out that most respondents may not distinguish between credit and debit cards due to the possibility of overdraft.

It is worth noting that in the previous wave of the study, the users of financial services gave the answers "I do not know", "I have not heard of any", "refuse" to the questions about awareness of financial products. There are no such answers in this wave.



The analysis in terms of the use of financial services revealed that the gap in awareness of financial products between their users and non-users has significantly grown, according to the results of the second wave. Thus, the average gap in awareness of such products was about 12 percentage points in 2018, and currently – 22 percentage points. The greatest gap in awareness between users and non-users of financial products can be traced in terms of the following products: current (payment) account – 35 percentage points, mobile banking – 33 percentage points, crypto-assets – 25 percentage points, credit card – 24 percentage points, shares – 22 pp. It is likely that the growing awareness of the payment account is due to the transition to non-cash payments during the pandemic.

#### PURCHASING OF FINANCIAL PRODUCTS DURING THE LAST YEAR

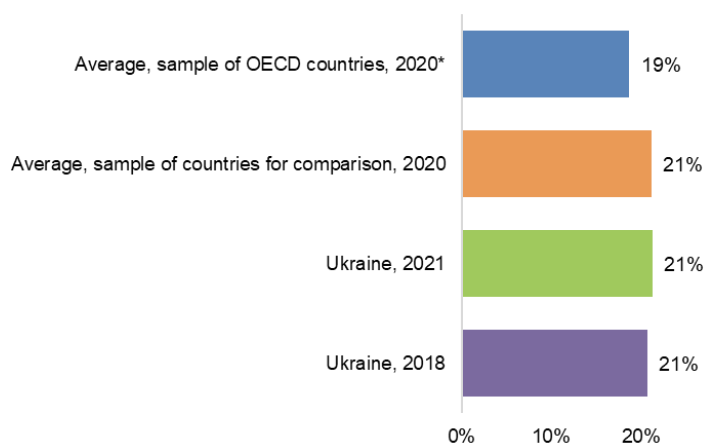
In addition, the level of use of financial products is quite low: 57% of respondents said that they have used financial products from the proposed list (personally or with family members) over the last two years, the figure has slightly decreased since 2018, when it was 60%. This was mainly due to lower use of loans, while the level of use of payment products increased (more on the use of products – further in the section).

A similar figure for OECD countries had a slightly different wording: the respondents were asked about purchasing products in the last year, so a direct comparison would be incorrect (for information: 41% of respondents in the countries of comparison and 44% in the OECD sample bought financial products in the last year).

#### ASKING FAMILY MEMBERS/FRIENDS TO BORROW MONEY OR GIVING IT TO SAVE ON YOUR BEHALF

In 2021, 21% of respondents (as in 2018) asked family members or friends to borrow money or gave it to save on their behalf, thus avoiding the purchase of appropriate financial products. This corresponds to the situation in the countries of comparison, in the sample of OECD countries this figure is slightly lower (Figure 18).

Figure 18. Asking members of family/friends to borrow the money or giving it to save on your behalf



\*The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

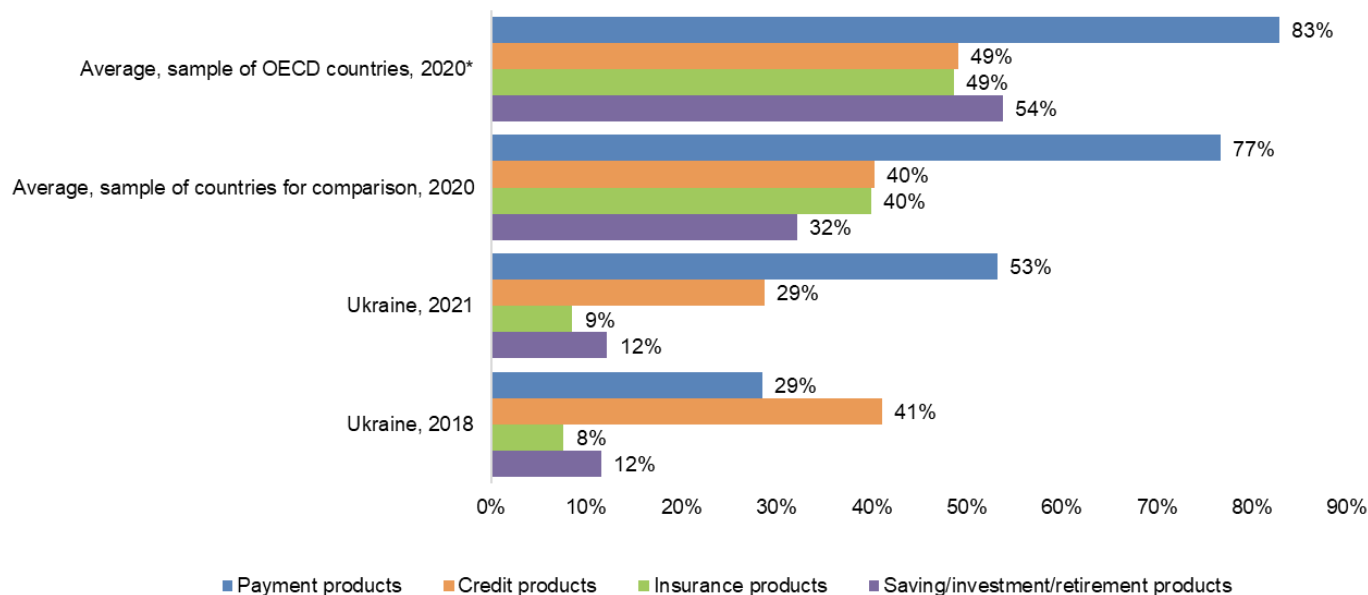
Other indicators can be used to assess financial inclusion, such as the current use of financial products and financial products (other than the state pension), which allow respondents to provide adequate living conditions after reaching retirement age.

#### CURRENT USE OF FINANCIAL PRODUCTS

Currently, the most popular products are payment: 53% of respondents indicate that they currently use a payment card (debit, salary or for social benefits) or mobile banking. This indicator has increased compared to 2018 (then it was 29%) (Figure 19). In the countries of comparison, where the idea of

“cashless” has been implemented for a long time, about 80% of respondents use means of payment – this figure can be interpreted as a potential for Ukraine. At the same time, according to this indicator, Ukraine is on a par with Romania and is ahead of such countries as Georgia, Bulgaria, Moldova, Peru, Indonesia, and Colombia.

Figure 19. Current use of financial products



\*The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

29% of respondents use loans (including credit cards). The figure decreased compared to 2018, when it was 41%. A plausible explanation is the Covid-19 pandemic and the associated uncertainty, as well as a more conscious approach to money. The decrease was for all types of loans, but the main factor was the decrease in the use of credit cards. The level of credit use in other countries is much higher (in the countries of comparison it was 40%, in the sample of OECD countries – 49%).

The percentage of current users of insurance services has slightly increased: from 8% in 2018 to 9% in 2021. Meanwhile, in the countries of comparison, 40% of citizens use insurance services, so, we have great potential for growth in this market, especially given the reform of financial regulators in Ukraine has taken place and the National Bank of Ukraine is currently supervising insurance companies. It should be noted that according to this indicator, Ukraine is currently ahead of Italy (4%), Northern Macedonia (5%), and Moldova (7%). Thus, probably the presence of an insurance culture in society plays an important role in addition to trust in insurance companies.

In 2021, 12% of respondents (as in 2018) indicate that they currently use deposit, investment or pension products that are not mandatory (private pension provision). In terms of this indicator, we observe a significant difference compared to other countries: in the countries of comparison they are used by a third of the population, in the sample of OECD countries – about a half, which again indicates the potential for development of these services in Ukraine.

## PENSION PROVISION

The analysis of pension provision can be carried out not only in terms of confidence in future pension provision, but also in terms of sources of its provision. Thus, in general, the population's confidence in the future pension provision has increased (the percentage of the confident people has increased from 12% in 2018 to 19% in 2021, the share of the insecure decreased from 50% to 42%, respectively).

It was found that people who rate their knowledge as quite high and very high, are more confident in financial security on retirement than other groups: in particular, in the group "quite high" there was an increase from 21% to 38%. And in the same group, the situation with drawing up of a retirement plan

has improved. Respondents who rate their knowledge as very, rather low, count on a state pension in contrast to those with a very high self-assessment of knowledge, who have more savings and expect to continue to work.

In general, in 2021, the majority of respondents (71%) expect that government pension will fund their retirement, and 33% of respondents plan to continue to work. A certain proportion of respondents (10-15%) rely on their savings, support from relatives. And now 3% plan to use the services of private pension funds (Table 17).

*Table 17. Sources of provision after reaching retirement age*

	Ukraine, 2021
Draw a government pension	71%
Continue to work	33%
Rely on your children or other family members to support you	16%
Draw on your savings	15%
Rely on a spouse/partner to support you	10%
From the revenues of a business that you own	6%
By income generated by your financial assets or property (such as dividends from shares or property rental income)	5%
Draw pension from a private pension fund (NPF)	3%
Sell your property (such as a car, property, art, jewels, antiques, etc.)	3%
Sell your financial assets (such as stocks, bonds, mutual funds)	1%

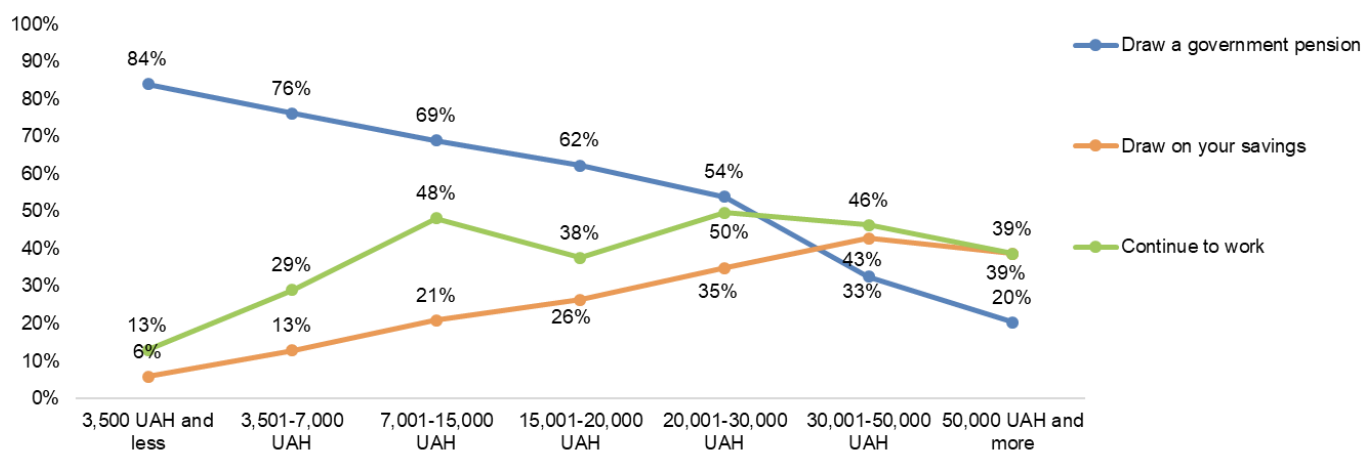
The analysis of respondents' answers by demographic characteristics regarding sources how they will fund their retirement reveals interesting facts.

**Gender.** Women rely more on government pensions, partner support, and child support. Men choose more independent options and relatively more often rely on revenues of the business they own, plan to continue to work on retirement.

**Age.** In general, people of working age have become more confident in their pensions. Special attention should be paid to young people. Thus, the share of young people (18-24 years old) who are confident in the future pension provision, increased from 5% in 2018 to 17% in 2021; the share of the uncertain decreased from 47% to 28%, respectively. At the same time, the share of young respondents who do not have a retirement plan increased from 25% in 2018 to 34% in 2021. There is a trend: the younger the respondent, the less he relies on a government pension. Young people (18-34 years old) tend to rely on revenues of the business they own, more than others.

**Income.** People with an average income and above (from UAH 7,000) are more confident in pension provision, and more often have a retirement plan. The more a person earns, the less he relies on a government pension and more on savings and continued employment (Figure 20).

Figure 20. Retirement plans depending on personal income level



**Education.** Respondents with higher and incomplete higher education are more confident in their pension provision in 2021 (unlike the previous wave, when there was no significant difference in the sample). People with higher education rely less on government pensions than other groups, and are statistically significantly different in terms of savings, intention to continue to work, pension from a private pension fund, and revenues from own business.

**Place of residence.** The situation has changed significantly between the responses of urban and rural residents. First, the city dwellers became more confident in pension provision (the share of confident increased from 11% in 2018 to 22% in 2021), while the share of uncertain decreased (from 51% in 2018 to 37% in 2021) p.). However, if we pay attention to the availability of a retirement plan, the situation has improved in both the village and the city, and there has been a significant improvement in the village. City dwellers are also distinguished by the fact that they have savings on pensions.

As for the regions, in the West there has been an increase in confidence in pension provision from 10% in 2018 to 23% in 2021, and a corresponding decrease in uncertainty from 45% to 32%. The share of respondents without a retirement plan decreased from 18% to 13% (most likely, the catalyst for improving the situation was the development of tourism). The West is also statistically significant in that it relies on family ties, savings and the sale of property to support themselves after reaching retirement age. In the East, the share of those unsure of pension provision has decreased from 48% in 2018 to 35% in 2021. The Center is more inclined to government pension. In the South, there is an increasing attention to the pension plan: if in 2018 36% did not have such a plan, then in 2021 this percentage decreased to 20%. There have been no significant changes in the North.

In Ukraine, as in the countries that participated in the OECD survey in 2020, the level of financial knowledge increases with the use of financial products (Table 18).

Table 18. Use of financial products and level of knowledge

	Do not use	Use one financial product	Use two financial products	Use three and more financial products
Knowledge: average score	3,9	4,4	4,6	5,1
Knowledge: percentage of the maximum value	56%	62%	66%	73%

International experience shows that financial literacy and financial inclusion, together with the protection of the rights of financial services consumers, are essential for the growth of financial opportunities of citizens and can contribute to the overall stability of the financial system. Therefore, for the state policy formation, it is so important to understand the level of financial inclusion of citizens along with the indicator of financial literacy.

## SECTION V. FINANCIAL RESILIENCE AND FINANCIAL WELL-BEING

Financial literacy usually means better money management, achievement of financial goals and avoidance of stresses associated with financial problems; thereby ultimately financial literacy improves financial well-being. This section looks at the elements of financial resilience used in the OECD methodology, as well as a new indicator of financial well-being, developed in accordance with the methodology of the Consumer Financial Protection Bureau (USA).

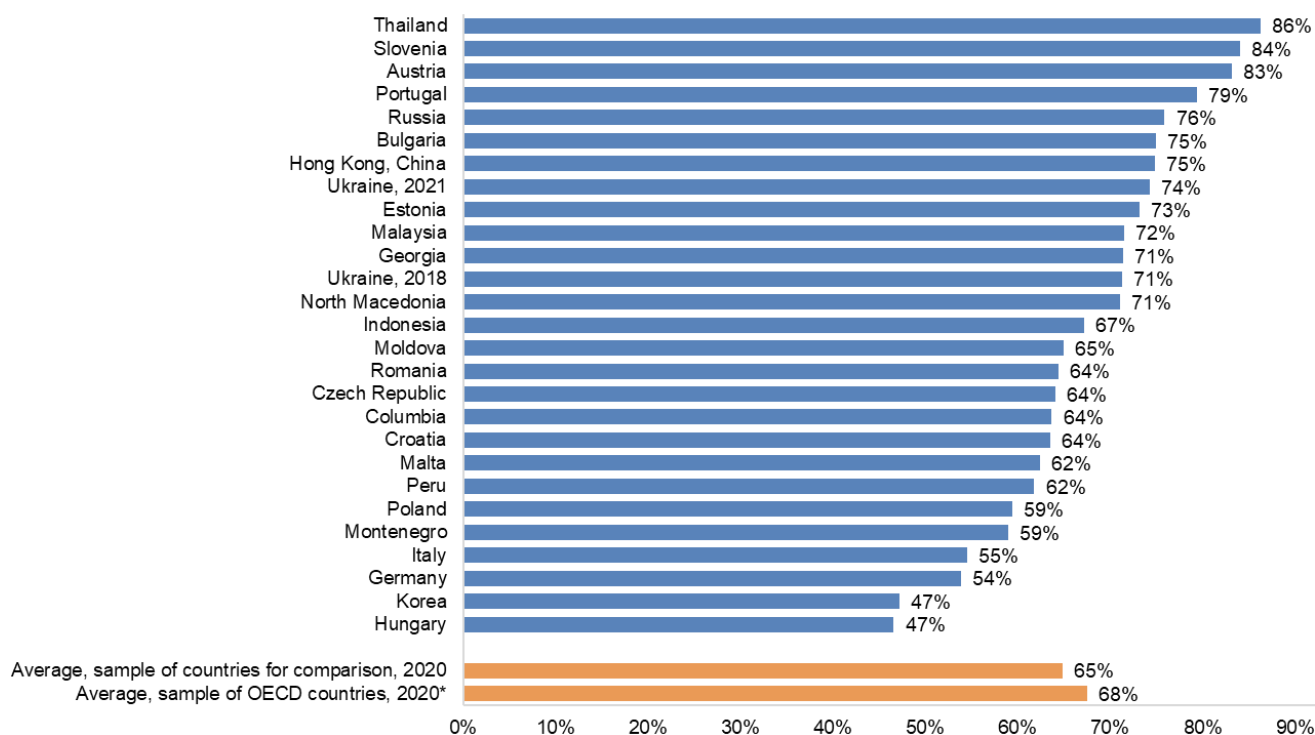
Financial resilience consists of evaluating 6 elements: keeping control of money, taking care with expenditure, planning individual finances, the availability of a financial cushion, coping with a financial shortfall and fraud awareness.

### KEEPING CONTROL OF MONEY, TAKING CARE WITH EXPENDITURE, PLANNING INDIVIDUAL FINANCES

The OECD report highlights some aspects that affect the financial resilience of the citizens, including financial planning, financial control, taking care of expenditures.

It is worth noting that one of the important habits that shape a person's financial resilience is monitoring own finances. In the survey, the characteristic of this habit was the statement: "I keep a close personal watch on my financial affairs." In Ukraine, 74% of the citizens agree with this statement. Compared to other countries, Ukraine ranks 8th and thus it is in the top 10 countries (Figure 21).

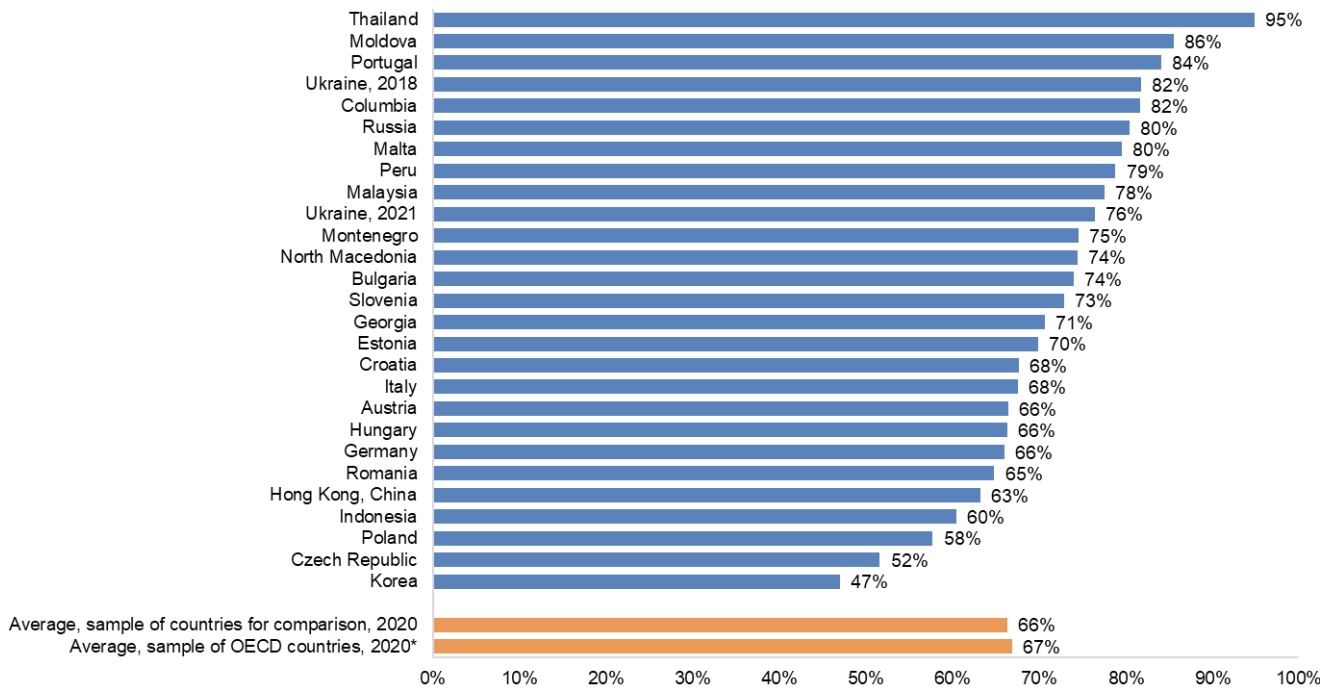
Figure 21. The share of respondents who keep a close personal watch on their financial affairs



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

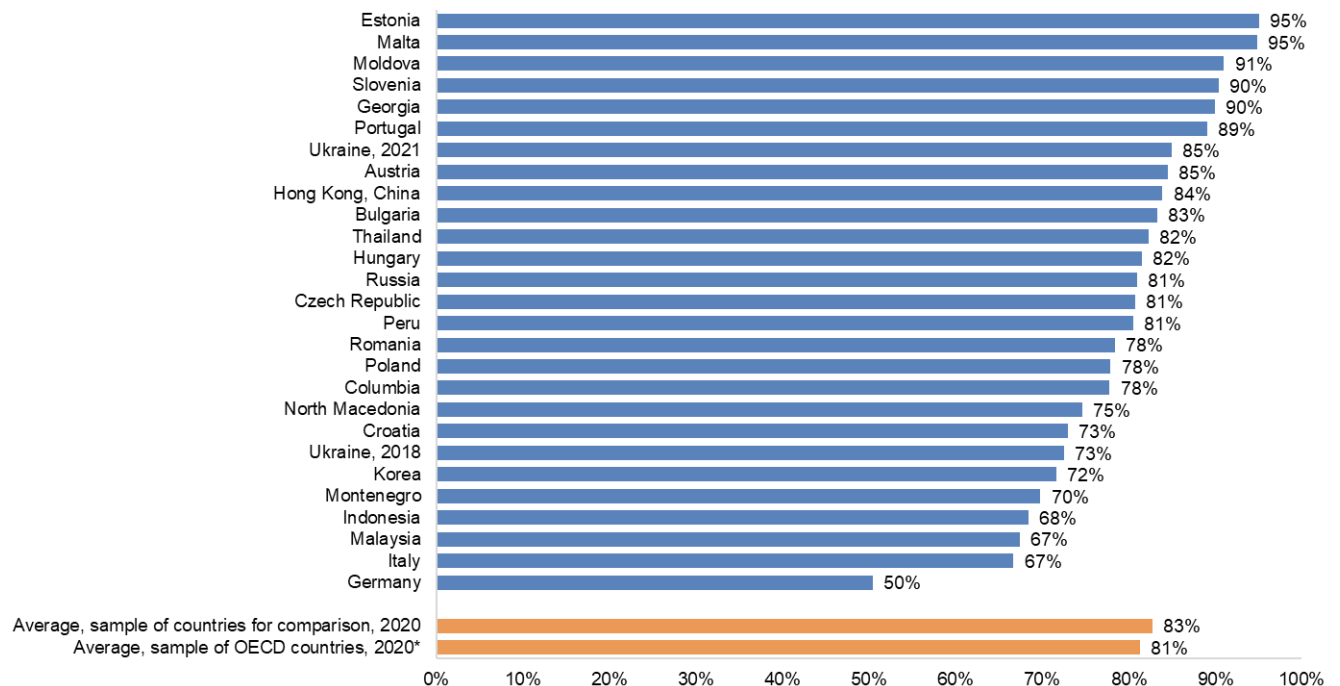
According to such statements as "I carefully consider purchases" and "I pay bills on time", according to the results of the 2021 survey, Ukraine is also among the top 10 countries in comparison with the countries of the OECD 2020 survey (see figures below).

Figure 22. The share of respondents who carefully consider purchases



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

Figure 23. The share of respondents who pay their bills on time



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

A comparison of the situation in Ukraine in the context of the two waves of the survey shows that the share of those who agree with the relevant statements in Ukraine has increased (the only exception is the percentage of those who carefully consider purchases).

Table 19. Financial planning and taking care of expenditures

Aspect according to OECD methodology	Questions	Ukraine, 2021	Ukraine, 2018	Change, pp	Average, sample of countries for comparison, 2020 p.	Average, sample of OECD countries, 2020 p.*
Financial planning	Active saving	<b>69%</b>	61%	+8 в.п.	65%	72%
	Pursuing long-term financial goals	<b>41%</b>	37%	+4 в.п.	41%	46%
Fin. control	Planning/controlling for expenditures	<b>84%</b>	82%	+2 в.п.	65%	68%
Control for expenses	Paying bills on time	<b>85%</b>	73%	+12 в.п.	83%	81%
	Carefully considering purchase	<b>76%</b>	82%	-6 в.п.	66%	67%

\*The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

## SAFETY RESERVE FOR THE FUTURE OR FINANCIAL CUSHION

One aspect of financial resilience is the safety reserve of people to solve potential financial problems in the future. The respondents were asked, *"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?"*

In general, we see an improvement, as 31% (versus 25% in 2018) can cover contingencies. Men are more confident and have improved their positions more than women according to the answers to this question. For the people of retirement age, this situation is a challenge, since the share of those confident in the ability to cover high costs has decreased. The population of the regions such as the West, South and East show greater confidence than the population of the Center and North of Ukraine. The residents of the cities have become more confident about covering unforeseen expenses; currently the gap with rural residents has increased up to 7 pp according to the answer "yes" and 9 pp according to the answer "no", whereas such differences were not observed in the past.

Users of financial services have improved their positions and become much more confident than non-users in being able to pay for a major expense today without borrowing money or asking to help (increase from 27% in 2018 to 36% in 2021).

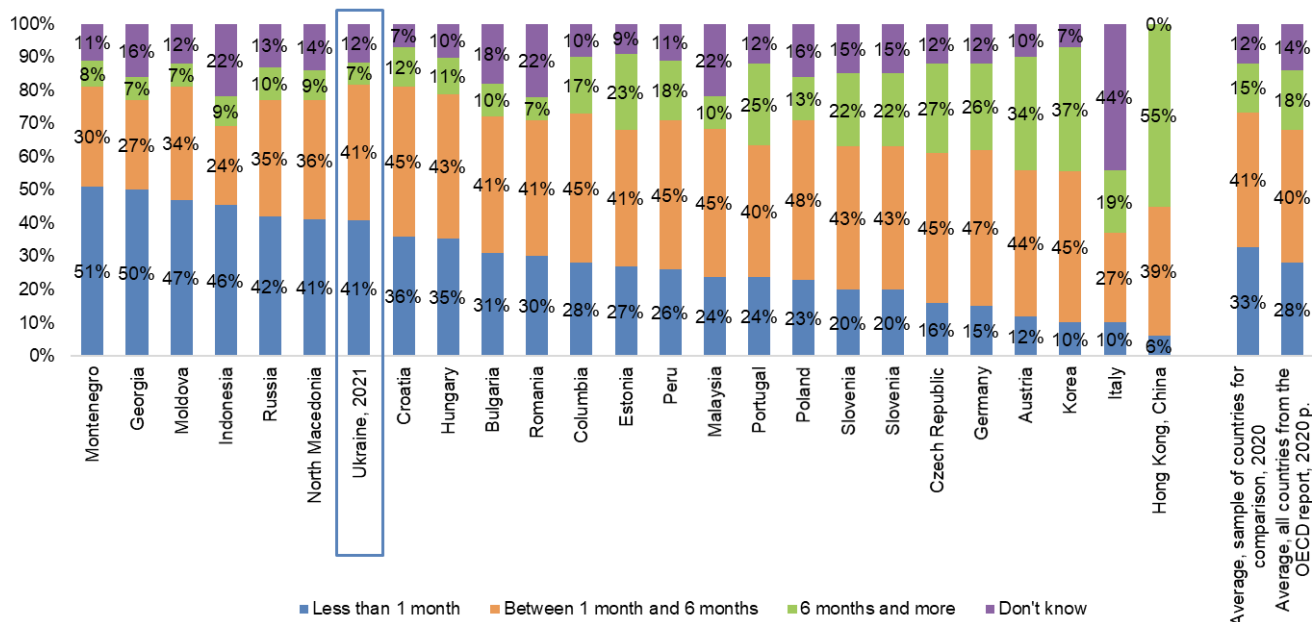
Predictably, there is a significant gap in confidence in covering major expenses between those who have had savings for more than 3 months and those who have not (the gap amounts to about 40%).

In this wave of the study, a new question arose about the availability of a "financial cushion":

*If you lose your main source of income, how long will you be able to continue cover your living expenses, without borrowing any money or moving house?*



Figure 24. Availability of a financial cushion in case of loss of income



The share of respondents who are able to cover their living expenses in case if they lose their main source of income for the month in Ukraine constitutes 41%, from one month to six months – 41%, more than six months – 7%. The situation in Ukraine is generally better than in Montenegro, Georgia, Moldova, Indonesia, Russia, and Northern Macedonia, but worse than in the countries of comparison.

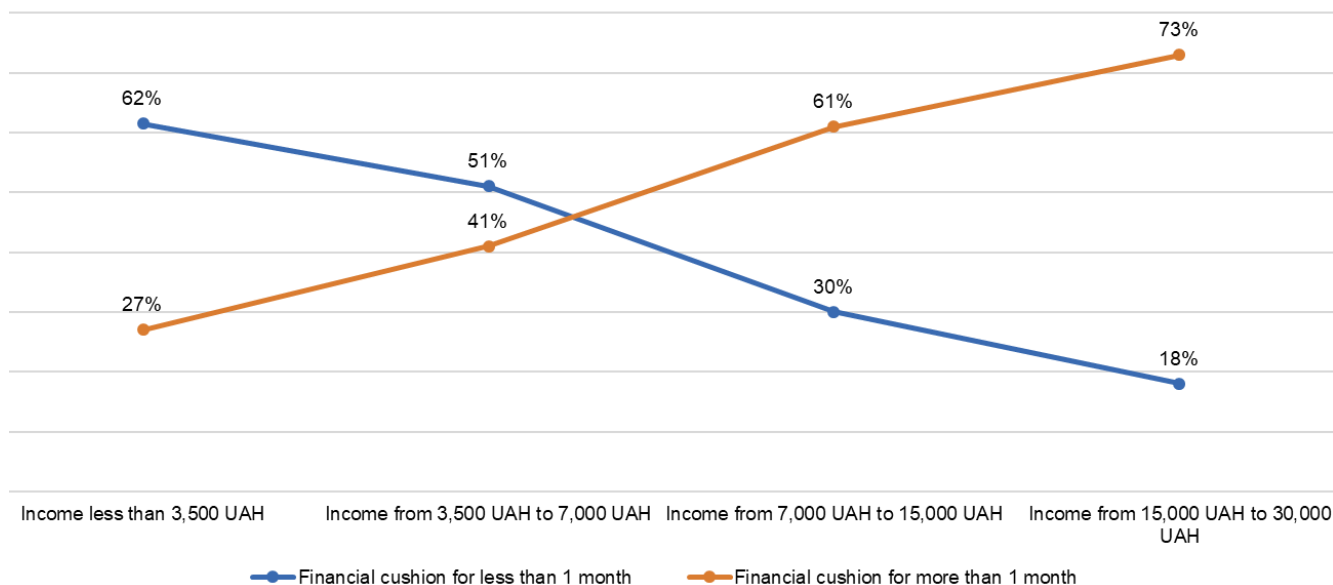
If we analyze the data on the financial cushion in Ukraine in more detail, taking into account the demographic characteristics of the population, we can see the following features:

- by gender: men have a larger financial cushion than women, because at intervals of 1 month or more the gap is 6 pp.;
- by regions: first, the Center has the worst position, in particular, for 54% of respondents in this region, the financial cushion is enough for less than a month. The East, on the other hand, has the best position in this category (for 31% of respondents in this region, a financial cushion is enough for less than a month). Accordingly, the share of respondents who have a financial cushion for more than a month, in the West constitutes 54%, in the East – 50%, in the North – 44%, in the South – 43%, in the Center – 29%;
- by the use of financial services: users of financial services have less problems with the financial cushion: 14% have a cushion for up to one week versus 20% among non-users of financial services. If we consider the reserve of savings, which will be enough for a period of more than one month, the gap between users and non-users of financial services increases significantly – 13.2 percentage points;
- by self-assessment of general knowledge on financial matters: the share of respondents who rate their knowledge highly and believe that they will have enough money for up to 1 month is 25%, and for more than a month – 67%. The respondents who have medium level of knowledge have the following values: 35% and 52%, respectively, the respondents with a low level of knowledge – 51% and 38%. The category of respondents who have a low and very low self-assessment of financial knowledge is represented mainly by retirees, who also have problems with the use of technology (they make up the vast majority of non-users of technology). Accordingly, this is evident that among non-users of technology the share of respondents who have financial cushion for up to 1 month is 61%;
- by age: when people get older, the amount of financial cushion increases, which reaches a maximum at the age of 40-49. Starting from 50, it decreases, accordingly, the period for which it is enough, reduces;

- by type of settlement: respondents from a city show the better indicators of a financial cushion availability. For example, considering a financial cushion for a period of one month or more, then in the cities 50% give a positive answer, and in rural areas – 41%;
- by level of education: respondents with higher education are better able to support themselves for one month and more (56% have it).

It is interesting how the period for which financial cushion is enough, depends on the level of income. There is a turning point in income (approximately UAH 7,000 of personal income), after which Ukrainians begin to accumulate more actively (see the following figure).

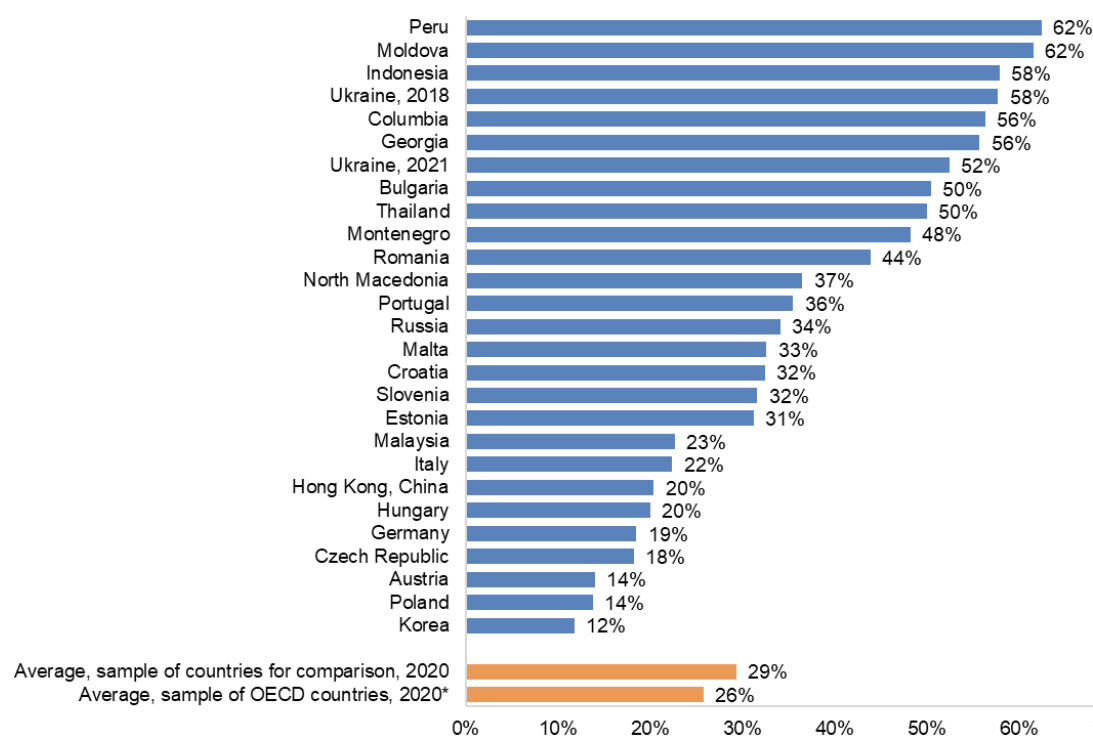
Figure 25. Financial cushion depending on income level



## COPING WITH FINANCIAL SHORTFALL

52% of respondents indicated that over the past year they have come across a situation when they could not cover their expenses. It should be noted that in comparison with the OECD countries of 2020, Ukraine has a better position than Peru, Moldova, Indonesia, Colombia and Georgia (see the following figure).

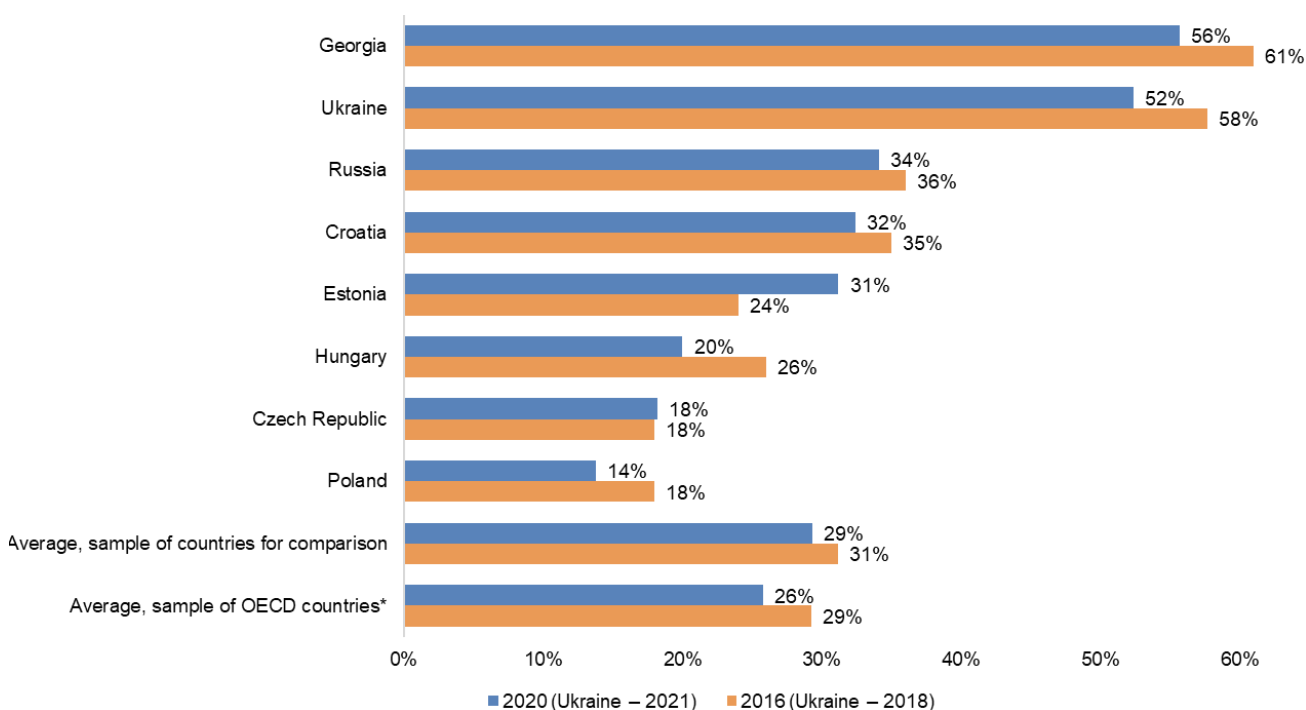
Figure 26. The share of those who have come across a situation in the last 12 months when their income did not fully cover expenses



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

Despite the fact that Ukraine has worse than average values by this indicator, it should be noted that its dynamics has improved (more significantly than in the countries of comparison). Thus, in 2018, 58% of Ukrainians stated that in the past 12 months, they have encountered a situation when their income did not fully cover their living expenses (Figure 27).

Figure 27. The share of those who have encountered a situation in the last 12 months when their income did not fully cover expenses: countries of comparison



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

The ways that Ukrainians used to deal with such financial situation generally coincide with the practice in other countries:

- 74% managed on their own without using loans (in other words, they used their own savings, spent less, sold something that they owned, or took an extra job);
- 48% asked for help/loan from friends or relatives;
- 17% borrowed formally;
- 16% delayed payment.

Table 20. Ways of dealing with a financial shortfall

	Ukraine, 2021	Ukraine, 2018	Change, pp
It happened that income did not cover expenses	52%	58%	-6
<i>Ways of dealing with such situation:</i>			
Managed on their own without using loans	74%	74%	0
Asked for help/loan from friends or relatives	48%	46%	+2
Borrowed formally	17%	22%	-5
Delayed payment	16%	10%	+6

Analysis of data on possible ways of dealing with shortfalls shows the following features:

- by age: the situation has significantly improved by all categories, except for people of retirement age (for them the situation has remained unchanged). According to the answer "borrowed money from friends, family, community", young people aged 18-24 years old have a statistically higher rate than the average of the sample. In both waves, young people aged 18-34 tend to work overtime to make ends meet. Respondents older than 45 years old have begun to seek support from friends, family and the community more often than in the past.
- by income: people with below-average income more often encounter financial shortfalls, but the situation has improved compared to the previous wave. Respondents who have income of UAH 15 thousand generally better maintain accounts and less likely to miss payments during difficult times;
- by education: people with higher education are less likely to come across financial problems. In general, there is a tendency for worse maintenance of accounts by respondents with lower and incomplete higher education; the gap between those with higher education and secondary special education has also increased. People with higher education were more likely to have the means (savings) to make ends meet (a statistically significant difference compared to other groups by education). And interestingly, they increased the use of overdraft, which is not typical for the sample in general;
- by type of settlement: in this wave of the study, 58% of rural residents and 49% of urban residents indicated that over the past year, they have encountered a situation where income did not cover expenses (versus 56% and 59% in 2018). Respondents from rural areas are less likely to fail to pay their bills during financial shortfalls than city dwellers;
- by use of financial services: respondents non-users of financial services significantly worsened their position on payment of bills during the financial crisis (the share of "debtors" increased from 4% in 2018 to 16% in 2021);
- by use of technology: the share of retirees amounts to 68% among non-users of technology, they relatively more often than the sample as a whole pawn something and take loans from financial institutions;
- by regions: in the Center people rely less on the help of family and friends, pay bills better, and continue to use loans the same way as in 2018 (while in the sample as a whole there was a reduction in the use of loans); in the North, in the previous wave, respondents cut on expenses

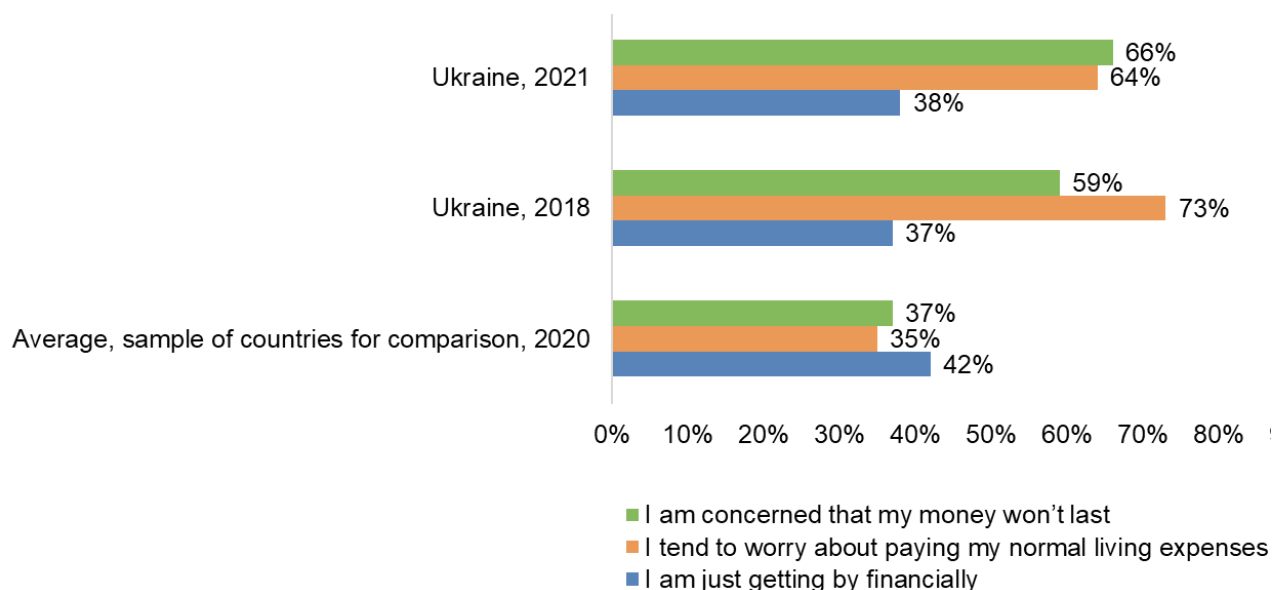
to make ends meet to a lesser extent than in the sample as a whole. Now the situation has changed dramatically: the share of those who are ready to cut on expenses has reached 61% versus 32%; in the South: they do not cut on expenses, work overtime, better turn for help to friends and even borrow from them, as well as honesty in paying bills decreased; in the West: they more often (statistically significant difference) applied for state aid than in other regions; in the East: compared to 2018, the "popularity" of overtime work as a way to make ends meet, decreased, the use of credit increased (as opposed to the sample as a whole), every 5th overdue with the payment of bills or missed them altogether.

Financial stress can also be measured by assessing the level of agreement to the following statements: "I tend to worry about paying my normal living expenses (daily expenses)", "I am concerned that my money won't last", "I am just getting by financially". According to the data it is evident that Ukrainians are much more worried about financial matters than respondents from other countries. In particular, the percentage of those who are concerned about the payment of daily expenses and that their money won't last exceeds 60%, while the similar figure in the reference countries is less than 40%.

At the same time, the population of Ukraine has lower concerns about paying for daily expenses than the population of Peru, Moldova, Montenegro, and Colombia. There is a positive trend: if in 2018 73% of respondents in Ukraine were worried about paying daily expenses, in 2021 this figure decreased by 9 pp, down to 64%. The share of those who agree with the statement "I am concerned that my money won't last" increased by 7 pp. However, by this indicator, Ukraine has the same place as Georgia, while in Indonesia, Portugal and Colombia, this statement is of greater concern.

On a positive note, the percentage of those who agree with the statement "I am just getting by financially" in Ukraine (which actually remained at the same level as in 2018) is lower than in the countries of comparison (38% vs. 42%).

Figure 28. Stress related to financial problems



## FRAUD AWARENESS

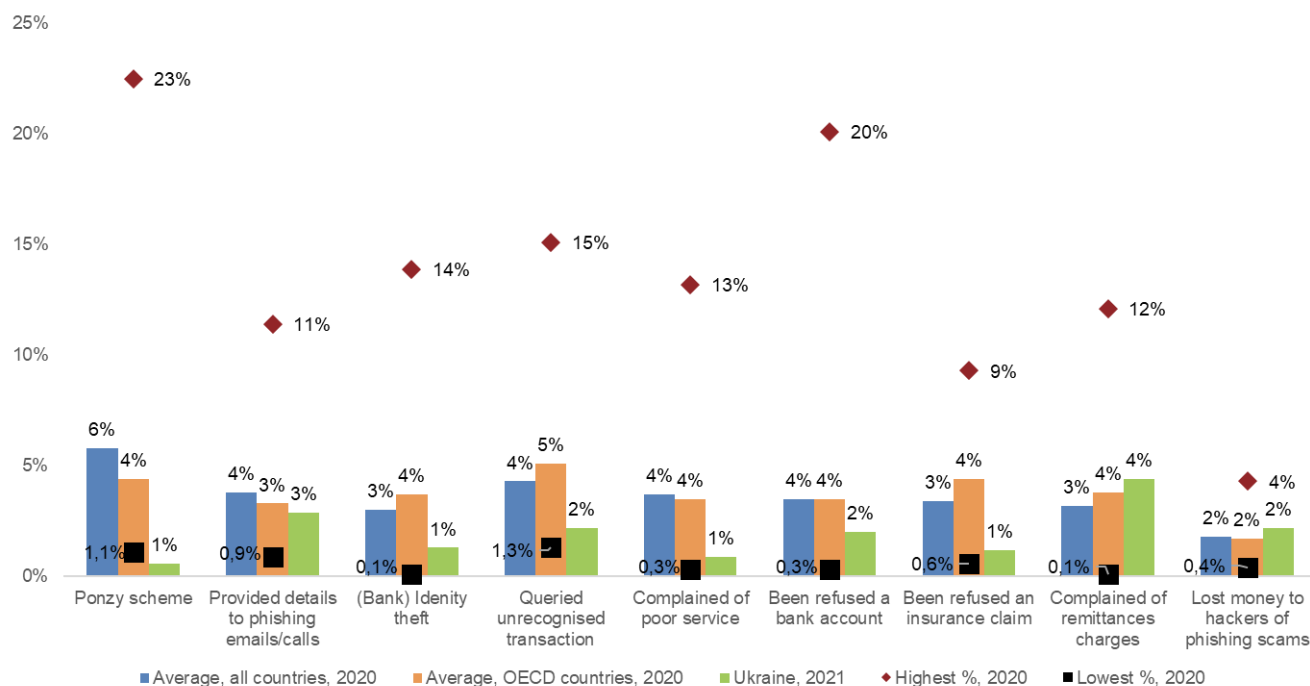
At least every 10th Ukrainian (13%) has encountered the following problems with financial products in the previous two years: scams, fraud, denial of service. The most common problem identified was high commissions for remittances or obtaining money, as reported by 4% of respondents. The next most important problem is: "provided financial information in response to an email or phone call that you later found out was not genuine."

It is noteworthy that, in contrast to 2018, one respondent who answered the question "Have you had any of the following problems with financial products in the last 2 years?" marked several problems

from the list. This may indicate both the greater prevalence of such problems and better awareness among Ukrainians about the types of financial problems and better awareness and identification of problem situations.

Regarding the sample of OECD countries, the largest percentage of respondents (6%) said that they had invested in a Ponzi scheme, 4% queried a transaction that they did not recognize.

Figure 29. Problems with financial products



## FINANCIAL WELL-BEING

48% of respondents said that it was difficult for their family/household to meet basic needs (purchase food and/or clothes), which indicates that Ukrainians' incomes are still relatively low.

Table 21. Household income/purchasing power

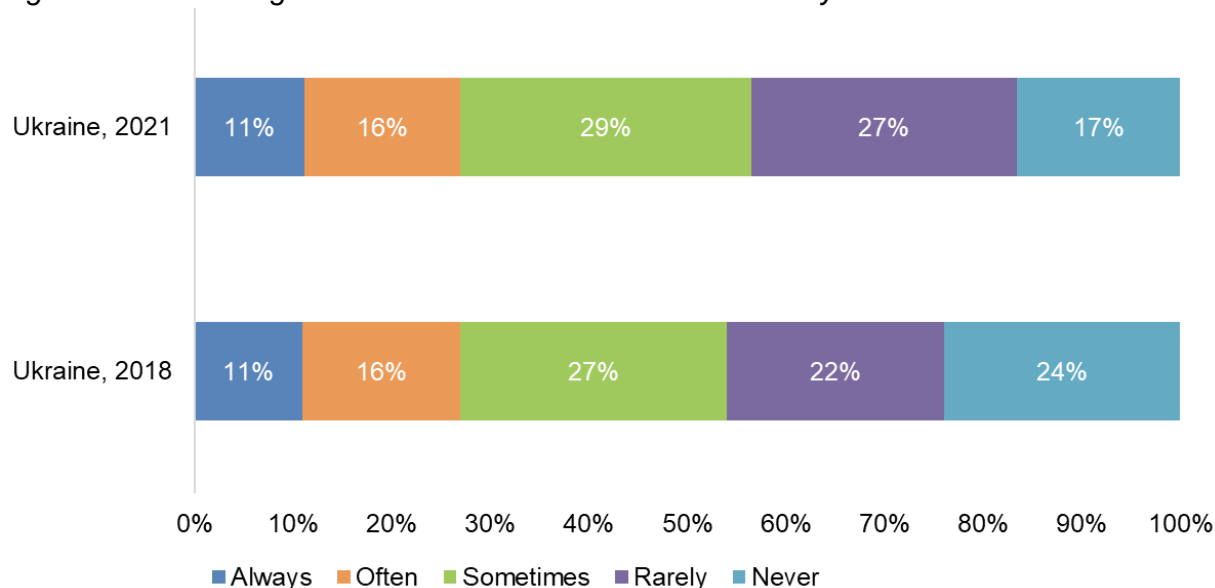
	Ukraine, 2021	Ukraine, 2018	Change, pp
We hardly make the ends meet	9%	8%	+1
We do not have enough money even for food	8%	9%	-1
We have enough money to buy food but buying clothes causes financial difficulties	31%	40%	-9
We have enough money at least for food and clothes	49%	40%	+9
Hard to say	2%	4%	-2

However, in general, the level of purchasing power of respondents has improved:

- according to the question in the questionnaire "Which of the following categories of people do you think you (your family) most likely falls into?" 49% of respondents compared to 40% in 2018, said that they have enough money (at least) for food and clothes;
- compared to 2018, the share of those who, as a rule, have no money left at the end of the month decreased (from 46% to 44%) (see the following figure);

- The share of people who think they have too much debt has decreased (from 13% to 10%). In general, 82% of respondents said that in the case of borrowing money, they feel responsible for repaying debts.

Figure 30. Level of agreement with the statement "I have money left over at the end of the month"



### FINANCIAL WELL-BEING SCORE

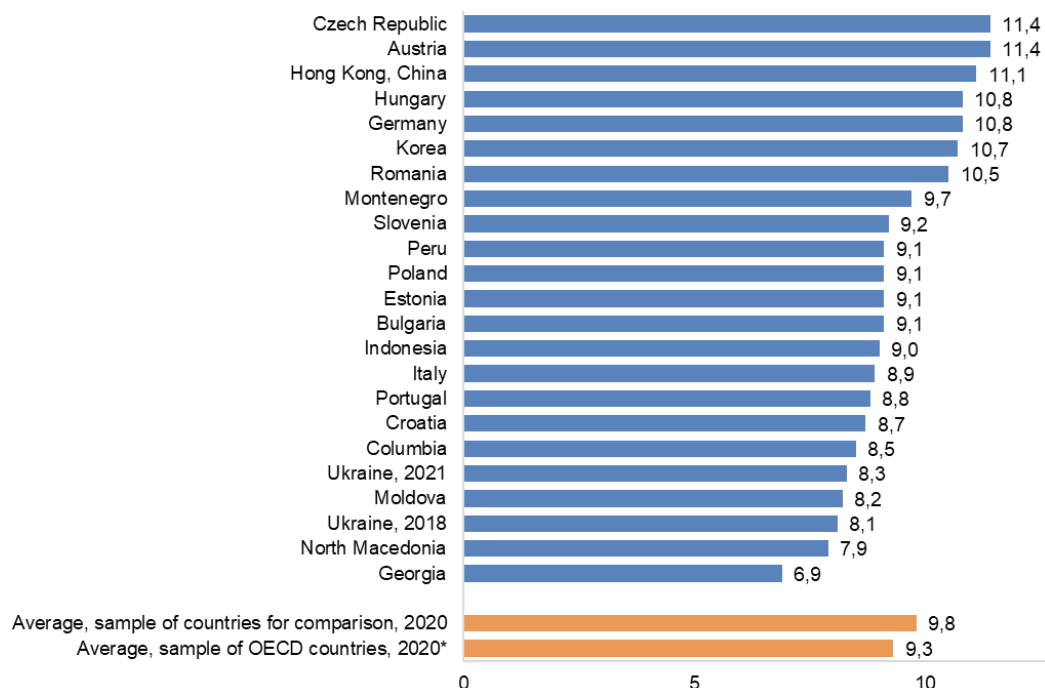
According to the methodology provided in the OECD report as of 2020, the financial well-being score is calculated on the basis of an assessment of the following statements:

- My finances control my life
- I am just getting by financially
- I have money left over at the end of the month<sup>28</sup>
- Because of my money situation, I feel like I will never have the things I want in life
- I am concerned that my money won't last

For each of the five statements, the respondent can receive 0 to 4 points, depending on the answer. Thus, the financial well-being score amounts to the value from 0 to 20 (which corresponds to the maximum level of well-being).

<sup>28</sup> When calculating the index, the "inverse" coding of this statement is used.

Figure 31. Financial well-being score



\* The average in the sample of OECD countries does not match the average from the OECD reports for 2016 and 2020, as the data was recalculated.

The financial well-being score for Ukraine in points amounts to 8.3 points or 42% of the maximum possible value (8.1 points in 2018). This means that respondents are more likely to be unsure of their ability to deal with financial shocks in the future and are more likely to agree that their finances limit their life choices and that they ultimately do not control their long-term financial plans.

The indicator in the countries of comparison constitutes 9.8 points (49%), in the sample of OECD countries – 9.3 points (47%). Among the sample of OECD countries, Ukraine is ahead of 3 countries (Georgia with 6.9 points is in the last place, Northern Macedonia (7.9) is the second last, while Russia did not provide data on relevant questions), close by points to Moldova (8.2). Among the countries of comparison, Ukraine is catching up with Poland and Bulgaria by this indicator.

## DECISION TREE

In order to study which factors have the most significant impact on the financial well-being of different groups of the population, a decision tree analysis was used (see Annex 3). This method makes it possible to study how well-being changes in different categories of the population, classified according to the criteria that have the greatest impact among all those included in the analysis.

The variable that has the greatest impact on the well-being score, is the level of household income. The average value of the well-being score of low-income respondents is 29.1% versus 53.4% of respondents with high income level.

The study of the tree reveals the difference in the factors that have the greatest impact on the financial well-being of respondents with different levels of household income. Among respondents with the lowest income, those who monitor and plan their finances (or at least report it) have the lowest financial well-being than those who do not.

Among the respondents with average income level, those whose income does not fully cover expenses, have a lower rate of financial well-being and they are forced to either access credit funds, or use own additional sources (savings, additional work), or spend less.



## SECTION VI. FINDINGS AND RECOMMENDATIONS

For the second time in Ukraine, a nationwide survey was conducted to determine the level of financial literacy according to the OECD methodology. The characteristics of the sample in 2021 (2040 respondents) and in 2018 (2007 respondents) correspond to the structure of the population of Ukraine as a whole, which allows comparing the results of these two waves. The use of OECD methodology and tools for assessing financial literacy also allows comparing the results of Ukraine with the results of other countries, the study of which was conducted in 2016 and 2020.

A feature of the 2021 survey in Ukraine was the expansion of questions that were included in the questionnaire due to questions related to, in particular, pensions, adequacy of savings in case of loss of the main source of income, information channels, etc. Accordingly, a feature of the survey was to determine the financial resilience of the population, the financial well-being score, as well as an in-depth analysis of the financial inclusion level.

The main findings of the analysis of the survey in 2021 were:

- Ukraine has grown in terms of financial literacy both in comparison with 2018 and in comparison with other countries (Ukraine's trends are sometimes significantly better than the trends of other countries);
- There are differences in financial literacy by age, place of residence, education and income, which is typical for OECD countries in 2020. At the same time, there are almost no differences by gender (in the OECD Report, on the contrary, the difference between financial literacy of men and women is relevant); Ukrainians have a lower level of income and, accordingly, a smaller margin of safety in case of loss of the main source of income and feel more stress due to the state of their finances compared to the respondents from the countries of comparison.

**According to the OECD methodology, the overall financial literacy score of Ukraine is 12.3 points (or 58% of its maximum value).** The financial literacy score in Ukraine is currently showing good dynamics – in less than 3 years there has been an increase by 6.0% in terms of points; all components of the indicator have improved. On the other hand, the growth rate of the financial literacy score in the countries of comparison<sup>29</sup> that participated in the OECD surveys in 2016 and 2020 (Georgia, Estonia, Poland, Russia, Hungary, Croatia, and the Czech Republic) amounted to only 2.4%. Similarly, Ukraine came close to these countries in percentage terms from the maximum (60%). According to the financial literacy score, young people aged 18-24 remain the least informed, despite significant progress compared to the 2018 survey. Another group that showed a low level of financial literacy was respondents aged older than 60 years old. It is worth noting that education plays a significant role in the level of financial literacy: the greatest problems are observed with respondents with incomplete secondary education, regardless of their age. It was also found that the gap in financial literacy between urban and rural respondents has widened in favor of the first.

**Financial knowledge.** The financial knowledge score in Ukraine is 4.3 points out of 7 possible, or 61%. According to this indicator, Ukraine is ahead of such countries as Italy, Portugal, Romania, Montenegro, Bulgaria, Northern Macedonia, Moldova, Malaysia, Indonesia, Colombia, and Peru. 48% of the adult population in Ukraine correctly answered at least 5 out of 7 knowledge testing questions (which is considered the minimum target value) versus 43% in 2018. The question with the calculation of interest payments caused most problems. It is worth noting that another vulnerability has been identified as Ukrainians' lack of awareness about risk and return ratio. There are significant differences in knowledge by age and education, which corresponds to the general condition of the financial literacy score.

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<sup>29</sup> The countries of comparison were selected according to four criteria: 1) the presence of the country in two OECD studies on financial literacy (2016 and 2020); 2) the index of financial development is less than 0.5; 3) located in Europe; 4) lower middle, upper middle or high level of GDP per capita according to the World Bank methodology. See also Annex 2.

**Financial behavior.** The average score for financial behavior in Ukraine amounts to 5.5 on a scale from 0 to 9 (or 61%) and according to this indicator, Ukraine is in the TOP-10 countries in the OECD survey for 2020. Financial behavior score of Ukraine is higher than in the countries of comparison (5.1 or 56%) and at the level of the average for the OECD sample countries (5.4 or 60%). 51% of the adult population in Ukraine received at least 6 out of 9 points (which is considered the minimum target value) versus 36% in 2018. Despite the extremely positive trend by this indicator, Ukrainians began to plan less and still prefer to save money in cash.

**Attitude.** In 2021, the average score in Ukraine was 2.5 (on a scale from 1 to 5) compared to 2.4 in 2018. The financial attitude score in Ukraine is lower than in the countries of comparison (2.9) and the countries from OECD sample (2.9), however, it is almost on a par with the indicators of Georgia and Poland. Only 17% of the adult population in Ukraine scored more than three out of 5 points (which is considered the minimum target value). On the positive side, Ukraine has slightly improved its average score since the previous wave, while the countries of comparison and the countries from OECD sample have deteriorated. Ukrainians are focused on short-term plans and spending money rather than saving it.

### **Financial inclusion:**

- Awareness of financial products is quite high and growing: 79% of respondents know at least 5 financial products (74% in 2018). At the same time, the similar figure in the countries of comparison and the countries from OECD sample amounts to 85%, which indicates the potential to attract new users of financial services and expand the range of financial products used by one person;
- the level of use of financial products is quite low: 57% of respondents indicate that they have used financial products in the last two years;
- 21% of respondents (similar to the sample of OECD countries) asked relatives or friends to borrow the money or gave it to save on their behalf, thus avoiding the purchase of appropriate financial services – this is another marker that indicates the potential for the development of financial inclusion;
- The most popular products are payment accounts - 53% use a payment card (debit, salary or for social payments) or mobile banking. 29% use loans, 12% use deposit, investment or pension products, 9% – insurance services.

### **Financial resilience**

Ukraine is in the TOP-10 countries in terms of adequacy of savings to cover current expenses for at least three months in case of loss of the main source of income. The share of respondents who are able to cover their current expenses in case of loss of the main source of income for up to one month in Ukraine is 41%, from one month to six months – 41%, more than six months – 7%. The situation in Ukraine is generally better than in Montenegro, Georgia, Moldova, Indonesia, Northern Macedonia, and Russia, but worse than in the countries of comparison.

The data also show that Ukrainians are much more worried about financial issues than respondents from other countries. In particular, the percentage of those who have concerns about the payment of daily expenses and the fact that their money won't last, exceeds 60%, while the same figure in the countries of comparison is less than 40%. At the same time, there is such a positive trend: if in 2018, 73% of respondents in Ukraine were worried about paying daily expenses, in 2021 this figure decreased by 9 percentage points, down to 64%.

**Financial well-being.** The financial well-being score in points for Ukraine amounts to 8.3 points or 42% of the maximum possible value (8.1 points in 2018). This means that respondents are more likely to be unsure of their ability to experience financial shocks in the future and are more likely to accept that their finances limit their life choices and that they ultimately do not control their long-term financial plans.

The indicator in the countries of comparison amounts to 9.8 points (49%), in the sample of OECD countries – 9.3 points (47%). Among the sample of OECD countries, Ukraine is ahead of 3 countries (in last place – Georgia with 6.9 points, the prelast – Northern Macedonia (7.9), while Russia did not provide data on relevant questions), and close in points to Moldova (8.2). Among the countries of comparison, Ukraine is catching up with Poland and Bulgaria by this indicator.

### **Suggestions and recommendations regarding state policy**

The analysis showed that there is a number of problem areas that need to be addressed. Recommendations can be grouped into the following areas:

- work with youth. There is an urgent need to further promote financial literacy in this age group. On the one hand, the introduction of an elective course in financial literacy for school students is already yielding results, as there is a positive dynamics, and on the other hand – the most problematic age category is 18-19 years old, and, accordingly, young people of younger age. Special focus is students of special technical education institutions;
- work with people aged older 60 years old who not only have a low level of financial literacy, but also stay away from the financial system due to the low level of financial inclusion. It is noticed that the lack of digital skills exacerbates the problem of financial inclusion. Thus, it is necessary to conduct financial literacy training in combination with digital literacy;
- directing efforts to spread financial literacy in rural areas for all age groups, however, with an emphasis on young people and people of retirement age;
- awareness-raising on the benefits of using financial products among the population of Ukraine;
- strengthening educational work on the security of use of financial products. When planning the content of educational activities, it is also necessary to take into account the sharp jump in the digitalization of the population against the background of the COVID-19 pandemic. At present, the situation is such that Ukrainians are quickly learning to take advantage of digitalisation, but may not be aware of the risks involved (for example, in digital fraud);
- directing the efforts of financial regulators to strengthen the protection of the rights of financial services consumers and informing consumers about the existing opportunities to defend them;
- awareness of financial institutions of their liability for unfair behavior towards consumers of financial services, in particular, in terms of disclosure of information about the financial service.

## ANNEX 1. METHODOLOGY

### Sample and research method

A total of 2,040 respondents aged 18-79 were interviewed. In this sample, the error does not exceed 2.2%.

The survey was conducted using CAPI (Computer Assisted Personal Interviewing) method. The sample is representative of the adult population of Ukraine aged 18-79 years old. The sample design corresponds to the structure of the population of Ukraine by such parameters as gender, age, size of settlement and region of residence, according to the State Statistics Service as of January 1, 2019.

The sample of participants was designed by random method. To ensure the preservation of the principle of randomness, the sample was formed at several levels: by oblasts and size of settlements (rural, 0-50, 50-100, 100-500, 500+), the choice of settlement, the choice of routes, households, the selection of respondents in within the household. Up to 10 interviews were conducted on each route.

Table 22. Distribution of interviews by age and gender

Age	Total	Male	Female
18-29	18,5%	20,5%	16,7%
30-39	21,1%	23,0%	19,5%
40-49	18,4%	19,1%	17,8%
50-59	17,9%	17,6%	18,2%
60-69	15,5%	13,7%	17,2%
70-79	8,6%	6,2%	10,6%
Total	100%	100,0%	100,0%

The Autonomous Republic of Crimea and the city of Sevastopol were removed from the study, as well as the survey was conducted only in the territories controlled by Ukraine in Donetsk and Lugansk oblasts.

### The period of holding

An all-Ukrainian survey of citizens was conducted by Info Sapiens in the period from August 10 to August 26, 2021.

### Geography of the research:

Respondents from all oblasts of Ukraine were interviewed, which were structured into the following macro-regions:

Eastern: Zaporizhzhya, Kharkiv, Dnipropetrovsk, Donetsk (part of the oblast controlled by Ukraine), Lugansk (part of the region controlled by Ukraine)

Western: Volyn, Zakarpattya, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Khmelnytskyi, Chernivtsi oblasts

Nothern: Zhytomyr, Kyiv, Sumy, Chernigiv oblasts, Kyiv

Central: Vinnytsya, Kirovohrad, Poltava, Cherkasy

Southern: Mykolaiv, Odesa, Kherson

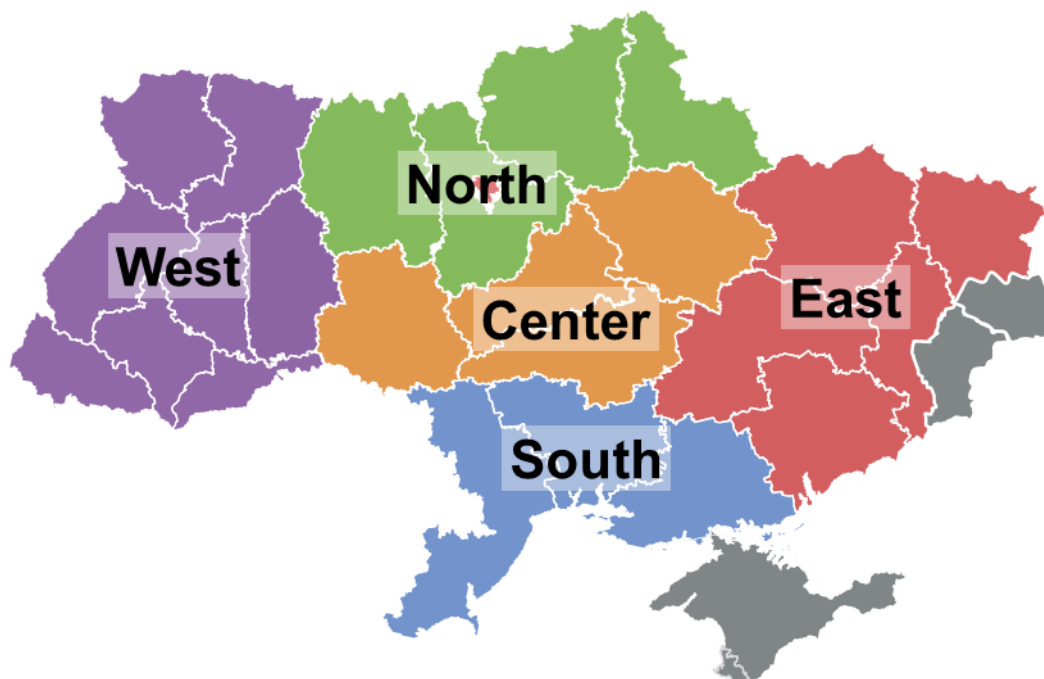


Table 23. Distribution of interviews by regions

Region	Proportion
North	21%
Center	14%
South	12%
West	27%
East	26%
<b>Total</b>	<b>100%</b>

### Research tools

The survey was based on a questionnaire developed by the Organization for Economic Cooperation and Development (OECD) and supplemented by questions commissioned by the National Bank of Ukraine (NBU). A trestest survey of 12 respondents (6 interviews in Ukrainian and 6 interviews in Russian) was conducted, including interviews in the following cities:

- Kyiv (4 respondents)
- Dnipro (1 respondent)
- Lviv (2 respondents)
- Odesa (1 respondent)
- Sievierodonetsk (1 respondent)
- Khmelnytskyi (1 respondent)
- Kherson (1 respondent)
- Cherkasy (1 respondent)

According to the results of the pretest, changes were made to the wording of the questions and instructions to them, mainly to facilitate the perception and passage of the questionnaire by respondents (including questions QF3, QF9, Qprod1\_a, Qprod1\_b, Qprod1\_c, Qprod1\_d, QS3, QD22\_ad, QD23\_ad, QD24\_ad, QD25\_ad, QD26\_ad).

The survey was conducted in Ukrainian and Russian, the language of the interview depended on the choice of the respondent.

The average duration of the interview was about 40 minutes.

### **Data weighing**

Weighing the data array with the final set of questionnaires was based on age, gender, region, size of settlement (villages; cities and towns with a population of up to 50,000; cities with a population of 50,000-100,000; cities with a population of 100,000-500,000; cities with a population of over 500,000). So, the weighted data for Ukraine in general correspond to the distribution of the population according to these four parameters. The Weighing coefficients ranged from 0.4 to 1.8.

## ANNEX 2. GROUP OF COUNTRIES FOR COMPARISON: CHARACTERISTICS

In the framework of this study, a sample of countries for comparison was designed. For this purpose, countries were selected according to four criteria:

- 1) the presence of the country in two OECD financial literacy studies (2016 and 2020);
- 2) the index of financial development is less than 0.5<sup>30</sup>;
- 3) geographical location (Europe and/or near Ukraine);
- 4) Lower middle, upper middle or high level of GDP per capita according to the World Bank methodology (see Table 24).

*Table 24. Group of countries for comparison: characteristics*

	<b>Index of financial development, 2019</b>	<b>Level of GDP per capita according to the World Bank methodology</b>
Georgia	0.3	Upper middle income
Russia	0.48	Upper middle income
Ukraine	0.21	Lower middle income
Czech Republic	0.46	High level
Estonia	0.26	High level
Poland	0.43	High level
Hungary	0.43	High level
Croatia	0.48	High level

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<sup>30</sup> Data on the financial development index can be found at the link: <https://data.imf.org/?sk=F8032E80-B36C-43B1-AC26-493C5B1CD33B>

## ANNEX 3. DECISION TREE

The decision tree is a non-parametric classification method that allows for in-depth study of variable relationships and interactions. It was designed to study how the financial well-being score is driven by variables covering key demographic parameters, attitudes, knowledge and behavior.

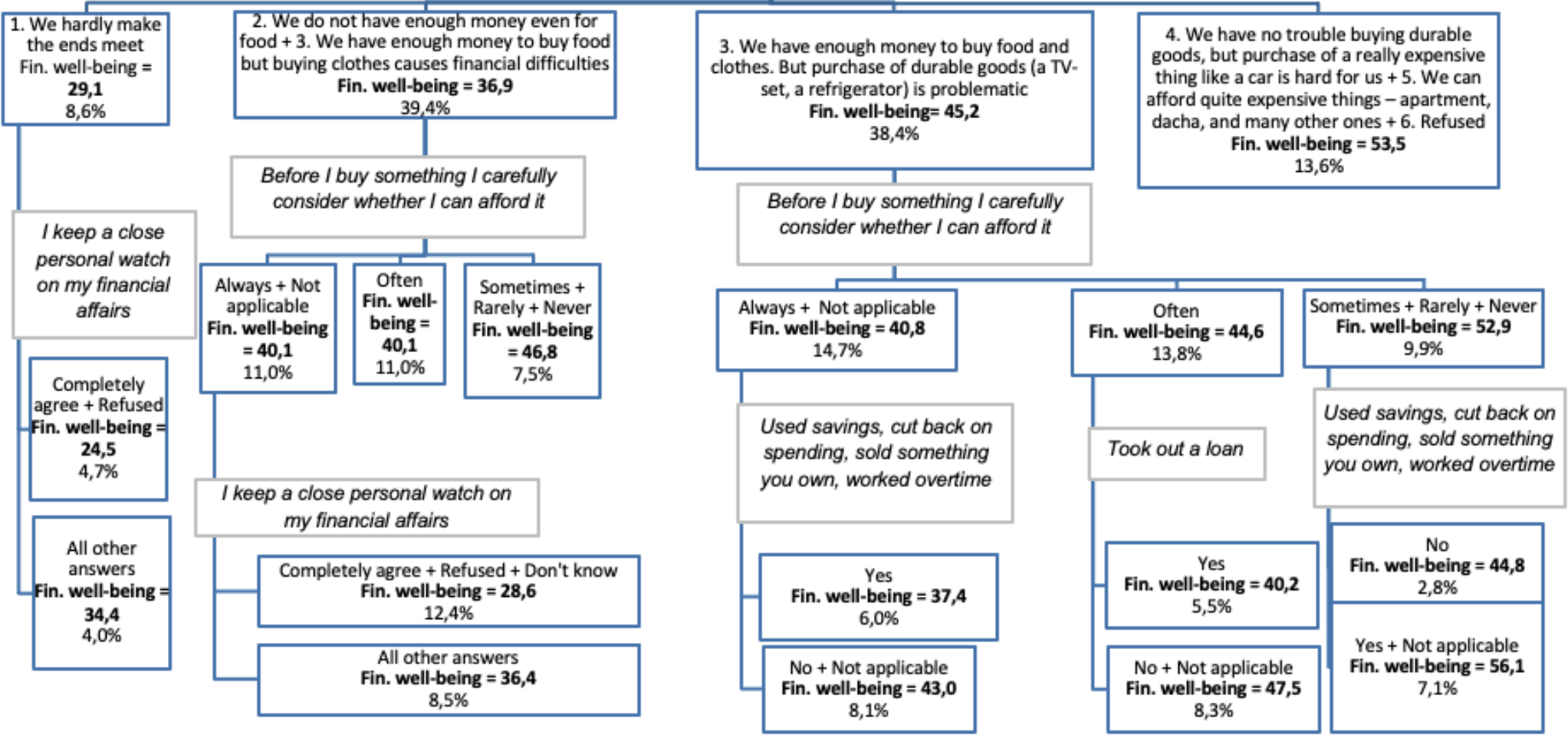
The decision tree helps to see how different conditions affect the financial well-being score. The upper block contains all respondents for whom the indicator of financial well-being is calculated (1793 respondents). The bottom blocks are divided into smaller groups according to different criteria with different well-being scores.



Financial well-being index,  
normalized to 100 (on a scale 0-100)

All respondents  
Fin. well-being = **41,7**  
n = 1793, 100%

Which of the following categories of people do you think you (your family) most likely falls into?



## ANNEX 4. QUESTIONNAIRE FOR THE SURVEY

### BLOCK 1. RESPONDENT AND HOUSEHOLD INFORMATION

#### QD2. Oblast: PLEASE INDICATE

Kyiv City	1	Ivano-Frankivsk oblast	10	Ternopil oblast	19
Kyiv oblast	2	Kirovohrad oblast	11	Kharkiv oblast	20
Vinnysya oblast	3	Lugansk oblast	12	Kherson oblast	21
Volyn oblast	4	Lviv oblast	13	Khmelnyskyi oblast	22
Dnipropetrovsk oblast	5	Mykolaiv oblast	14	Cherkasy oblast	23
Donetsk oblast	6	Odesa oblast	15	Chernivtsi oblast	24
Zhytomyr oblast	7	Poltava oblast	16	Chernigiv oblast	25
Zakarpattya oblast	8	Rivne oblast	17		
Zaporizhzhya oblast	9	Sumy oblast	18		

#### QD3. TYPE OF THE COMMUNITY IN WHICH THE RESPONDENT IS LIVING BY SIZE

A village, hamlet or rural area (fewer than 3 000 people)	1
A small town (3 000 to about 15 000 people)	2
A town (15 000 to about 100 000 people)	3
A city (100 000 to about 1 000 000 people)	4
A large city (with over 1 000 000 people)	5

NAME OF THE COMMUNITY (PLEASE RECORD THE ANSWER)

\_\_\_\_\_

#### QD4. LANGUAGE OF INTERVIEW

Ukrainian	1
Russian	2

#### QD1. PLEASE INDICATE GENDER OF THE RESPONDENT

Male	1
Female	2

#### QD7. What is your age (completed years)?

PLEASE INDICATE AGE OF THE RESPONDENT \_\_\_\_\_ (MINIMAL AGE =18, MAXIMUM AGE IS 79 YEARS)

Refused to answer	99
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#### QD7\_a. ENCODE THE ANSWER OR ASK, IF Q2=99.

Which of the age band do you belong to?

18-19	1
20-29	2
30-39	3
40-49	4
50-59	5
60-69	6
70-79	7

QD5. Who do you usually live with in your household? Do you live... READ OUT:  
MARK ALL THAT APPLY.

<b>Entirely alone [STOP READING IF YES]</b>	1
With a partner/spouse	2
With children of age of 17 and under	3
With children aged 18 or over	4
With other adult relatives	5
With friends, colleagues	6
With other adults; not related	7
REFUSED TO ANSWER THE ENTIRE QUESTION	99

ASK **QD5\_ad**, IF **QD5** IS NOT 1 (IF RESPONDENT DOES NOT LIVE ALONE), OTHERWISE GO TO **QF1\_a**.

**QD5\_ad. How many adults (aged 18 or over) live in your household, including yourself?**

RECORD RESPONSE _____	
REFUSED TO ANSWER	99

ASK **QD5\_ch**, IF **QD5** IS 3 (IF RESPONDENT LIVES WITH CHILDREN OF THE AGE OF 17 AND UNDER), OTHERWISE GO TO **QF1\_a**.

**QD5\_ch. How many children of the age of 17 and under live in your household?**

RECORD RESPONSE _____	
REFUSED TO ANSWER	99

## BLOCK 2. PLANNING AND MANAGING FINANCES

INTERVIEWER, READ OUT: *The next set of questions will help us to understand how people think about, and plan their finances. There are no right and wrong answers to these questions, and your answers will be kept entirely confidential, so please do answer as accurately as you can.*

**QF1\_a. Do you make day-to-day decisions about your own money?**

Yes	1
No	0
DON'T KNOW	97
REFUSED	99

**QF1. And who is responsible for making day-to-day decisions about money in your household?** INTERVIEWER: READ OUT 1-3:

<b>You make these decisions by yourself</b>	1
<b>You make these decisions with someone else (some decisions are made by you, and some – by someone else)</b>	2
<b>Someone else makes these decisions</b>	3
DON'T KNOW	97
REFUSED	99

**QF2. Do you do any of the following for yourself or your household?** CARD QF2. MARK ALL THAT APPLY.

Make a plan to manage your income and expenses	1
Keep a note of your spending	2
Keep money for bills separate from day-to-day spending money	3
Make a note of upcoming bills to make sure you don't miss them	4
Use a banking app or money management tool to keep track of your outgoings	5
Arrange automatic payments for regular outgoings	6
DO NOTHING	99

### BLOCK 3. ACTIVE SAVING AND FINANCIAL SHOCKS

INTERVIEWER, READ OUT IF RESPONDENT IS NOT LIVING ENTIRELY ALONE AT QD5: Now thinking about yourself, rather than your household...

**QF3. In the past 12 months, have you been [personally] saving money in any of the following ways, whether or not you still have the money? Please don't take into account any money paid into a pension fund, but think about all kinds of savings, such as building up a rainy-day fund or putting money aside for a special occasion. CARD QF3. MARK ALL THAT APPLY.**

Saving cash at home or in your wallet	1
Paying money into a current or savings (demand deposit) account	2
Giving money to family to save on your behalf	3
Buying bonds or time deposits	5
Investing in crypto-assets, cryptocurrencies or ICOs	6
Investing in shares of stock	7
Saving or investing in some other way, other than making pension contributions (possibly including buying livestock, gold, property, etc.)	8
NOTHING OF THE ABOVE	9

**QF4. And 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? ADD IF NECESSARY, if you do not currently have an income, please think about an unexpected expense equivalent to the amount of money you typically spend in a month.**

Yes	1
No	0
DON'T KNOW	97
REFUSED	99

### BLOCK 4 FINANCIAL GOALS

READ OUT: The following questions further explore the ways in which people plan for financial goals.

**QF5. Some people set themselves financial goals, such as paying university fees, buying a car or a house, or becoming debt free. Do you (personally, or your household) have any financial goals?**

Yes	1	
No	0	GO TO QF8
DON'T KNOW	97	GO TO QF8
REFUSED	99	

**QF6. Ask, if QF5=1. Could you tell me, briefly, what are your most important financial goals? RECORD RESPONSE**

Don't know	97
REFUSED	99

NOTE THAT THE NEXT QUESTION SHOULD EXPLORE THE BEHAVIOR OF THE RESPONDENT, EVEN IF THE GOAL IS SET AS A COUPLE OR AT THE HOUSEHOLD LEVEL.

**QF7. Ask, if QF5=1. What actions have you (personally) taken to meet your most important goal... SHOW CARD QF7. MARK ALL THAT APPLY.**

Prepared a plan of action	1
Increased your credit card or loan repayments to repay your loan early	2
Saved or invested money	3
Looked for new/different/additional source of income	4

Identified a source of credit	5
Cut-back on spending	6
Something else [RECORD]	7
NOTHING	8
DON'T KNOW	97
REFUSED TO ANSWER	99

**BLOCK 5. RETIREMENT PLANS**

READ OUT: The next questions are about retirement planning, and is relevant whether or not you are already retired.

**QF8. Overall, on a scale of 1 to 5 where 1 is very confident, and 5 is NOT at all confident; how confident are you that you have done a good job of making financial plans for your retirement? CARD QF8**

	1 very confident	1
		2
		3
		4
	5 not at all confident	5
RESPONDENT HAS NO RETIREMENT PLAN		6
DON'T KNOW		97
REFUSED		99

**QF9. How will you - or do you fund your retirement? SHOW CARD QF9. MARK ALL THAT APPLY.**

Draw a government pension	1
Draw pension from a private pension fund (NPF)	2
Sell your financial assets (such as stocks, bonds, mutual funds)	3
Sell your property (such as a car, property, art, jewels, antiques, etc.)	4
By income generated by your financial assets or property (such as dividends from shares or property rental income)	5
Rely on a spouse/partner to support you	6
Rely on your children or other family members to support you	7
Draw on your savings	8
Continue to work	9
From the revenues of a business that you own	10
Something else (PLEASE SPECIFY)	11
<b>DON'T KNOW</b>	97
<b>REFUSED</b>	99

**BLOCK 6. MAKING ENDS MEET**

READ OUT: The next section discusses some of the financial decisions and experiences that people face. The answers we collect may be used to design better information and advice for people who face such decisions or experiences in the future.

**QF11. Sometimes people find that their income does not quite cover their living expenses. In the last 12 months, has this happened to you, personally?**

Yes	1	<b>GO TO QF13</b>
No	0	
<i>DON'T KNOW</i>	97	
<i>NOT APPLICABLE (I DON'T HAVE ANY PERSONAL INCOME)</i>	98	
<i>REFUSED</i>	99	

**QF12. What did you do to make ends meet the last time this happened? What else did you do? SHOW CARD QF12, MARK ALL THAT APPLY.**

<b>1. USED EXISTING RESOURCES</b>	
Drew money out of savings or transferred savings into current account	1_1
Cut back on spending, spent less, did without, delayed a planned expense	1_2
Sold something that you own	1_3
<b>2. USED ADDITIONAL RESOURCES</b>	
Worked overtime, took an extra job, earned extra money	2_1
Claimed support from the government	2_2
Asked for help from family, friends or the community	2_3
<b>3. BORROWED</b>	
Borrowed from family, friends or community	3_1
Pawn something that you own	3_2
<b>4. BORROWED FROM EXISTING CREDIT LINE</b>	
Used bank line of credit or overdraft	4_1
Used credit card to withdraw cash or to pay bills/buy food	4_2
<b>5. ACCESSED ADDITIONAL CREDIT LINR</b>	
Took out a loan from a financial institution (including bank, credit union or microfinance)	5_1
Took out a short-term payday loan	5_2
Took an online loan	5_3
<b>6. DEFERRED PAYMENTS</b>	
Agreed on delayed payment	6_1
Paid bills late; missed payment	6_2
<b>OTHER ANSWERS</b>	
DON'T KNOW	97
REFUSED	99

**QF 13. If you lose your main source of income, how long will you be able to continue cover your living expenses, without borrowing any money or moving house?**

**Interviewer: Read out responses a)-e)**

a) Less than a week	1
б) At least a week, but not one month	2
в) At least one month, but not three months	3
д) At least three months, but not six months	4
е) Six months and more	5
DON'T KNOW	97
REFUSED	99

## BLOCK 7. CHOOSING AND USING FINANCIAL PRODUCTS AND SERVICES

**READ OUT: The following set of questions is about financial products and services. I will not ask you about the balance of any accounts you hold, we are just interested in whether you have heard of them or used them on your own, or your family member used them.**

**Qprod1\_a. Please can you tell me whether you have heard of any of these types of financial products. CARD Qprod? MARK ALL THAT APPLY.**

**Qprod1\_b. BASED ON RESPONSE TO Qprod1\_a. Which of these products is currently used by you or your family member? MARK ALL THAT APPLY.**

**Qprod1\_c. BASED ON RESPONSE TO Qprod1\_a. In the last two years, which of the following types of financial products have you used (personally or jointly) whether or not you still hold them? Please do not include products that were renewed automatically, without repeated paperwork.**

**Qprod1\_d. IF RESPONDENT CHOSE MORE THAN ONE PRODUCT TYPE AT Qprod1\_c. Which of these financial products did you choose most recently (in the last month)?**

**MARK ALL THAT APPLY**

	Qprod1_a	Qprod1_b	Qprod1_c	Qprod1_d
A private pension or retirement product	1	1	1	1
A mortgage or home loan	2	2	2	2
A loan secured on property	3	3	3	3
An unsecured loan	4	4	4	4
A car loan	5	5	5	5
A credit card (credit card loan)	6	6	6	6
A current / payment account (debit card, salary card, social benefits card)	7	7	7	7
A savings account (deposit)	8	8	8	8
A microfinance loan	9	9	9	9
Insurance	10	10	10	10
Stocks and shares	11	11	11	11
Bonds	12	12	12	12
Crypto-assets, cryptocurrencies etc.	13	13	13	13
Mobile banking	14	14	14	14
<i>DON'T KNOW RESPONSE GIVEN TO THE QUESTION AS A WHOLE</i>	97	97	97	97
<i>NONE</i>	98	98	98	98
<i>REFUSED</i>	99	99	99	99

IF IN **Qprod1\_c** RESPONDENT MARKED 97, 98 or 99, GO TO **Qprod4**. ASK ALL THOSE WHO ANSWERED YES AT ANY **Qprod1\_c**.

**Qprod2. Which of the following statements best describes how you made your most recent choice of financial service? CARD Qprod2. ONE ANSWER**

I considered several options from different companies before making my decision	1
I considered various options from one company	2
I didn't consider any other options at all	3
I looked around but there were no other options to consider	4
<i>DON'T KNOW</i>	97
<i>NOT APPLICABLE</i>	98
<i>REFUSED</i>	99

ASK ALL THOSE WHO ANSWERED YES AT ANY **Qprod1\_c**.

**Qprod2\_a. And still thinking about the time when you made your most recent choice, do any of these statements apply? CARD Qprod2\_a. MARK ALL THAT APPLY.**

It was important for me to have a quick decision from the financial company	1
I trusted the financial company providing the financial product	2
I had already used other financial products from this company when I made this choice	3
I had not heard of this financial company before I chose this financial product	4
<i>DON'T KNOW</i>	97
<i>NOT APPLICABLE</i>	98
<i>REFUSED</i>	99

ASK ALL THOSE WHO ANSWERED YES AT ANY **Qprod1\_c**. **Qprod3\_INT. Which of these sources of information do you feel most influenced your most recent decision? READ OUT. MARK ALL THAT APPLY.**

<b>Specialist product comparisons or best-buy guidance (such as specialist magazine or a price comparison website)</b>	1
<b>A recommendation from an independent financial advisor</b>	2
<b>Information from an advert, or a booklet about this specific product</b>	3
<b>A recommendation from friends, family members, acquaintances</b>	4
<b>Information provided by bank staff (in person, online or over the phone)</b>	5
Other (SPECIFY) _____	6
None	98
<i>REFUSED</i>	99

ASK ALL

**Qprod4. In the last 2 years, have you experienced any of the following issues with financial products?** Card Qprod4. ROTATE CARDS. MARK ALL THAT APPLY

Invested in a financial product that you later found to be a scam, such as a pyramid scheme, etc.	1
Provided financial information in response to an email or phone call that you later found out was not genuine	2
Discovered that someone has used your card details to pay for goods without your authorization	3
Queried a transaction listed on your bank or credit card statement that you did not recognise	4
Made a formal complaint about the service you have received from a bank or other financial institution	5
Tried to open a bank account and been refused for any reason	6
Been refused a claim on an insurance product that you expected to cover you	7
Complained to a remittance provider about high charges when sending or receiving money	8
Lost money as a result of hackers or phishing scams	9
NONE	98

**BLOCK 8. ATTITUDES AND SECURITY**

INTERVIEWER: Repeat the scales as many times as necessary. If respondent answers (dis)agree: check 'Would you say you completely (dis)agree'? If they say they don't know, check whether they feel they neither agree nor disagree (record as 3 on scale), or if they are really uncertain (in which case record their response as don't know). For statement 10: If the respondent says 'I don't have any debt', record the response as 5 'completely disagrees'.

**QS1. I am now going to read out some statements. I would like to know how much you agree or disagree with each of these statements (as it relates to you). Please use a scale of 1 to 5, where: 1 tells me that you completely agree with the statement, and 5 shows that you completely disagree. ROTATE. ONE ANSWER IN A LINE**

ROTATE	READ	1 completely agree	2	3	4	5 completely disagree	97 Don't know	98 Not relevant	99 Refused
1	I find it more satisfying to spend money than to save it for the long term	1	2	3	4	5	97	98	99
2	Money is there to be spent	1	2	3	4	5	97	98	99
3	I am satisfied with my present financial situation	1	2	3	4	5	97	98	99
4	I keep a close personal watch on my financial affairs	1	2	3	4	5	97	98	99
5	I use my mobile phone (bank mobile application) to make or receive payments	1	2	3	4	5	97	98	99
6	My financial situation limits my ability to do the things that are important to me	1	2	3	4	5	97	98	99
7	I set long term financial goals and strive to achieve them	1	2	3	4	5	97	98	99
8	I believe that money in a bank will be safe even if the bank fails	1	2	3	4	5	97	98	99
9	I have too much debt right now	1	2	3	4	5	97	98	99
10	If I borrow money I have a responsibility to pay it back	1	2	3	4	5	97	98	99
11	I believe that it is a good time for people to invest in crypto-assets or ICOs	1	2	3	4	5	97	98	99
12	I use my computer (Internet banking) to make or receive payments	1	2	3	4	5	97	98	99

**QS2. And how often would you say this statement applies to you? For each statement could you tell me whether it Always, often, sometimes, rarely or never applies to you? ROTATE. CARD QS2. ONE ANSWER IN A LINE**



ROTATE	READ	1 Always	2	3	4	5 Never	97 Don't know	98 N/A	99 Refused
1	I tend to worry about paying my normal living expenses	1	2	3	4	5	97	98	99
2	My finances control my life	1	2	3	4	5	97	98	99
3	Before I buy something I carefully consider whether I can afford it	1	2	3	4	5	97	98	99
4	I have money left over the end of the month	1	2	3	4	5	97	98	99
5	I pay my bills on time	1	2	3	4	5	97	98	99

**QS3. . I would also like to how well this statement describes you or your situation.**

**For each statement could you let me know whether it describes your situation or thoughts completely, very well, somewhat, very little or not at all. ROTATE. CARD QS3. ONE ANSWER IN A LINE**

ROTATE	READ	1 Completely	2	3	4	5 Not at all	97 Don't know	98 N/A	99 Refused
1	I tend to ignore the small print unless something goes wrong	1	2	3	4	5	97	98	99
2	Because of my money situation, I feel like I will never have the things I want in life	1	2	3	4	5	97	98	99
3	I am happy to discuss my financial situation with people I know well	1	2	3	4	5	97	98	99
4	I trust financial institutions to treat me fairly	1	2	3	4	5	97	98	99
5	If a shop keeper gave me too much change, I would probably keep it	1	2	3	4	5	97	98	99
6	I am concerned that my money won't last	1	2	3	4	5	97	98	99
7	I am just getting by financially	1	2	3	4	5	97	98	99
8	I tend to live for today and let tomorrow take care of itself	1	2	3	4	5	97	98	99
9	I sometimes buy a lottery ticket when I feel like I don't have enough money	1	2	3	4	5	97	98	99
10	I am currently repaying a foreign currency loan	1	2	3	4	5	97	98	99

**QS4. How often, before buying a service, do you compare the terms and conditions and rates of financial services by various companies/banks? CARD QS4.**

Always	1
Sometimes	2
Rarely	3
Never	4
Difficult to say/Don't know	97

## BLOCK 9. FINANCIAL KNOWLEDGE

**QK1. Thank you. And, now something slightly different. Could you tell me how you would rate your overall knowledge about financial matters compared with other adults in Ukraine? Would you say it was... [INTERVIEWER PROBE LEVEL IF NOT CLEAR FROM FIRST RESPONSE] READ RESPONSE OPTIONS.**

Very high	1
Quite high	2
Average	3
Quite low	4
Very low	5
Don't know	97
Refused	99

INTERVIEWER: READ OUT: “The next section of the questionnaire is more like a quiz, or game and should not be translated to ‘test’. The questions are not designed to catch you out, so if you think you have the right answer, you probably do. If you don’t know the answer, just say so.”

INTERVIEWER: IT IS ANTICIPATED THAT THE QUESTIONS CAN BE ANSWERED WITHOUT A CALCULATOR. HOWEVER, RESPONDENTS SHOULD NOT BE PREVENTED FROM USING A CALCULATOR. CODE -999 SHOULD ONLY BE USED IF THE INTERVIEWER IS ABSOLUTELY CONVINCED THAT THE RESPONSE DOES NOT FIT WITHIN THE NORMAL BOUNDARIES OF THE QUESTION. THE INTERVIEWER SHOULD NOT PROVIDE HINTS ABOUT THE TYPE OF RESPONSE EXPECTED, BUT MAY ASK THE RESPONDENT TO REPEAT THEMSELVES.

**QK3. Imagine that five brothers are given a gift of UAH1,000 in total. If the brothers have to share the money equally how much does each one get? Now imagine that the brothers have to wait for one year to get their share of the UAH1,000 and inflation stays at 10 percent. In one year’s time will they be able to buy:**

More with their share of the money than they could today	1
To the same amount	2
Less than they could buy today	3
[DON'T READ OUT] How much they can buy depends on what things they want to buy	4
Don't know	97
Refused	99
Irrelevant answer	999

**QK4. You lend UAH25 to a friend/acquaintance one evening and he gives you UAH25 back the next day. How much interest has he paid on this loan?** INTERVIEWER: READ QUESTION AGAIN IF ASKED.

OPEN RESPONSE [INTERVIEWER: IF WORDS SUCH AS NOTHING OR ZERO ARE GIVEN, OR RESPONSES SUCH AS ‘HE DIDN’T ’ARE USED, PLEASE CONVERT THESE TO A NUMBER AND RECORD]

Don't know	97
Refused	99
Irrelevant answer	999

**QK5. Imagine that someone puts UAH100 into a savings account with a guaranteed interest rate of 2% per year. They don’t make any further payments into this account and they 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?** INTERVIEWER: READ QUESTION AGAIN IF ASKED. WRITE DOWN THE RESPONSE [MINIMUM VALUE =0]

Don't know	97
Refused	99
Irrelevant answer	999

*[ADD IF NECESSARY: Remembering that there are no fees or tax deductions*

**QK6. How much would be in the account at the end of five years, if the accrued interest will be added to the deposited amount each year?**

INTERVIEWER: READ OPTIONS

More than 110 UAH	1
Exactly 110 UAH	2
Less than 110 UAH	3
Impossible to tell from the information given	4
Don't know	97
Refused	99
Irrelevant answer	999

**QK7. I would like to know whether you think the following statements are true or false.**

**INTERVIEWER: READ OUT EACH STATEMENT AND WAIT FOR RESPONSE**

READ	1 «True» YES	2 «False» NO	97 Don't know	99 Refused
1. If someone offers you the chance to make a lot of money it is likely that there is also a chance that you will lose a lot of money	1	2	97	99
2. High inflation means that the cost of living is increasing rapidly	1	2	97	99
3. It is less likely that you will lose all of your money if you save it in more than one place	1	2	97	99

**QK8\_ad.** Let's assume that you saw a TV-set of the same model on sale in two different shops. The initial retail price of it was UAH10,000. One shop offered a discount of UAH1,500, while the other one offered a 10% discount. Which one is a better bargain – a discount of UAH1,500 or 10%? CARD QK8\_ad

A discount of 1,500 UAH	1
A 10% discount	2
The proposed discounts are the same from the point of view of cost-effectiveness	3
DIFFICULT TO ANSWER / DON'T KNOW	97
REFUSED	99

**QK9\_ad.** If a citizen of Ukraine has a deposit in an ordinary private Ukrainian commercial bank and this bank fails and is liquidated, do you know what maximum level of coverage guaranteed? CARD QK9\_ad

There is no guarantee on bank deposits	1
100,000 UAH	2
150,000 UAH	3
200,000 UAH	4
500,000 UAH	5
No limits – all deposits in any bank are guaranteed by the state in their full amount	6
DIFFICULT TO ANSWER / DON'T KNOW	97
REFUSED	99

**QK10\_ad.** If a citizen of Ukraine has a deposit in a credit union, and this union becomes bankrupt, do you know what maximum level of a deposit is entirely guaranteed by the state? CARD QK10\_ad

There is no guarantee on credit union deposits	1
100,000 UAH	2
150,000 UAH	3
200,000 UAH	4
500,000 UAH	5
No limits – all deposits in any credit union are fully covered by the state guarantee	6
DIFFICULT TO ANSWER / DON'T KNOW	97
REFUSED	99

**QK11\_ad.** What should the banks do under the current Ukrainian legislation? Choose an option, which, in your opinion, is the most compliant with the Ukrainian law. CARD QK11\_ad

Issue credits to everybody who applies for them	1
Charge the same annual interest rate on all credits	2
Charge the same annual interest rates on all similar credits (credit cards, car loans, mortgage loans, etc.)	3
Receive payments and carry out other transactions for the population free of charge	4
Inform a borrower of the total credit cost and effective rate of interest	5
Other (PLEASE SPECIFY)	6
DIFFICULT TO ANSWER / DON'T KNOW	97
REFUSED	99

**QK12\_ad.** Do you know what life insurance is? Choose statement that suits the most. CARD QK12\_ad

This is a service provided by any insurance company whereby it pays out insurance coverage to designated individuals in the case of death of a person whose life was insured	1
This is a service that can be provided solely by a specialized insurance company whereby an insured person receives an amount of money upon reaching a certain age and after his /her death, the insurance benefits are paid	2

out to his/her heirs.

Other (PLEASE SPECIFY)	3
DIFFICULT TO ANSWER / DON'T KNOW	97
REFUSED	99

**QK13\_ad.** Do you know which card allows such transactions as cashing out money, effecting payments on-line or in a shop for an amount greater than you have on your balance? CARD QK13\_a

Debit card	1
Credit card	2
Any bank payment card	3
DIFFICULT TO ANSWER / DON'T KNOW	97
REFUSED	99

**QK14\_ad.** Which statement(s) below explain(s) the difference between a share and a bond? CARD QK14\_ad. MARK ALL THAT APPLY.

A share represents an investment into share capital, whereas a bond does not	1
A bond can be bought back by the issuer, whereas a share cannot	2
A common share has no guaranteed level of income, whereas bonds can have fixed and variable returns	3
Bonds can be sold in a secondary market, whereas shares cannot	4
Bonds can be held by individuals and legal entities, whereas shares only by investors – legal entities	5
Shares can be pledged as collateral, whereas bonds cannot	6
There is no difference between shares and bonds; these are just different names for the same instruments	7
Other (PLEASE SPECIFY)	8
DIFFICULT TO ANSWER / DON'T KNOW	97
REFUSED	99

**QK15\_ad.** If your friend asked you to be a guarantor on his or her loan, and you agreed to this proposal, what kind of liability might you encounter? CARD QK15\_ad. YOU CAN CHOOSE ONLY ONE ANSWER

There is no financial liability attached to this, I will just make a gesture to my friend	1
There is financial liability attached to this in case my friend fails to pay off the loan	2
There are both financial and criminal liabilities attached in case my friend fails to pay off the loan	3
My liability is that if my friend fails to pay off the loan, and in the case of my application for a loan, I will automatically be denied a loan as an unreliable person	4
Other (PLEASE SPECIFY)	5
DIFFICULT TO ANSWER / DON'T KNOW	97
REFUSED	99

## BLOCK 10. BACKGROUND INFORMATION

**QD6.** Which of the following have you done in the last 7 days? MARK ALL THAT APPLY. CARD QD6

CARD QD6 No	READ OUT	1=Yes	0=No	97=Don't know	99=Refuse d
1	Read a magazine (printed copy or online)	1	0	97	99
2	Read a newspaper (printed copy or online)	1	0	97	99
3	Listened to the radio	1	0	97	99
4	Used a computer	1	0	97	99
5	Accessed the Internet	1	0	97	99
6	Sent or received an email	1	0	97	99
7	Watched TV	1	0	97	99
8	Used a mobile phone	1	0	97	99

9	Played a game on an electronic device (computer, telephone, etc.)	1	0	97	99
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**QD15\_ad** How much you agree or disagree with each of these statements. Please use a scale of 1 to 5, where: 1 tells me that you completely agree with the statement, and 5 shows that you completely disagree. CARD QD15\_ad.

READ OUT	1...Completely agree	2	3	4	5...Completely disagree
1. It is important for me to understand how taxes are used	1	2	3	4	5
2. If there is an opportunity to avoid paying taxes, you should go for it	1	2	3	4	5
3. You will agree if your employer offers you part of your salary in an envelope	1	2	3	4	5

**QD16\_ad** Have you ever used a loan/credit card of a bank or a credit union?

Yes	1	
No	2	GO TO QD18_ad.
Difficult to answer / Don't remember	3	

**QD17\_ad.** Which of the following statements best describes your knowledge of your credit history? READ OUT

I don't know what it is	1
I know what it is but I don't know my status	2
I know my status	3

**QD18\_ad.** Where do you complain if you have become a victim of illegal activities of a financial institution? READ OUT

Directly to the financial institution that caused problems	1
To court	2
To the National Bank of Ukraine	3
To other institution (please specify)	4
THERE IS NO POINT COMPLAINING TO ANY INSTITUTION, I WILL NOT BE ABLE TO ASSERT MY RIGHTS	5
DIFFICULT TO SAY	97

**QD19\_ad.** How much you agree or disagree with each of these statements. Please use a scale of 1 to 5, where: 1 - you completely agree, and 5 - you completely disagree. CARD QD19\_ad.

READ	1 Completely agree				5 Completely disagree
1. It's interesting for me to know more about how to manage my finances in the best possible way	1	2	3	4	5
2. Parents should teach their children how to manage finances	1	2	3	4	5
3. I believe that children should be taught how to manage their finances at school	1	2	3	4	5
4. I discuss money issues with my friends and family members	1	2	3	4	5

**QD20\_ad.** If you work, please specify in which field?

Education	1
Health care	2
Financial sector	3
IT sector	4
Agriculture	5
Commerce	6
Transport	7
Sector of industry	8
Security (army, police)	9
Tourism	10
Culture	11
Other (RECORD RESPONSE)	12

I would now like to ask you a few more questions about yourself and your household. As I mentioned before, we want to make sure that we have talked to people from all kinds of households, to reflect the entire population of Ukraine.

**QD9. What is the highest level of education that you have completed?**

Second university level education or post-graduate education	1
University level education – master (specialist)	2
University level education – bachelor	3
Incomplete university level education (at least three years of studies at a higher education institution)	4
Vocational training (technical college)	5
High school (11 grades)	6
Middle school (9 grades)	7
Primary school	8
No formal education	9
Refused	99

**QD10. What is your current work situation (status and profession)?**

INTERVIEWER: READ OUT FROM TOP, STOP AND MARK THE FIRST THAT APPLIES

Self-employed (work for yourself)	1
In paid employment	2
Apprentice	3
Looking after the home	4
Looking for work (unemployed)	5
Retired	6
Unable to work due to sickness or ill-health	7
Not working and not looking for work	8
Student	9
Other	10
Don't know	97
Refused	99

NOTE TO INTERVIEWER: Please emphasize that this will be treated as confidential information and is needed to make sure that people from all kinds of households are interviewed.

**QD13. Please, indicate the level of your personal average monthly earnings, including your salary and income from other possible sources. CARD QD13**

Up to 3,500 UAH	1
3,501 – 7,000 UAH	2
7,001 – 15,000 UAH	3
15,001 – 20,000 UAH	4
20,001 – 30,000 UAH	5
30,001 – 50,000 UAH	6
More than 50,000 UAH	7
DIFFICULT TO ANSWER/DON'T KNOW	97

**QD14\_ad. Which of the following categories of people do you think you (your family) most likely falls into? CARD QD14\_ad. YOU CAN CHOOSE ONLY ONE ANSWER.**

We hardly make the ends meet	1
We do not have enough money even for food	2
We have enough money to buy food but buying clothes causes financial difficulties	3
We have enough money to buy food and clothes. But purchase of durable goods (a TV-set, a refrigerator) is problematic	4
We have no trouble buying durable goods, but purchase of a really expensive thing like a car is hard for us	5
We can afford quite expensive things – apartment, dacha, and many other ones	6
DIFFICULT TO ANSWER/DON'T KNOW	97

TO INTERVIEWER: Please thank the respondent for their time, and close the interview. Remind the respondent that the data will remain confidential, and provide them with contact details in case of questions