

Financial Literacy Survey: 2016 Results*

Introduction

The Financial Literacy Survey 2016 is Japan's first large-scale questionnaire survey conducted with the aim of understanding the current state of financial literacy, i.e., financial knowledge and financial decision-making skills, of individuals aged 18 and over.

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Outline

Period	: From February 29 to March 17, 2016
Sample size	: 25,000 individuals aged 18 to 79 throughout Japan
Methodology	: Online survey

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* This is an English translation of the Japanese original released on June 17, 2016. Figures for the United States are from "Financial Capability in the United States 2016" released by the U.S. Financial Industry Regulatory Authority (FINRA) Investor Education Foundation in July 2016.

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Note: The tables are available in Japanese, except for "49. Tokyo," which is shown on page 24.

I. Overview

Purposes

- ▶ The Financial Literacy Survey is a questionnaire survey conducted with the aim of understanding the current state of financial literacy, i.e., financial knowledge and financial decision-making skills, of individuals aged 18 and over in Japan.
- ▶ The Central Council for Financial Services Information conducted the first survey in 2011, and for this second 2016 round, the Council made a sweeping review of the contents and methodology, reflecting changes in the situation surrounding financial education, such as the release of the Financial Literacy Map* in 2014, which was compiled based on a report of the Study Group on Financial Education (Secretariat: Financial Services Agency in Japan).
- ▶ As a result, the 2016 survey is Japan's first large-scale survey in this area, covering all categories of the Financial Literacy Map.

* The "Standard Learning Goals for Different Age Groups" from the "Minimum Level of Financial Literacy That Should Be Attained" prepared by the Committee for the Promotion of Financial Education (Secretariat: Central Council for Financial Services Information. See next page for details).

Methodology

- ▶ An online survey was conducted on 25,000 individuals aged 18 to 79 who have been chosen in proportion to Japan's demographic structure.
- ▶ The previous (2011) survey was conducted by extracting samples aged 18 and over from 500 locations nationwide and obtaining responses through face-to-face interviews, postal mail, or the Internet. The sample size was 3,531.

Characteristics of questions

- ▶ The questions were a combination of true/false questions on "financial knowledge and financial decision-making skills" and questions on "characteristics of behavior and attitude" relating to the eight categories of the Financial Literacy Map. About half of the questions were made similar to those in surveys conducted by the U.S. Financial Industry Regulatory Authority (FINRA) Investor Education Foundation and the Organisation for Economic Co-operation and Development (OECD) so that the results could be compared.

Figure 1 Composition of the survey questions

		Number of questions		Financial knowledge and financial decision-making skills		Behavior and attitude		
		Internationally comparable		Internationally comparable		Internationally comparable		
Financial Literacy Map category	Family budget management	9	4	2	0	7	4	
	Life planning	9	6	2	1	7	5	
	Financial knowledge	Basics of financial transactions	4	1	3	0	1	1
		Basics of finance and economy	7	6	6	5	1	1
		Insurance	5	0	4	0	1	0
		Loans/credit	5	3	3	2	2	1
	Wealth building	7	3	3	2	4	1	
	Use of outside expertise	4	0	3	0	1	0	
Other	Needs for and experience of participating in financial education	3	3	0	0	3	3	
Total		53	26	26	10	27	16	

Questions cover all categories of the Financial Literacy Map, which serves as a standard for financial literacy in Japan.

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About half of the questions are comparable to those of overseas surveys.

Figure 2 "Minimum Level of Financial Literacy That Should Be Attained" from the report released by the Study Group on Financial Education

<p>1. Family budget management</p> <p>Item 1 Making a habit of proper income/expenditure management (eliminating debts and staying in the black)</p>	<p>[Insurance products]</p> <p>Item 8 Understanding which contingencies (death, illness, fire, etc.) one should seek insurance coverage for</p> <p>Item 9 Understanding the amount of economic security required should a covered contingency occur</p>
<p>2. Life planning</p> <p>Item 2 Articulating life plans and understanding the need to secure the funds required for life plans</p>	<p>[Loans/credit]</p> <p>Item 10 Understanding basic precautions when arranging a home loan</p> <p>(1) Importance of setting a reasonable loan limit and putting together a repayment plan</p> <p>(2) Importance of preparing for the possibility of circumstances that could make repayment difficult</p> <p>Item 11 Making a habit of avoiding thoughtless/reckless use of credit cards and credit card loans/personal loans using cards issued by banks, etc., termed "card loans" in Japan</p>
<p>3. Financial knowledge, understanding of financial/economic circumstances, and appropriate selection/use of financial products</p> <p>[Knowledge of the basics of financial transactions]</p> <p>Item 3 Making a habit of assuming a fundamentally careful attitude toward contracts</p> <p>Item 4 Making a habit of confirming the reliability of information sources and contract counterparties</p> <p>Item 5 Understanding that Internet transactions are convenient but require some precautions different from face-to-face transactions</p> <p>[Common to all categories of finance]</p> <p>Item 6 Understanding the key concepts constituting the foundations of financial education (interest [simple interest and compound interest], inflation, deflation, exchange rates, risk-return, etc.), and the selection/use of financial products suited to financial and economic circumstances</p> <p>Item 7 Understanding the importance of ascertaining the actual cost (price) of a transaction</p>	<p>[Wealth building products]</p> <p>Item 12 Understanding that seeking higher returns will entail assuming higher risks, although risk tolerance varies from person to person</p> <p>Item 13 Understanding the effectiveness of diversification in wealth building (diversifying investment assets and investment start times)</p> <p>Item 14 Understanding the effectiveness of long-term investments in building wealth</p> <p>4. Appropriate use of outside expertise</p> <p>Item 15 Understanding the importance of appropriately employing outside expertise when selecting/using financial products</p>

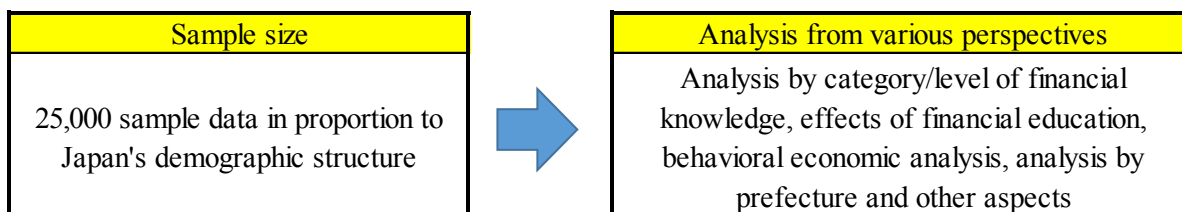
Figure 3 Summary extract of the Financial Literacy Map

Category	University students	Young adults	Adults	Senior citizens
		Establishing the ability to live independently as adults.	Starting to live independently in terms of lifestyle and financial aspects.	Living independently and assuming full-fledged responsibility as working people.
Family budget management	Understanding the necessity of income and expenditure management and being able to spend money according to a plan in order to improve one's skills, while improving the balance of payments by earning more from a part-time job as needed.	Being able to spend money on one's hobby or improving one's skills according to a plan, while properly managing income and expenditure to support one's household income.	Being able to understand income and expenditure as well as assets and liabilities of one's household by keeping a household account book as the breadwinner of the household, and improve the balance as necessary.	Being able to manage income and expenditure and take necessary action for improvement according to a post-retirement plan.
Life planning	Envisioning one's dreams and hopes in detail so that one can achieve them while engaging in an occupation after graduation, and working hard in study and training toward realizing those dreams and hopes. Having an image of one's real life, while bearing in mind the funds for the three biggest events in life.	Working on a life plan so that one can achieve one's dreams and hopes while engaging in the occupation one has chosen. Being able to estimate how much money one would need to achieve one's life plan, and to save money and manage assets according to a plan.	Reconsidering one's life plan, financial plan, and assets to hold when necessity arises in light of the changes in one's circumstances, and making constant efforts to achieve one's life plan in view of one's life in old age. Engaging in financial education for children at home in cooperation with school.	Reviewing one's post-retirement life plan while taking into consideration the effective use of leisure time and contribution to one's family and society. Changing one's lifestyle to one affordable with a pension and making steady efforts so that one can live a spiritually rich and stable life.
⋮	⋮	⋮	⋮	⋮

Note: For details on the Financial Literacy Map, see the website of the Central Council for Financial Services Information (<https://www.shiruporuto.jp/e/>).

- ▶ Some questions on "characteristics of behavior and attitude" include viewpoints of behavioral economics such as "loss aversion" and "herd behavior."
- ▶ Attributes of survey samples include gender, age, place of residence, occupation, annual income, as well as their experience of participating in financial education.
- ▶ In sum, this survey has enabled analysis of data from various perspectives, namely, age, region, the experience of participating in financial education, and the degree of loss aversion.

Figure 4 Analysis of 25,000 sample data



II. Summary of the Results

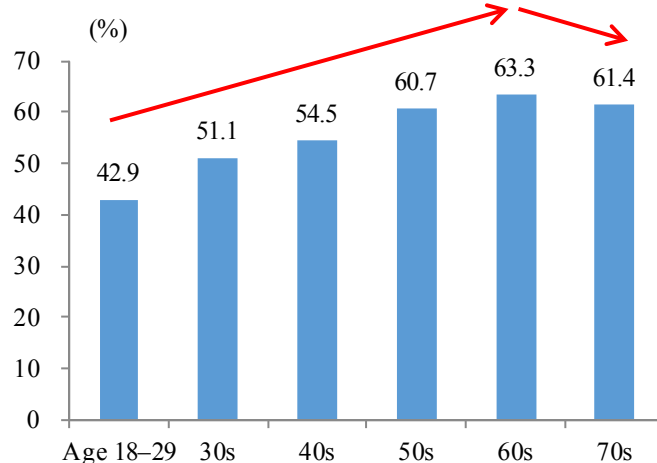
Characteristics concerning financial literacy

Financial knowledge and financial decision-making skills	<ul style="list-style-type: none"> ▶ The percentage of correct answers given to true/false questions was 55.6%. By category, the percentage was the highest for "basics of financial transactions" at 72.9% and lowest for "basics of finance and economy" at 48.8%. ▶ The percentage of correct answers given to true/false questions was the lowest for the 18–29 age group and became higher as the age rose (slightly declining for those in their 70s).
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Figure 5 Correct answers given by category of the Financial Literacy Map (25 questions including Q4*)

Category		Correct answers (%)
Family budget management		51.0
Life planning		50.4
Financial knowledge	Basics of financial transactions	72.9
	Basics of finance and economy	48.8
	Insurance	52.5
	Loans/credit	53.3
	Wealth building	54.3
Use of outside expertise		65.3
Total		55.6

Figure 6 Correct answers given to true/false questions by age group



* "Q number" indicates the question number.

For the contents of the questions, see "VI. Questionnaire (Simple Tabulation of Data)."

Characteristics of behavior and attitude	<ul style="list-style-type: none"> ▶ As much as 70% of the respondents answered that, before they bought something, they carefully considered whether they could afford it. ▶ Only about 20–30% of the respondents answered that they had purchased risk assets such as stocks or investment trusts.
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Figure 7 Percentage of those who, before buying something, carefully considered whether they could afford it (Q1-1)

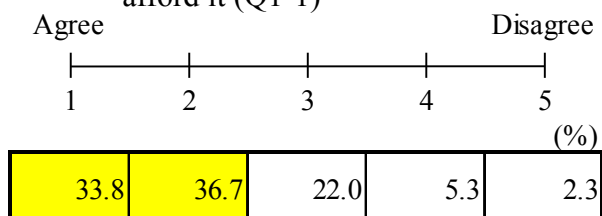


Figure 8 Experience of purchasing risk assets (Q34)

	Stocks	Investment trusts	Foreign currency deposits, etc.
I have purchased them	31.6	25.8	17.3
I have never purchased them	68.4	74.2	82.7

Analysis by level of financial knowledge	<ul style="list-style-type: none"> ▶ Groups for which the percentage of correct answers given to true/false questions was relatively high showed the following characteristics: (1) acquiring financial and economic information frequently; (2) securely managing family budget; (3) choosing financial products after understanding the product details; and (4) having less tendency for loss aversion and herd behavior.
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Figure 9 Analysis by level of financial knowledge

	All samples	High-literacy group*
Those who acquired financial and economic information at least once a week (Q48)	54.5	79.8
Those who paid their bills on time (Q1-2)	84.5	94.2
Those who purchased investment trusts after understanding the product details (Q34)	67.8	81.7
Those with strong loss aversion (Q6)	78.6	64.9
Those with a strong herd behavioral bias (Q1-3)	15.0	9.2

* Those ranking in the top 20% in terms of the percentage of correct answers.

Comparison with overseas surveys

<ul style="list-style-type: none"> ▶ Compared with the United States, the percentage of correct answers given to common true/false questions was 7% lower in Japan. ▶ Compared with Germany and the United Kingdom, the percentage of correct answers given to common true/false questions was 7–9% lower in Japan. Also, the percentage of those with desirable behavior such as, before buying something, carefully considering whether they could afford it, was 7–17% lower in Japan. <p>Note: When comparing with overseas, some leeway should be allowed since there are differences in financial products and services, tax systems, educational systems, etc.</p>

Figure 10 Comparison with the United States (correct answers; Q19 and others)

	Japan (A)	U.S. (B)	Gap (A-B)
Total	46	53	-7
Male	53	58	-5
Female	39	48	-9

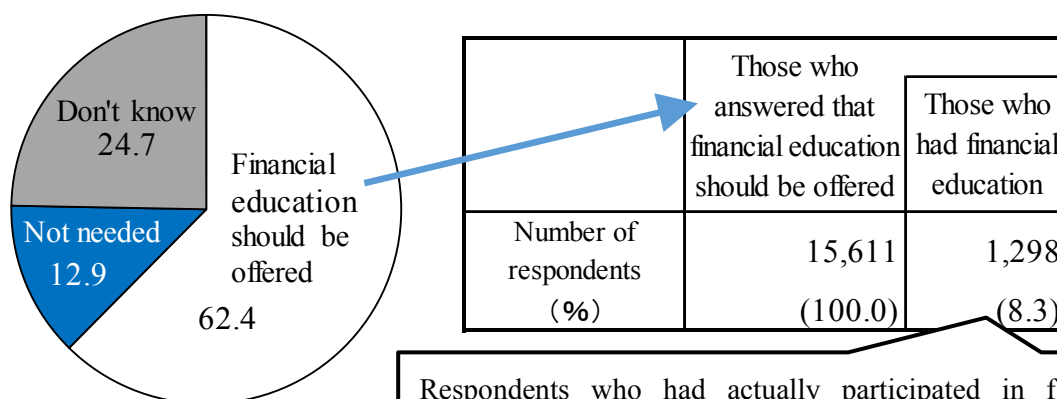
Figure 11 Comparison with Germany and the United Kingdom (Q18 and others)

	Japan	Germany	U.K.
Knowledge (correct answers)	58	67	65
Behavior	65	82	72
Considering affordability	70	82	77
Attitude	45	57	43

Gap between needs for financial education and the actual situation and effects of financial education

- ▶ While many respondents indicated that financial education should be offered, only a limited number of them had actually participated in such education.
- ▶ The percentage of correct answers given by students who had participated in financial education (56.4%) was higher than that of correct answers given by students who had not participated in such education (38.2%), and was also higher than the average for all age groups (55.6%).

Figure 12 Gap between needs for financial education and the actual situation (Q39 and 41)

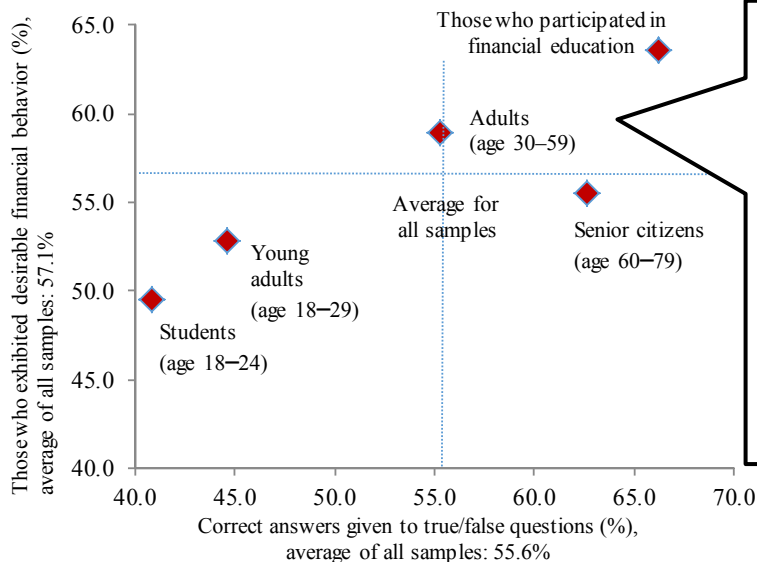


Respondents who had actually participated in financial education accounted for only 8.3% of those who answered that financial education should be offered.

Future challenges

- ▶ In order to respond to needs for financial education, it is necessary to promote financial education more extensively, bearing in mind the priority issues for each age group.

Figure 13 Correct answers and behavior of each segment (Q24 and others)



For students and young adults, both the percentage of correct answers and the proportion of those who exhibited desirable financial behavior* were lower.

* Proportion of those who made comparisons with other financial institutions or products when investing funds, taking out a loan, or purchasing a life insurance policy.

On the other hand, for respondents who participated in financial education, both the percentage of correct answers and the proportion of those who exhibited desirable financial behavior were higher.

Figure 14 Preparation for retirement by those in their 50s (Q8, 9, 10, and 27)

		Yes	No
Funds for retirement	Aware of the required amount	54.4	45.6
	Had a financial plan	38.0	62.0
	Had set aside funds	28.0	72.0
Pension	Aware of the receivable amount	40.3	59.7

Looking at how respondents in their 50s were preparing for their retirement, about 50% of them were not aware of the amount that would be required as living expenses for retirement, and about 60% did not have a financial plan for such expenses. Also, about 60% of them were not aware of how much public pension they would receive.

III. Survey Results

A. Current State of Financial Literacy

1. Analysis by Financial Literacy Map category

Family budget management

Around 70–90% of the respondents managed their monthly income and expenditure appropriately and kept payment due dates. Also, before buying something, they carefully considered whether they could afford to buy it.

More than half of the respondents had set aside emergency or rainy day funds in case of sickness, job loss, etc.

- However, the level of understanding was not high regarding credit card transactions.

Figure 15 Awareness of monthly household income and expenditure (Q3)

	Income		Expenditure	
	Aware	Not aware	Aware	Not aware
All samples	87.4	12.6	72.1	27.9
Company employees	90.8	9.2	71.6	28.4
Full-time homemakers	86.3	13.7	77.8	22.2

Figure 16 Setting aside of emergency or rainy day funds (Q11)

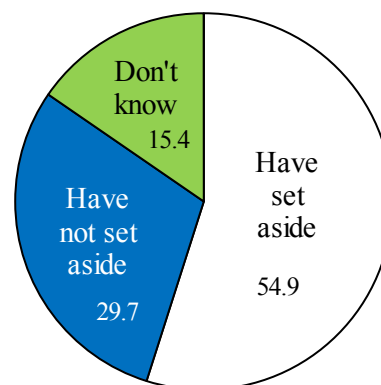


Figure 17 Questions on characteristics of behavior (Q1)

	Agree Disagree				
	1	2	3	4	5
Before I buy something I carefully consider whether I can afford it	33.8	36.7	22.0	5.3	2.3
I pay my bills on time	63.5	21.0	11.3	2.7	1.5
I keep a close personal watch on my financial affairs	22.5	34.9	30.4	8.8	3.3
I have too much debt right now	4.4	7.0	14.8	13.3	60.6

Note: Shaded cells indicate desirable financial behavior.

Figure 18 Correct answers given to true/false questions on family budget management

	Content	Correct answers (%)
Q4	Appropriate income and expenditure management	55.1
Q5	Appropriate income and expenditure management and credit card use	46.9

Slightly less than half of the respondents understood that a credit card fee (interest) is charged for installment payments.

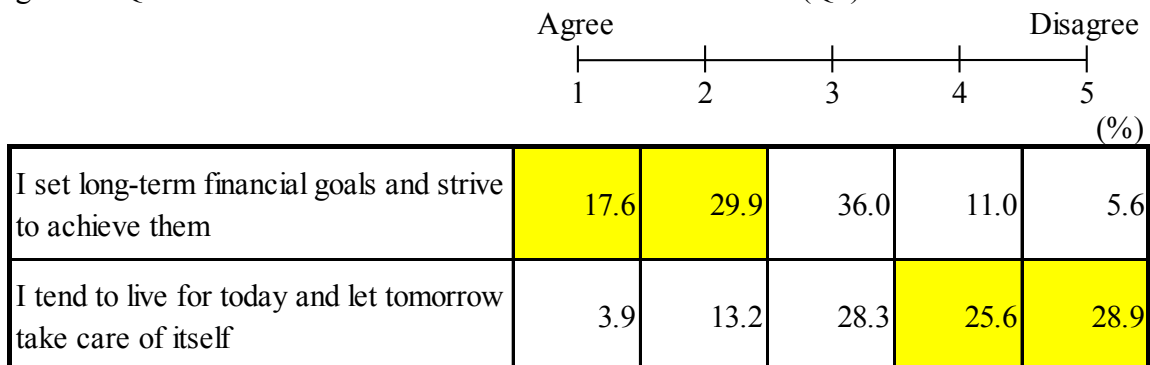
Life planning

The proportion of respondents who thought that they should set long-term financial goals and avoid living for today was larger than those who thought otherwise.

Slightly less than 50% of the respondents knew the so-called three major expenses in life, namely, living expenses for retirement, children's educational expenses, and costs of buying a house.

Regarding these major expenses, 50–60% of the respondents were aware of the required amount, 40–50% had a financial plan, and 20–30% had set aside funds.

Figure 19 Questions on characteristics of behavior and attitude (Q1)



Note: Shaded cells indicate desirable financial behavior.

Figure 20 Correct answers given to true/false questions on life planning

	Content	Correct answers (%)
Q12	Understanding of the compound interest and the accumulation period related to cumulative deposits	53.2
Q13	Understanding of three major expenses in life	47.6

Figure 21 Recognition of three major expenses in life* (Q13)

* Living expenses for retirement, children's educational expenses, and costs of buying a house.

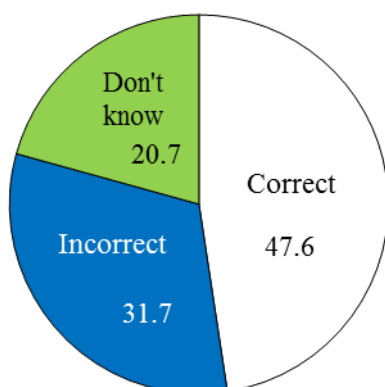


Figure 22 Proportions of respondents regarding three major expenses in terms of the required amount, a financial plan, and setting aside of funds (Q8, 9, and 10)

	Living expenses for retirement	Children's educational expenses	Costs of buying a house
Those who were aware of the required amount	49.4	56.8	55.4
Those who had a financial plan	35.6	48.8	35.2
Those who had set aside funds	26.0	32.8	15.5

Financial knowledge, understanding of financial/economic circumstances, and appropriate selection/use of financial products

Respondents with correct answers on the basics of financial transactions were about 70% of the total, but those on the basics of finance and economy, insurance, loans and credit, and wealth building were about 50%.

- About 50–60% of the respondents made comparisons with other financial institutions or products when taking out a loan, purchasing a life insurance policy, or investing funds.
- About 40% of the respondents knew the amounts they were qualified to receive, the category of insured person they fell into, and the required number of years of paying contributions in order to qualify for pension benefits with regard to their pensions.
- About 20–30% of the respondents had the experience of purchasing stocks, investment trusts, foreign currency deposits, etc., out of which about 20–30% had purchased the products without understanding the product details.

Figure 23 Correct answers on financial knowledge

	Number of questions	Correct answers (%)
Financial knowledge	18	55.1
Basics of financial transactions*	3	72.9
Basics of finance and economy	6	48.8
Insurance	3	52.5
Loans/credit	3	53.3
Wealth building	3	54.3

Figure 24 Comparison with other products (Q24, 29, and 32) (%)

	Compared	Not compared
Loans	53.6	46.4
Life insurance	54.7	45.3
Investment	63.1	36.9

* Basic attitude concerning contracts, appropriate behavior to avoid being involved in financial trouble, and the method to avoid trouble related to Internet transactions.

Figure 25 Understanding of one's own pension (Q27)

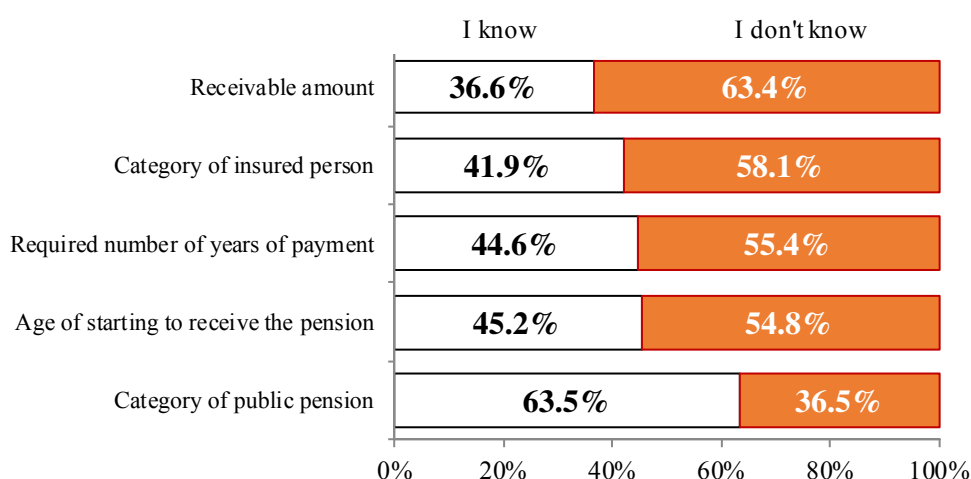


Figure 26 Purchasing of risk assets (Q34)

	Stocks (%)	Investment trusts (%)	Foreign currency deposits, etc. (%)
I have purchased them	31.6	25.8	17.3
I have never purchased them	68.4	74.2	82.7

Figure 27 Understanding of the product details upon purchase (Q34) (%)

	Stocks (%)	Investment trusts (%)	Foreign currency deposits, etc. (%)
I have purchased them	100.0	100.0	100.0
I did not understand the product details so well	17.4	24.5	18.7
I did not understand the product details at all	6.9	7.7	6.9

Appropriate use of outside expertise

About 70% of the respondents knew a consultant office or a system to be used when financial trouble occurred.

- One-third of those who had experienced financial trouble did not know such a consultant office or a system even at the time of the survey.

Nearly 40% of the respondents acquired financial and economic information less often than once a month.

- The major information sources used when choosing a financial product were in the following order: (1) websites; (2) consultation at financial institutions; (3) pamphlets provided at financial institutions; (4) television, newspapers, magazines, etc.; and (5) conversations with family members/friends.

- The percentage of correct answers given to true/false questions for those who never acquired financial and economic information was about 60% of the average percentage of correct answers for all respondents.

Figure 28 Recognition of a consultant office, etc. to be used when financial trouble occurred (Q38)

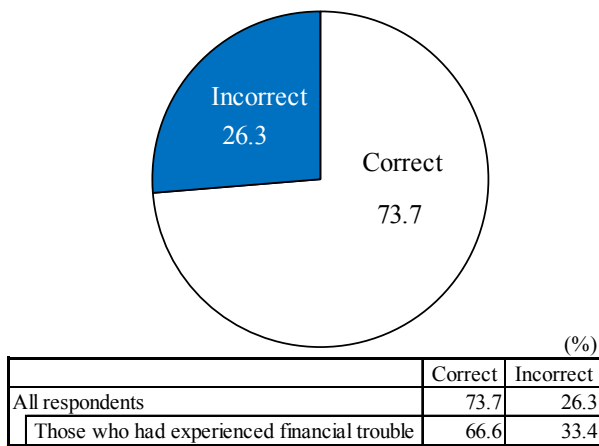


Figure 29 Frequency of acquiring financial and economic information (Q48)

	(%)
Almost every day	34.9
About once a week	19.5
About once a month	8.3
Less often than the above	18.6
Never	18.5

Nearly 40% of the respondents acquired financial and economic information less often than once a month.

Figure 30 Information sources used when choosing a financial product (Q35)*

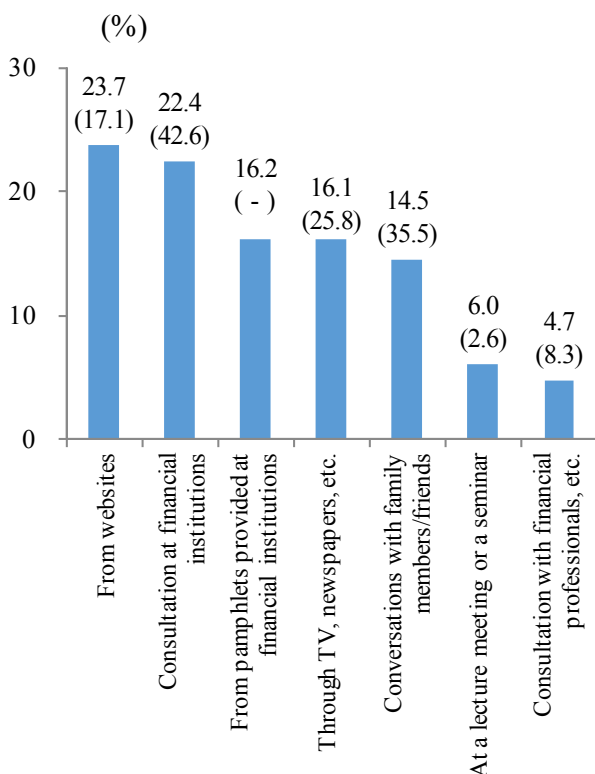
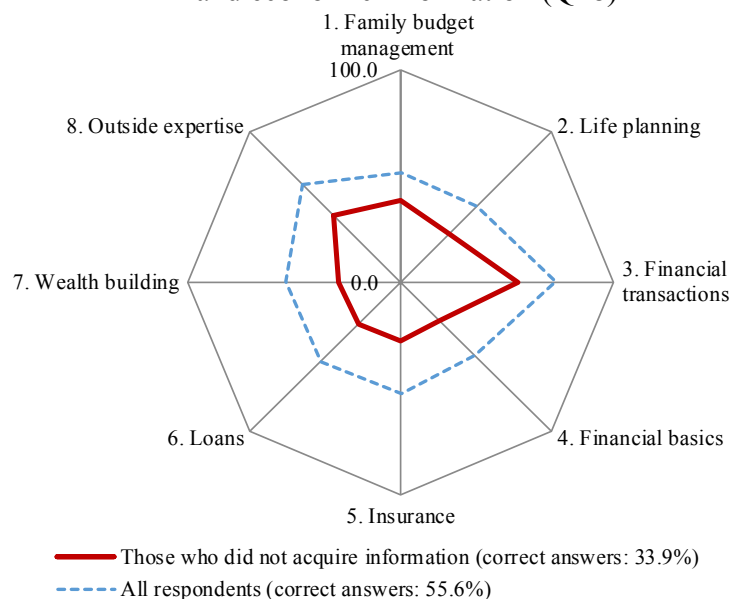


Figure 31 Correct answers by category for those who never acquired financial and economic information (Q48)



* Figures in parentheses represent results of the 2011 Financial Literacy Survey conducted mainly through face-to-face interviews and postal mail. The 2016 survey was an online survey.

2. Analysis of financial knowledge by attribute

The characteristics of the percentage of correct answers by attribute were as follows.

- (1) The percentage was the lowest for the 18–29 age group. The percentage tended to become higher as the age rose (slightly declining for those in their 70s).
- (2) The percentage was relatively low for students and part-timers.
- (3) The percentage tended to be higher for those who had higher annual income and a larger amount of financial assets.
- (4) The percentage tended to be higher for those who acquired financial and economic information more frequently.
- (5) The percentage was higher for those who had more experience in financial transactions.

Figure 32 Correct answers given to true/false questions (25 questions including Q4)

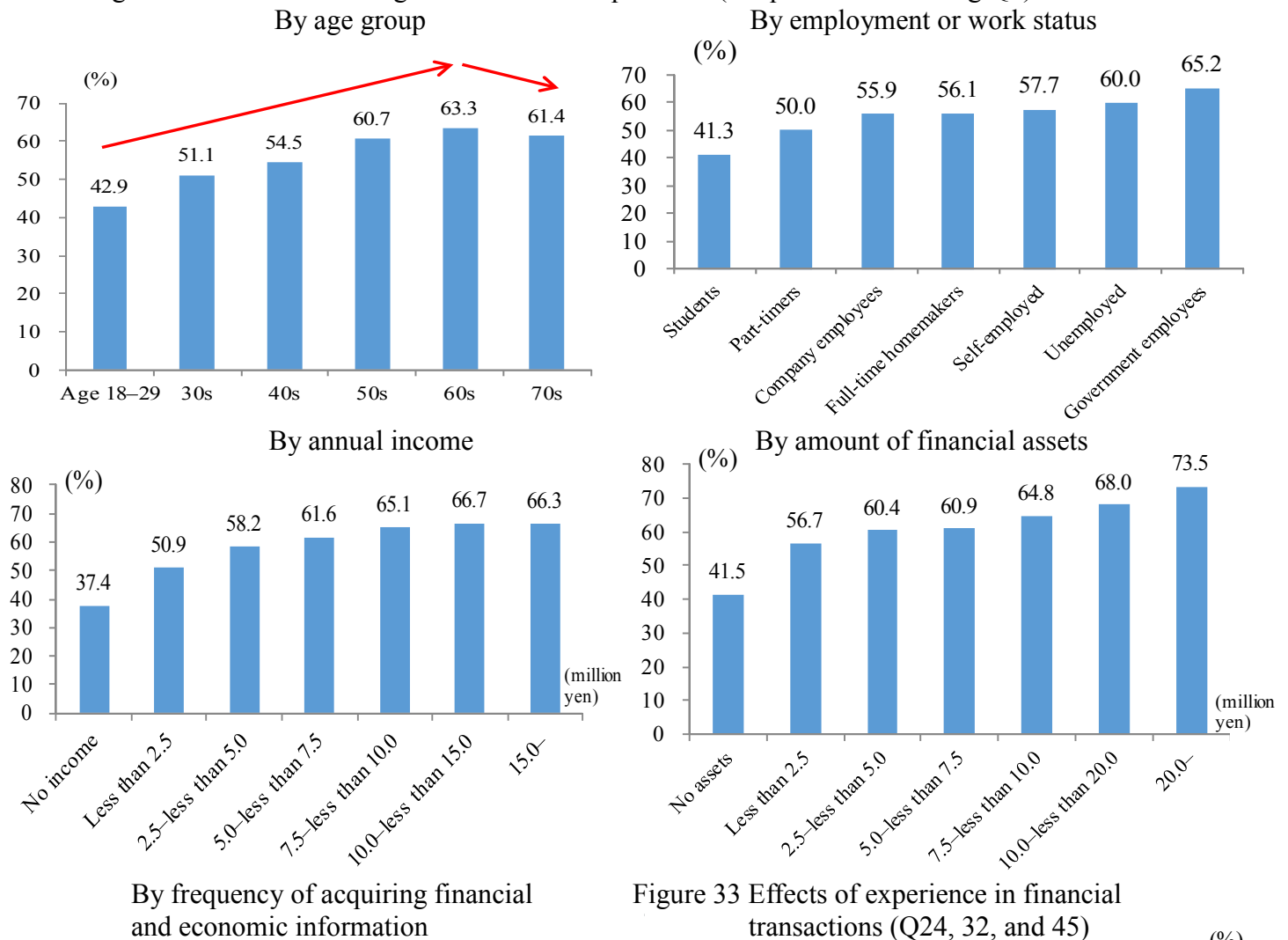


Figure 33 Effects of experience in financial transactions (Q24, 32, and 45)

	Correct answers for all respondents (A)	Correct answers for those who had experience in financial transactions (B)	Effects of experience in financial transactions (B-A)
Investment	54.3	73.6	19.3
Mortgage	59.7	69.6	9.9
Life insurance	52.5	57.4	4.9

The percentage of correct answers was higher for those who had more experience in financial transactions.

3. Analysis by level of financial knowledge

When the answers to the true/false questions (25 questions) were converted into scores by giving 4 points to one correct answer, the scores were widely distributed from 0 to 100 points.

The proportion of those who had high scores was large among males in their 40s to 70s. The proportion of those who had participated in financial education was also relatively high among these age groups.

The characteristics of behavior and attitude found in those who had high scores included: (1) acquiring financial and economic information frequently; (2) securely managing family budget; (3) purchasing a financial product after comparing it with other products, searching for relevant information on websites, consulting with financial institutions, etc., and understanding the product details; (4) having less tendency for loss aversion and herd behavior; (5) having a financial plan; and (6) setting aside emergency or rainy day funds. As a result, they (1) were less likely to become involved in financial trouble, (2) did not use consumer loans frequently, (3) felt a less sense of burden from loans, and (4) had relatively high resistance to economic shocks.

— Respondents with high scores had a high tendency of investing in risk assets such as stocks (for details, see "Box 2 Financial Literacy and Investment Behavior").

Figure 34 Distribution of scores

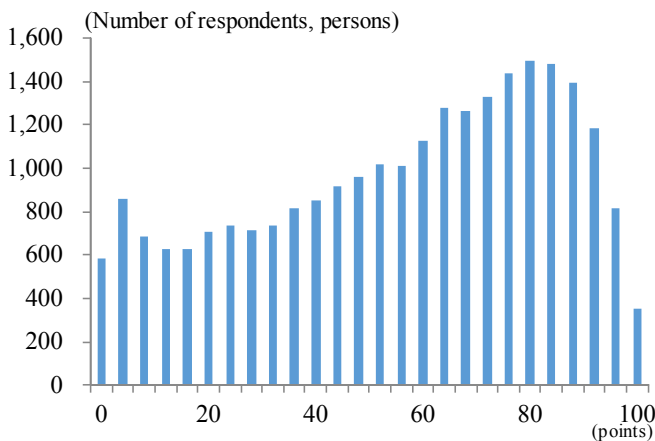


Figure 35 Proportion of those who had high scores (84–100 points, roughly the top 20%) (%)

	Total	
	Male	Female
Total	20.9	15.5
Age 18–29	10.1	7.2
30s	16.6	10.3
40s	20.7	14.8
50s	25.8	20.9
60s	28.1	21.9
70s	23.9	16.8

Figure 36 Characteristics of those who had high scores

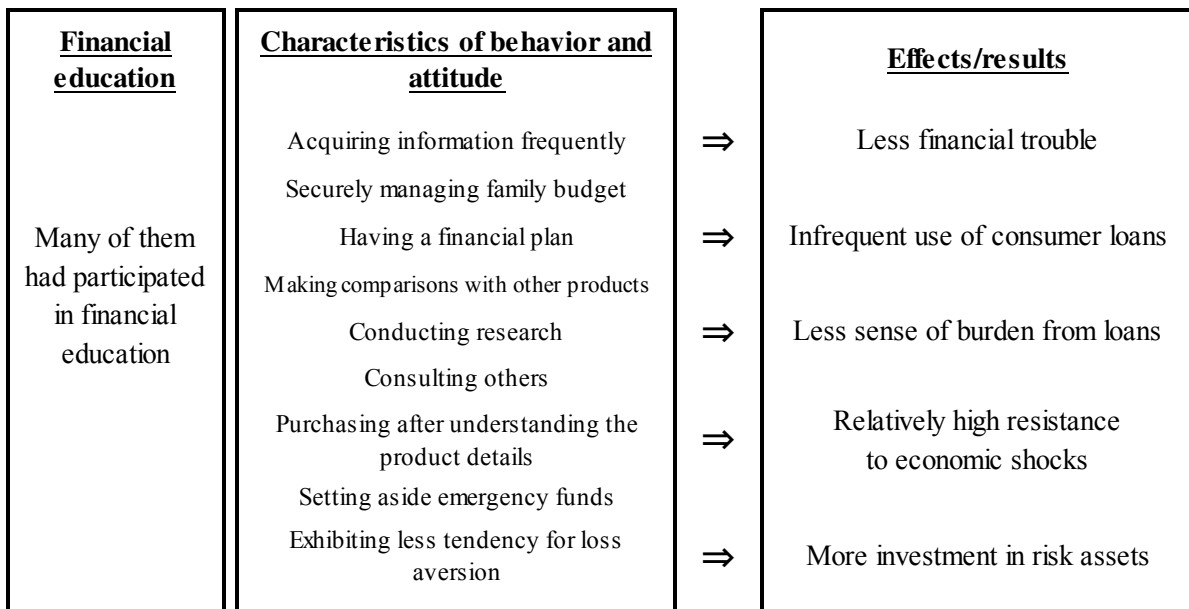


Figure 37 Those who participated in financial education (Q39)

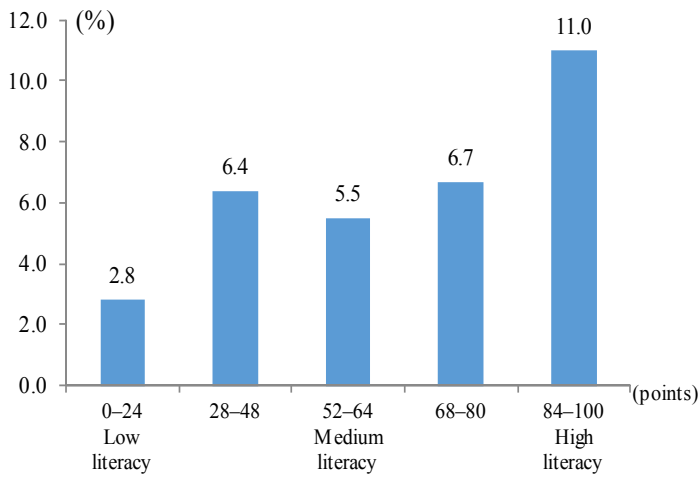


Figure 38 Those who did not make comparisons with other products when taking out a loan (Q29)

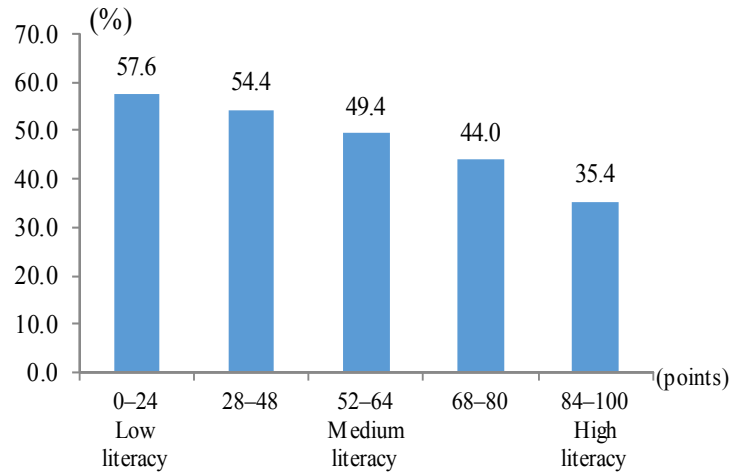


Figure 39 Those who acquired financial and economic information less often than once a month (Q48)

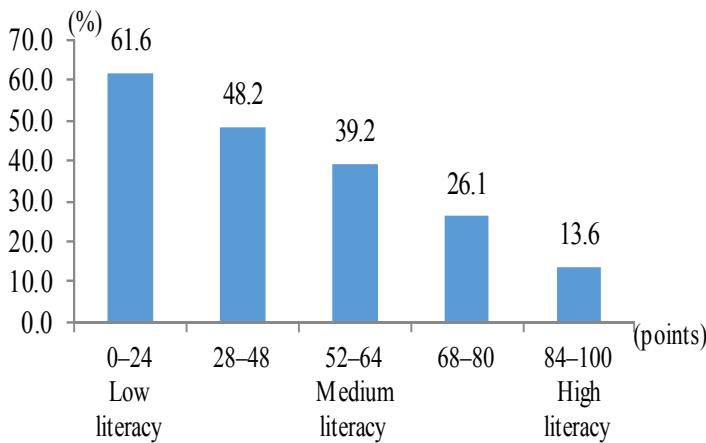


Figure 40 Those who purchased foreign currency deposits without understanding the product details (Q34)

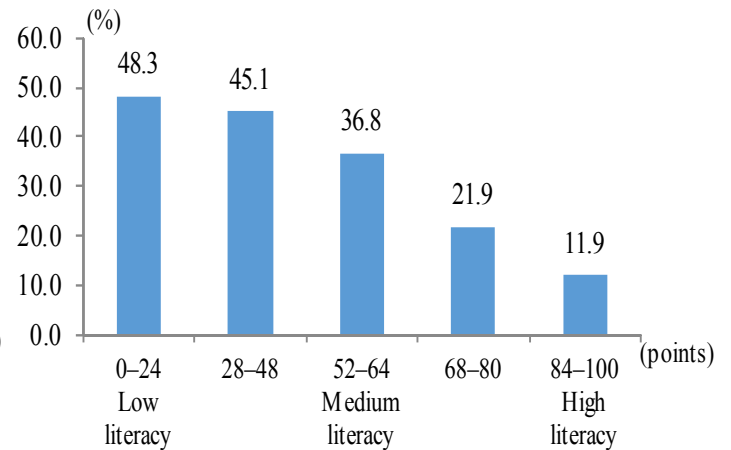


Figure 41 Those who experienced financial trouble in the 60-79 age group (Q47)

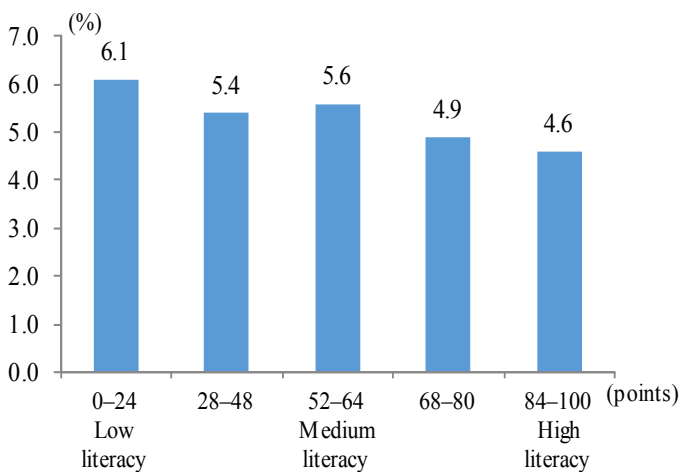


Figure 42 Those who invested in stocks (Q34)

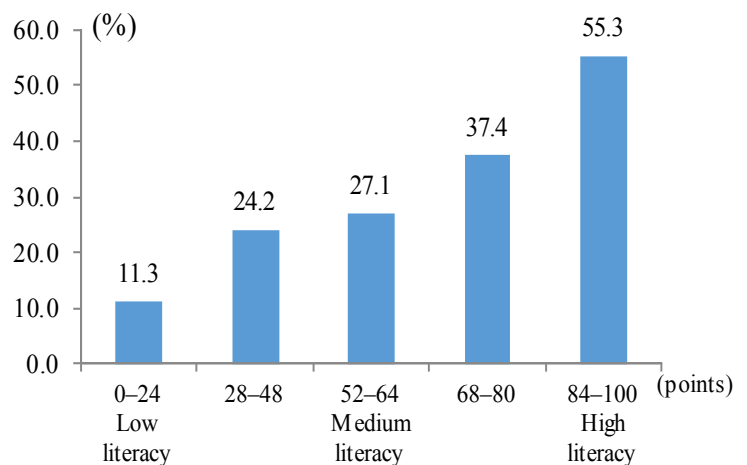


Figure 43 Analysis by level of financial knowledge

(%)

		Total	Low-literacy group		Medium-literacy group		High-literacy group	
		0–100 points 25,000 persons	Level 1 0–24 points 4,827 persons	Level 2 28–48 points 4,991 persons	Level 3 52–64 points 4,426 persons	Level 4 68–80 points 5,522 persons	Level 5 84–100 points 5,234 persons	
Financial education	Those who participated in financial education at school, etc. (Q39)	6.6	2.8	6.4	5.5	6.7	11.0	
	Those who participated in financial education at home (Q40)	19.8	8.5	17.0	21.9	24.5	26.1	
Characteristics of behavior and attitude	Those who did not make comparisons with other products when taking out a loan (Q29)	46.4	57.6	54.4	49.4	44.0	35.4	
	Those who looked at websites when choosing a financial product (Q35)	23.7	4.4	12.4	20.6	30.5	47.5	
	Those who consulted a financial institution when choosing a financial product (Q35)	22.4	6.3	16.7	25.6	30.9	31.1	
	Those who acquired financial and economic information less often than once a month (Q48)	37.1	61.6	48.2	39.2	26.1	13.6	
	Those who purchased foreign currency deposits without understanding the product details (Q34)	25.6	48.3	45.1	36.8	21.9	11.9	
	Those who paid bills on time (Q1-2)	84.5	65.8	81.5	88.4	91.1	94.2	
	Those who had no financial plan for living expenses for retirement (Q9)	64.4	73.3	71.8	68.8	62.2	52.8	
	Those who had set aside emergency or rainy day funds (Q11)	54.9	25.1	44.8	55.6	68.0	77.4	
	Those with strong loss aversion (Q6)	78.6	89.7	82.6	81.2	76.3	64.9	
	Those with a strong herd behavioral bias (Q1-3)	15.0	19.7	18.5	15.8	12.5	9.2	
Effects /results	Those who experienced financial trouble by age group (Q47)	Age 18–29	4.4	4.6	5.0	3.9	3.7	4.2
		Age 30–59	6.7	6.7	8.3	7.2	6.2	5.5
		Age 60–79	5.2	6.1	5.4	5.6	4.9	4.6
	Those who had consumer loans (Q45)	3.9	4.4	5.5	4.3	3.0	2.5	
	Those who felt they had too much debt (Q1-8)	11.4	14.5	14.0	11.6	9.1	8.1	
Those who invested in stocks (Q34)	31.6	11.3	24.2	27.1	37.4	55.3		

B. Comparison with Overseas Surveys

1. Comparison with the U.S. survey

Compared with the United States, the percentage of correct answers given to common true/false questions was 7% lower in Japan. The percentages for Japan were lower than those for the United States by gender, age group, and annual income.

In terms of characteristics of behavior, fewer respondents in Japan felt they had too much debt and more respondents had set aside emergency or rainy day funds than in the United States.

Note: When comparing with overseas, some leeway should be allowed since there are differences in financial products and services, tax systems, educational systems, etc.

Figure 44 Overview of major overseas surveys on financial literacy

U.S. survey	The FINRA Investor Education Foundation, which is a self-regulatory organization of the U.S. financial sector, conducted the National Financial Capability Study in 2015. It was an online survey. The results were released in July 2016 as "Financial Capability in the United States 2016."
OECD survey	Among the countries participating in the International Network on Financial Education (INFE) of the OECD, 14 countries including the United Kingdom and Germany conducted the OECD/INFE Pilot Study from 2010 to 2011. It was conducted through face-to-face or telephone interviews.

Figure 45 Comparison with the United States

	(%)			(%)	
	Japan	U.S.		Japan	U.S.
Average of correct answers for five true/false questions	46	53	Those who felt they had too much debt (Q1-8)	11	40
(1) Compound interest (after 5 years) (Q19)	43	75	Annual income of less than 2.5 million yen	12	43
(2) Inflation (Q20)	56	59	Annual income of at least 2.5 million but less than 7.5 million yen	12	42
(3) Mortgage (Q21-2)	68	75	Annual income of at least 7.5 million yen	11	34
(4) Diversification effect (Q21-4)	46	46	Those who had set aside emergency or rainy day funds (Q11)	55	46
(5) Bond prices (Q22)	24	28	Annual income of less than 2.5 million yen	39	40
(6) Rule of 72 (Q31)	41	33	Annual income of at least 2.5 million but less than 7.5 million yen	59	41
Male	53	58	Annual income of at least 7.5 million yen	72	56
Female	39	48	Age 18-34	35	24
			Age 35-54	50	44
			Age 55-79	71	67

Note: The percentages for annual income in the U.S. survey were those for "less than \$25,000," "at least \$25,000 but less than \$75,000," and "at least \$75,000."

B. Comparison with Overseas Surveys (Continued)

2. Comparison with the OECD survey

The percentage of correct answers given to common true/false questions was 7–9% lower in Japan than in Germany or the United Kingdom.

The percentage of those who chose desirable behavior was 7–17% lower in Japan than in Germany or the United Kingdom. The proportions of respondents who carefully considered, before buying something, whether they could afford to buy it and of those who kept watch on their financial affairs were lower in Japan.

The percentage of respondents who chose desirable attitude was 2% higher in Japan than in the United Kingdom, but 12% lower than in Germany.

Figure 46 Comparison with the OECD survey

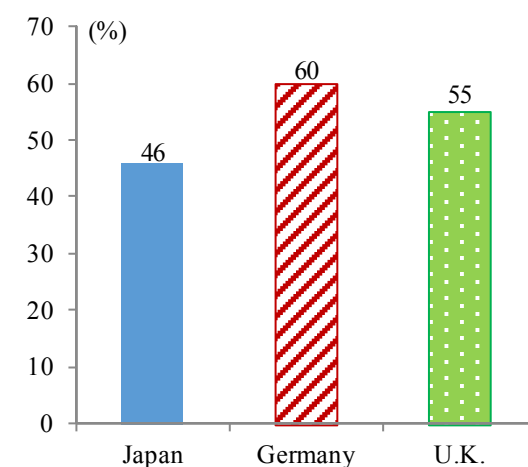
Correct answers given to questions on financial knowledge (%)

		Japan	Germany	U.K.
Knowledge (average for five questions)		58	67	65
(1) Interest rate	Q18	66	64	61
(2) Compound interest	Q19	43	47	37
(3) Definition of inflation	Q21-1	61	87	94
(4) Risk and return	Q21-3	75	79	77
(5) Diversified investment	Q21-4	46	60	55

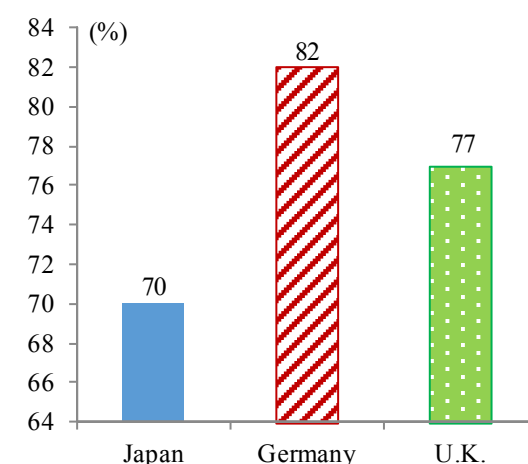
Those who chose desirable behavior/attitude (%)

		Japan	Germany	U.K.
Behavior (average for four questions)		65	82	72
Considering affordability when purchasing something	Q1-1	70	82	77
Paying bills on time	Q1-2	85	96	89
Setting long-term financial goals	Q1-4	47	61	43
Keeping watch on financial affairs	Q1-7	58	87	80
Attitude (average for two questions)		45	57	43
Prioritizing future savings over consumption	Q1-5	36	49	35
Avoiding living for today	Q1-6	55	65	50

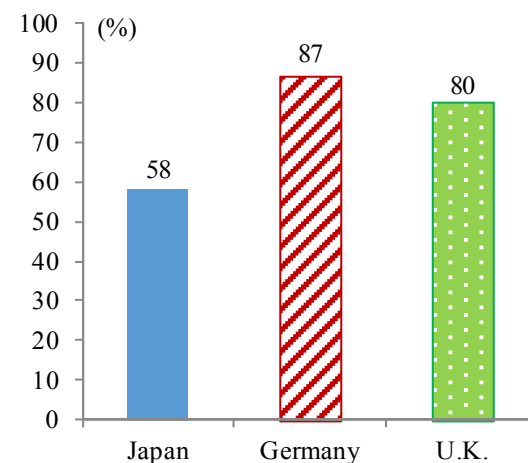
Diversified investment



Considering affordability when purchasing something



Keeping watch on financial affairs



C. Analysis by Segment

For students and young adults, the percentage of correct answers was relatively low. In addition, the proportion of those who exhibited desirable financial behavior,* such as making comparisons with other financial institutions or products when purchasing a financial product, was also low. On the other hand, for respondents who had participated in financial education, the percentage of correct answers and the proportion of those who exhibited desirable financial behavior were both high.

* Proportion of those who made comparisons with other financial institutions or products when investing funds, taking out a loan, or purchasing a life insurance policy.

— When compared with the U.S. survey, the percentage of correct answers given to common questions on compound interest was lower for Japanese students aged 18–24 than that for U.S. high school students.

For senior citizens, the percentage of correct answers was high, but the proportion of those who exhibited desirable financial behavior, such as making comparisons with other financial institutions or products when purchasing a financial product, was not necessarily high. For respondents in their 70s, the self-assessment of their financial knowledge was high, but the percentage of correct answers was lower than that for those in their 60s.

A certain proportion of respondents in their 60s or over were still repaying their mortgages.

Figure 47 Correct answers and behavior of each segment (true/false questions and Q24, 29, and 32)

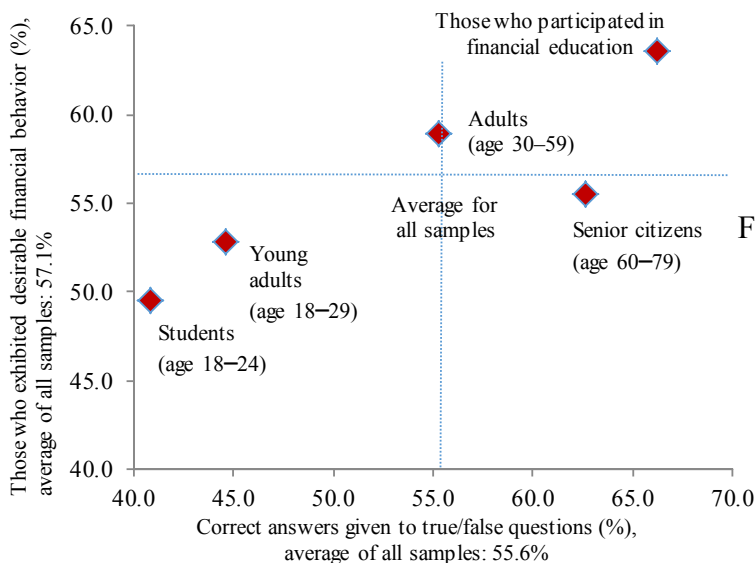


Figure 50 Proportion of mortgage users in each age group (Q45-1)

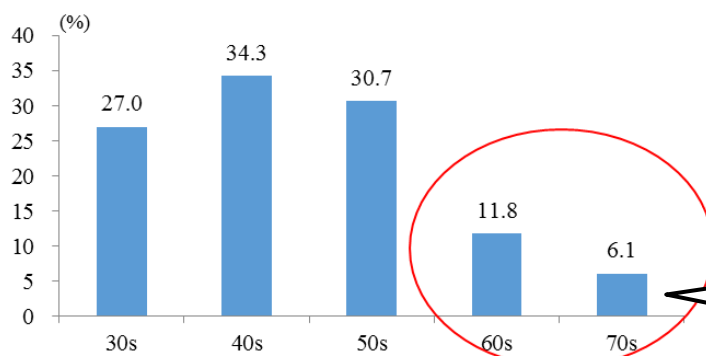


Figure 48 Correct answers given to questions on compound interest (Q12)

Japanese students (age 18–24)	U.S. high school students
42.6	51.1

Source: The figure for U.S. high school students is from Jump\$Tart Coalition for Personal Financial Literacy.

Figure 49 Comparison of objective assessment and self-assessment

	Objective assessment A	Self-assessment B	Gap A-B
Age 18–29	77.2	83.8	-6.6
30s	91.9	92.3	-0.4
40s	98.0	97.3	0.8
50s	109.2	105.2	3.9
60s	113.8	111.2	2.6
70s	110.4	111.0	-0.5
Total	100.0	100.0	0.0

Note: The figures for objective assessment indicate the "percentage of correct answers given to true/false questions" and those for self-assessment indicate the "self-assessment of financial knowledge (Q17)." These figures were indexed with 100 representing the overall average.

C. Analysis by Segment (Continued)

Looking at how respondents were preparing for retirement, even for those in their 50s, 50% were aware of the amount that would be required as living expenses for retirement, 40% had a financial plan for such expenses, 30% had set aside funds, and 40% were aware of how much public pension they would receive.

As for the respondents' management of housing expenses, by those in their 40s, 60% were aware of the amount that would be required for housing expenses, 40% had a financial plan for such expenses, and 20% had set aside funds.

With regard to the respondents' management of children's educational expenses, by those in their 30s, 60% were aware of the amount that would be required for educational expenses, 50% had a financial plan for such expenses, and 30% had set aside funds.

Figure 51 Preparation of living expenses for retirement by those in their 50s (Q8, 9, and 10)

	(%)	
	Yes	No
Aware of the required amount	54.4	45.6
Had a financial plan	38.0	62.0
Had set aside funds	28.0	72.0

Figure 52 Understanding of public pensions by those in their 50s (Q27)

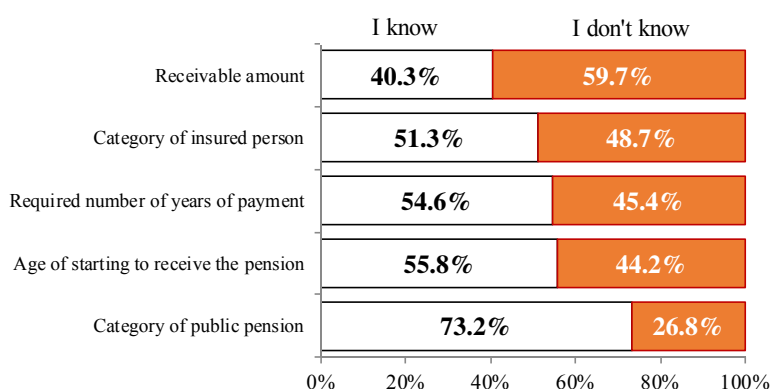


Figure 53 Management of housing expenses by those in their 40s (Q8, 9, and 10)

	(%)	
	Yes	No
Aware of the required amount	56.5	43.5
Had a financial plan	38.6	61.4
Had set aside funds	16.7	83.3

Figure 54 Understanding of appropriate choice between fixed and floating interest rates by mortgage users (Q23)

	(%)	
	Correct answers for all respondents	Mortgage users
	43.9	48.9

Even among mortgage users, the percentage of those who understood the appropriate choice between fixed and floating interest rates at a time of interest rate fluctuations did not exceed 50%.

Figure 55 Management of educational expenses by those in their 30s (Q8, 9, and 10)

	(%)	
	Yes	No
Aware of the required amount	55.8	44.2
Had a financial plan	51.3	48.7
Had set aside funds	31.4	68.6

D. Needs for Financial Education, Its Implementation Status, and Its Effects

While many respondents indicated that financial education should be offered, only a limited number of them had actually participated in such education.

— The proportion of respondents who had participated in financial education was one-third as large as that in the United States.

Only 10% of the respondents felt confident about their financial knowledge. Many respondents felt unsure about such knowledge.

Figure 56 Gap between needs for financial education and the actual situation (Q39 and 41)

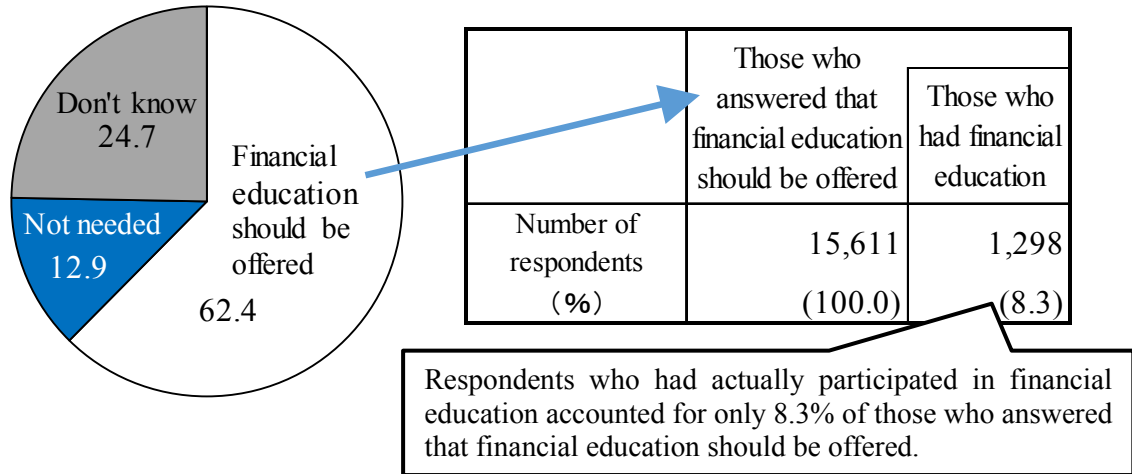


Figure 57 Experience of financial education at school, etc. (Q39)

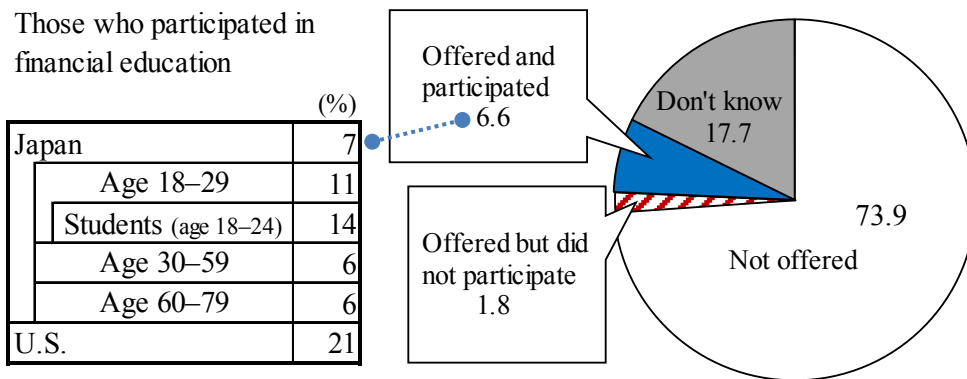


Figure 58 Experience of financial education at home (Q40)

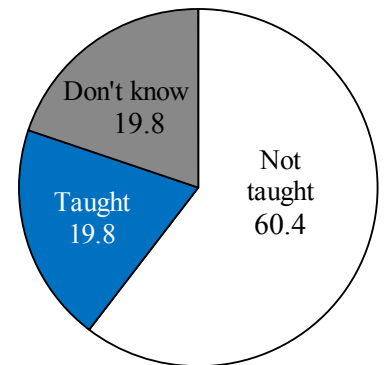
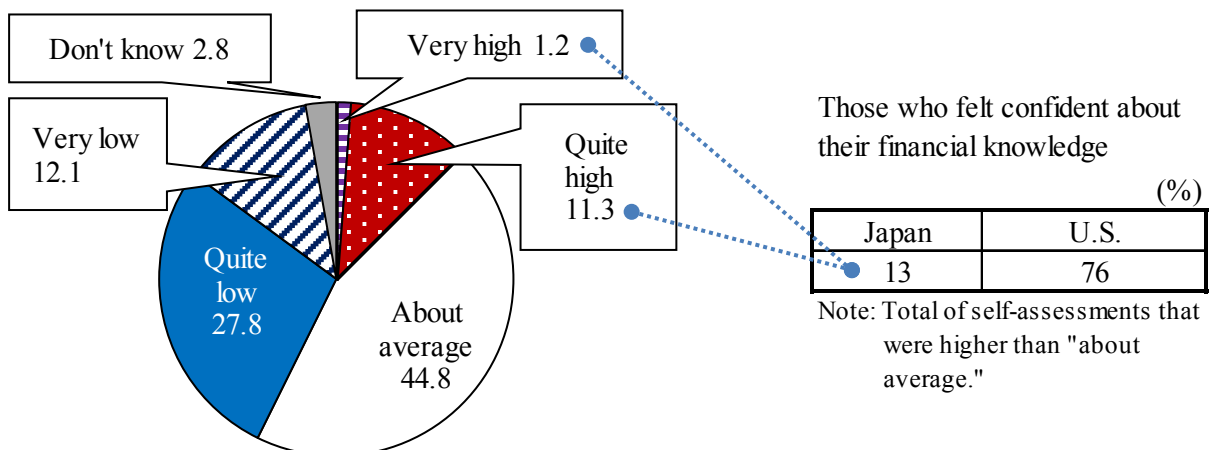


Figure 59 Self-assessment of financial knowledge (Q17)

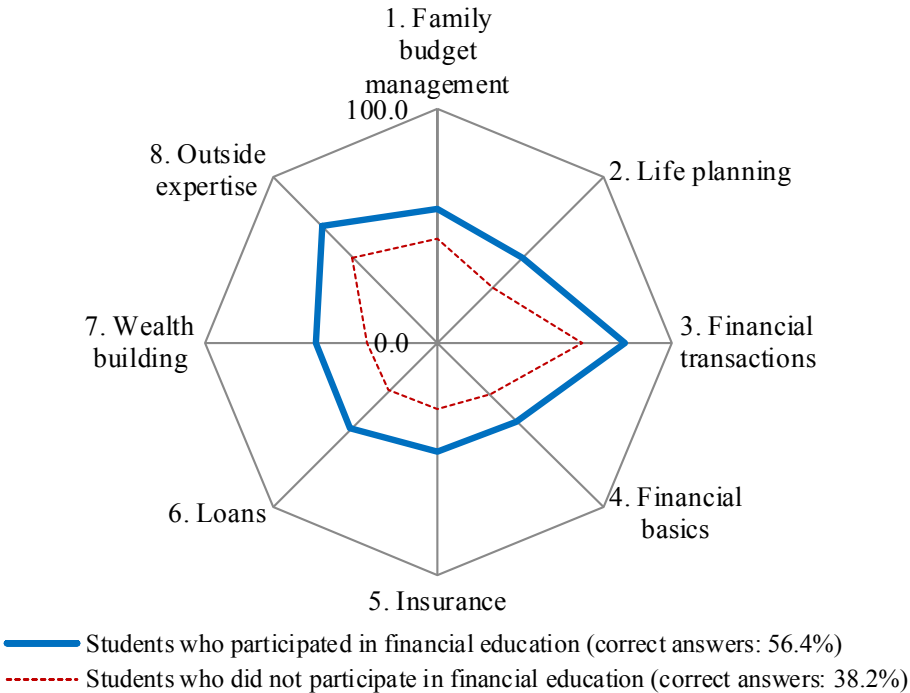


D. Needs for Financial Education, Its Implementation Status, and Its Effects (Continued)

The percentage of correct answers given by students who had participated in financial education (56.4%) was higher than that of correct answers given by students who had not participated in such education (38.2%), and was also higher than the average for all age groups (55.6%).

— Respondents who had participated in financial education were more likely to exhibit desirable financial behavior, such as making comparisons with other financial institutions or products when purchasing a financial product, and more strongly recognized the need for financial education.

Figure 60 Effects of financial education (Q39 and others)



		Financial education		Gap (A-B)
		Participated (14%) (A)	Did not participate (86%) (B)	
Proportion to all students				(%)
Correct answers (total for 25 questions)		56.4	38.2	18.2
Financial behavior and attitude	Those who made comparisons with other products when purchasing a financial product (Q24, 29, and 32)	56.6	48.0	8.6
	Those who set long-term financial goals (Q1-4)	54.3	40.4	13.9
	Those who purchased investment trusts after understanding the product details (Q34)	80.0	37.9	42.1
	Those who acquired financial and economic information at least once a month (Q48)	71.6	41.7	29.9
Those who recognized the need for financial education at school (Q41)		88.3	59.3	29.0

Note: Aggregation of data for students aged 18–24.

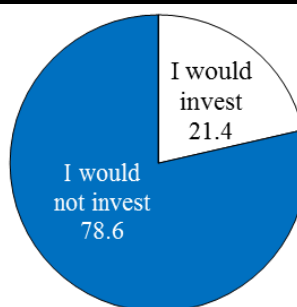
E. Behavioral Economic Analysis

For investment with an expected return rate of 5%, 80% of the respondents answered that they would not invest, showing generally strong loss aversion. Those who exhibited strong loss aversion tended to refrain from investing in stocks, investment trusts, foreign currency deposits, etc. Loss aversion was stronger for female respondents.

The myopic behavioral bias was stronger for older age groups and male respondents. The herd behavioral bias was stronger for younger age groups and female respondents, and those with a strong herd behavioral bias had low scores. Respondents who strongly exhibited these behavioral biases were frequently involved in financial trouble, and many of them felt they had too much debt.

Figure 61 Loss aversion (Q6)

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



Note: For three behavioral biases mentioned in this page, see "Increasing Need for Incorporating Behavioral Economics into Financial Education Program Design" (only in Japanese; Central Council for Financial Services Information).

Figure 62 Questions on myopic behavior and herd behavior (Q1-3 and 1-10)

Behavioral bias	Question	Agree Disagree				
		1	2	3	4	5(%)
Myopic behavior	If I had the choice of (1) receiving 100,000 yen now or (2) receiving 110,000 yen in 1 year, I would choose (1), provided that I can definitely receive the money	30.8	16.3	17.8	12.9	22.2
Herd behavior	When there are several similar products, I tend to buy what is recommended as the most selling product, rather than what I actually think is a good product	3.7	11.3	43.4	22.9	18.7

Figure 63 Analysis of behavioral biases by gender and age group (Q1-3, 1-10, and 6)

Those with strong loss aversion who did not invest (%)				Those with a strong myopic behavioral bias (%)				Those with a strong herd behavioral bias (%)			
	Male	Female	Total		Male	Female	Total		Male	Female	Total
Age 18-29	67.7	88.5	77.9	Age 18-29	41.4	42.8	42.1	Age 18-29	18.6	19.9	19.2
30s	64.6	88.7	76.5	30s	41.6	37.7	39.7	30s	14.9	19.4	17.1
40s	71.6	89.5	80.4	40s	45.7	38.7	42.2	40s	13.3	17.6	15.4
50s	72.4	88.6	80.5	50s	53.5	44.8	49.1	50s	12.4	15.6	14.0
60s	73.2	86.2	80.1	60s	59.6	49.4	54.2	60s	10.2	13.2	11.8
70s	67.5	82.8	75.5	70s	62.1	53.1	57.4	70s	11.4	12.8	12.1
Total	69.5	87.5	78.6	Total	50.1	44.2	47.1	Total	13.5	16.4	15.0

Figure 64 Characteristics of respondents with a strong behavioral bias (Q1-3, 1-10, 6, and others) (%)

	Correct answers	Those who invested in stocks	Those who experienced financial trouble	Those who had consumer loans	Those who felt they had too much debt
All respondents	55.6	31.6	5.9	3.9	11.4
Those with strong loss aversion	52.8	24.0	5.3	3.5	10.7
Those with a strong myopic behavioral bias	56.7	33.3	7.0	5.8	15.6
Those with a strong herd behavioral bias	48.6	34.6	7.0	4.3	18.2

F. Analysis by Prefecture

The percentage of correct answers by prefecture was distributed from 48% to 61%.
 — Nara, Kagawa, and Kyoto ranked high.
 — In some prefectures, the percentages of correct answers were lower than the nationwide average, but the self-assessment values were higher than the nationwide average.

Figure 65 Correct answers by region (Q49)

Region	(%)
Nationwide	55.6
Shikoku	56.5
Chubu	56.4
Chugoku	55.9
Kanto	55.9
Kinki	55.8
Kyushu	55.2
Hokuriku	54.9
Hokkaido	54.6
Tohoku	53.5

Figure 66 Correct answers by prefecture (Q49)

	Prefecture	Objective assessment		Self-assessment (nationwide average = 100) (B)	Gap* (A-B)
		Correct answers given to true/false questions	Nationwide average = 100 (A)		
Highest	Nara	60.5	108.8	102.0	6.8
2nd highest	Kagawa	59.4	106.8	106.7	0.1
3rd highest	Kyoto	58.2	104.7	99.8	4.9
4th highest	Okayama	58.0	104.3	101.0	3.3
5th highest	Kagoshima	57.9	104.1	99.8	4.4
Nationwide average	—	55.6	100.0	100.0	0.0
5th lowest	Nagasaki	52.5	94.4	96.5	-2.1
5th lowest	Tottori	52.5	94.4	104.0	-9.6
4th lowest	Aomori	51.7	93.0	103.0	-10.0
3rd lowest	Yamagata	51.6	92.8	103.0	-10.2
2nd lowest	Okinawa	51.3	92.3	92.5	-0.3
Lowest	Yamanashi	48.7	87.6	94.0	-6.4

* Negative figures indicate that self-assessment was higher than objective assessment.

Figure 67 Relationship between the percentage of correct answers and the proportion of respondents who had experienced financial trouble (Q47, 49, and others)

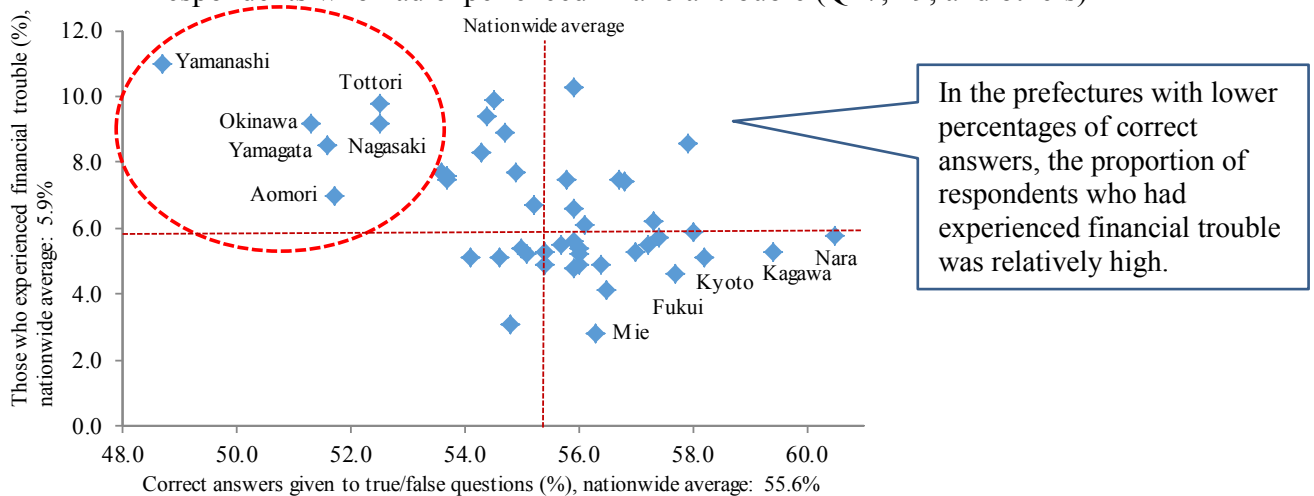
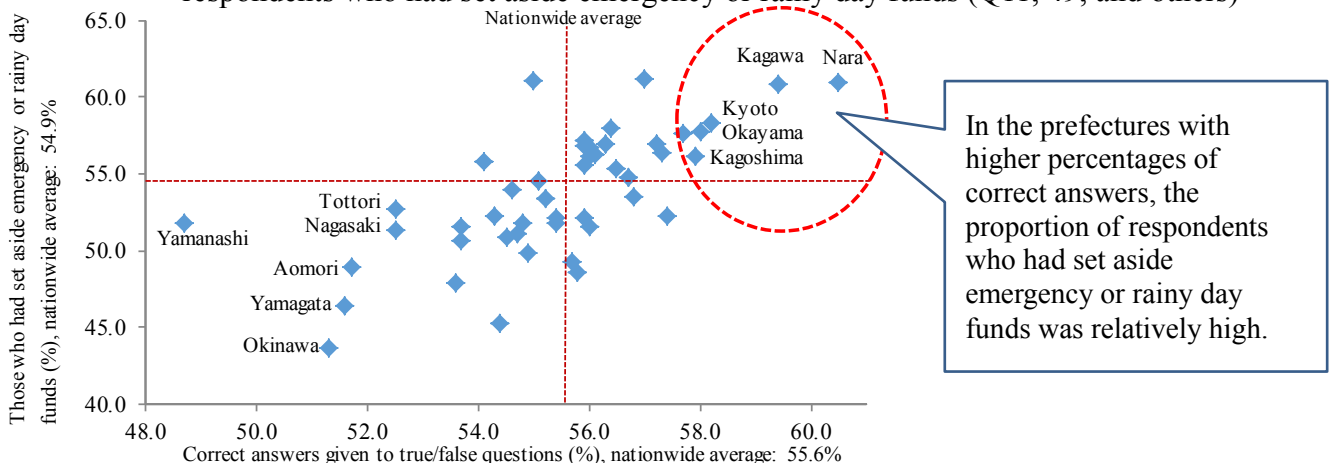


Figure 68 Relationship between the percentage of correct answers and the proportion of respondents who had set aside emergency or rainy day funds (Q11, 49, and others)



F. Analysis by Prefecture (Continued)

Statistics tables summarizing the financial literacy characteristics of each prefecture were compiled.

Note: The tables are available in Japanese, except for that of Tokyo, which is shown in Figure 69.

Figure 69 Example of analysis by prefecture (the data for all prefectures are available in the statistics tables [only in Japanese])

49. Tokyo

(1) Overview of survey samples

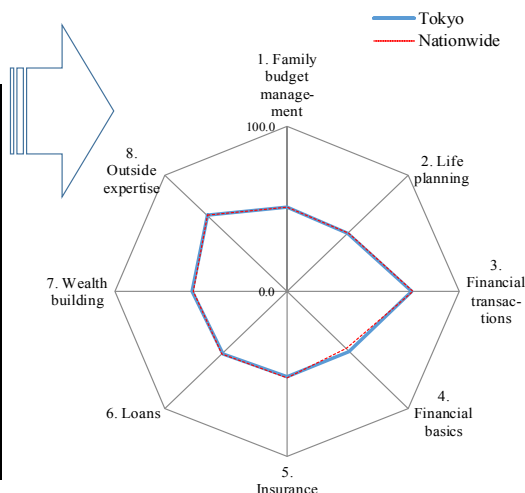
Sample size 2,619 persons (10.5% of the samples nationwide) (%)

		Total	Age 18–29	Age 30–39	Age 40–49	Age 50–59	Age 60–69	Age 70–79
Total		100.0	18.3	20.7	18.6	14.4	16.3	11.6
	Male	50.2	9.4	10.7	9.6	7.4	7.9	5.2
	Female	49.8	8.9	10.1	9.0	7.0	8.4	6.5

Item	Nationwide	Kanto	Tokyo
Those who experienced financial trouble	5.9	5.3	4.8
Those whose annual income was at least 5 million yen	33.1	37.4	38.5
Those who had financial assets of at least 5 million yen	28.5	31.7	33.0
Those who completed an undergraduate or graduate course at university	42.8	49.2	56.1

(2) Characteristics concerning financial knowledge and financial decision-making skills

Financial Literacy Map category	Number of true/false questions	Correct answers (%)			
		Nationwide	Kanto region		
			Tokyo		
Family budget management	2	51.0	50.3	50.9	
Life planning	2	50.4	50.3	49.9	
Financial knowledge	Basics of financial transactions	3	72.9	72.8	72.4
	Basics of finance and economy	6	48.8	49.8	50.9
	Insurance	3	52.5	52.4	51.4
	Loans, etc.	3	53.3	53.8	52.9
	Wealth building	3	54.3	54.5	54.8
Use of outside expertise	3	65.3	65.7	65.4	
Total	25	55.6	55.9	55.9	



The percentage of correct answers was the 20th highest among the 47 prefectures.

The proportion of those who felt confident about their financial knowledge was the 4th highest among the 47 prefectures.

(%)

Correct answers		Total	Age 18–29	Age 30–39	Age 40–49	Age 50–59	Age 60–69	Age 70–79
Total		55.9	45.4	50.4	55.4	61.1	65.2	63.8
	Male	57.8	45.8	53.5	56.6	61.4	67.0	71.5
	Female	54.0	44.9	47.1	54.2	60.7	63.4	57.6

(3) Characteristics concerning behavior and attitude

	Item	Nationwide	Kanto	Tokyo
Family budget management	Those who had set aside emergency or rainy day funds	54.9	55.8	56.8
	Those who were aware of their monthly expenditure	72.1	71.5	71.5
	Those who paid bills on time	84.5	83.8	83.4
Life planning	Those who set long-term financial goals and strived to achieve them	47.4	47.5	45.9
	Those who had a financial plan for living expenses for retirement	35.6	36.0	36.0
Financial knowledge and selection/use of financial products	Those who made comparisons with other products when purchasing a life insurance policy	54.7	57.3	57.9
	Those who made comparisons with other products when taking out a loan	53.6	56.7	52.8
	Those who made comparisons with other products when investing funds	63.1	64.6	65.4
	Those who had consumer loans	3.9	3.9	4.0
	Those who felt they had too much debt	11.4	11.0	10.8
	Those who had purchased stocks	31.6	33.7	34.1
	Those who had purchased investment trusts without understanding the product details	32.2	30.5	29.0
	Those who had purchased foreign currency deposits, etc. without understanding the product details	25.6	22.4	22.3
Use of outside expertise	Those who knew a consultant office to be used when financial trouble occurred	73.7	73.4	73.2
	Those who acquired financial and economic information less often than once a month	37.1	36.3	35.6
Financial education	Those who thought financial education should be offered at school	62.4	62.5	63.7
	Those who had participated in financial education at school, etc.	6.6	7.2	7.5
Behavioral bias	Those with strong loss aversion	78.6	77.2	76.1
	Those with a strong myopic behavioral bias	47.1	46.5	45.4
	Those with a strong herd behavioral bias	15.0	14.4	12.3

IV. Future Challenges

(1) Promoting and enhancing financial education and activities to spread financial knowledge based on the survey results

In order to respond to needs for financial education, it is necessary to promote financial education more extensively, bearing in mind the priority issues for each age group.

- Also, as a measure to appropriately deal with financial transactions that students will face, it is desirable to provide them with wider opportunities to participate in financial education before they start working.
- For adults, at each life stage, such as when having a family or becoming a senior citizen, they should also be provided with more information and learning opportunities that better meet their needs at each stage.

Figure 70 Promotion of financial education for students (Q24, 29, 32, and others)

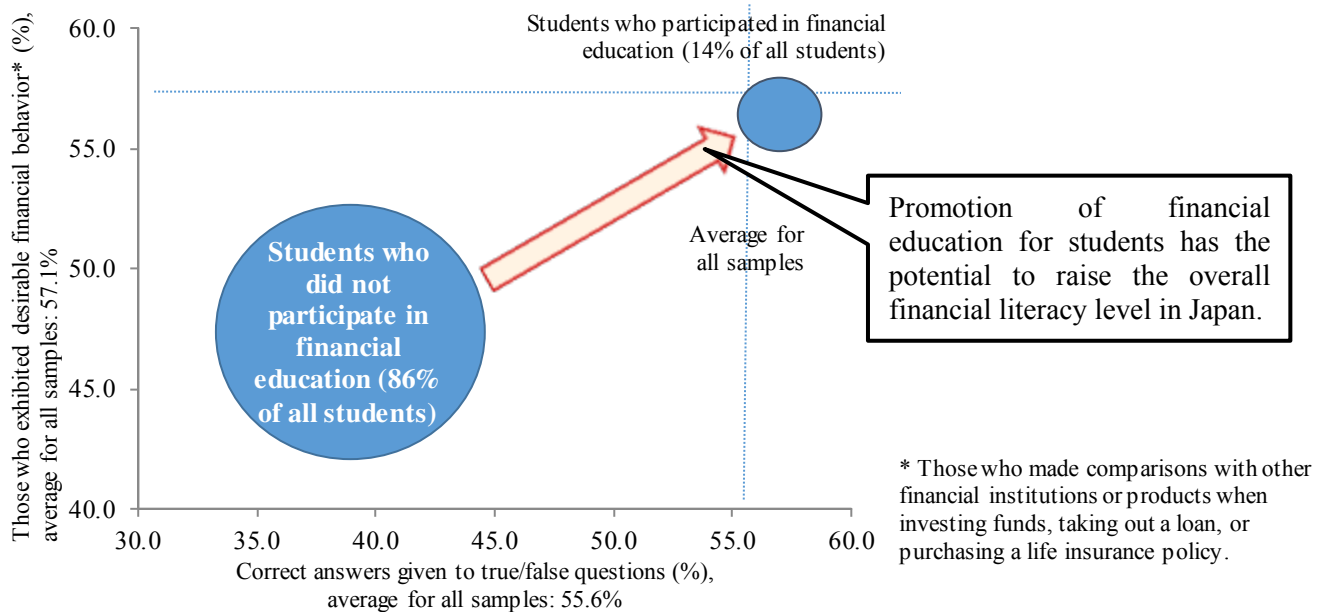
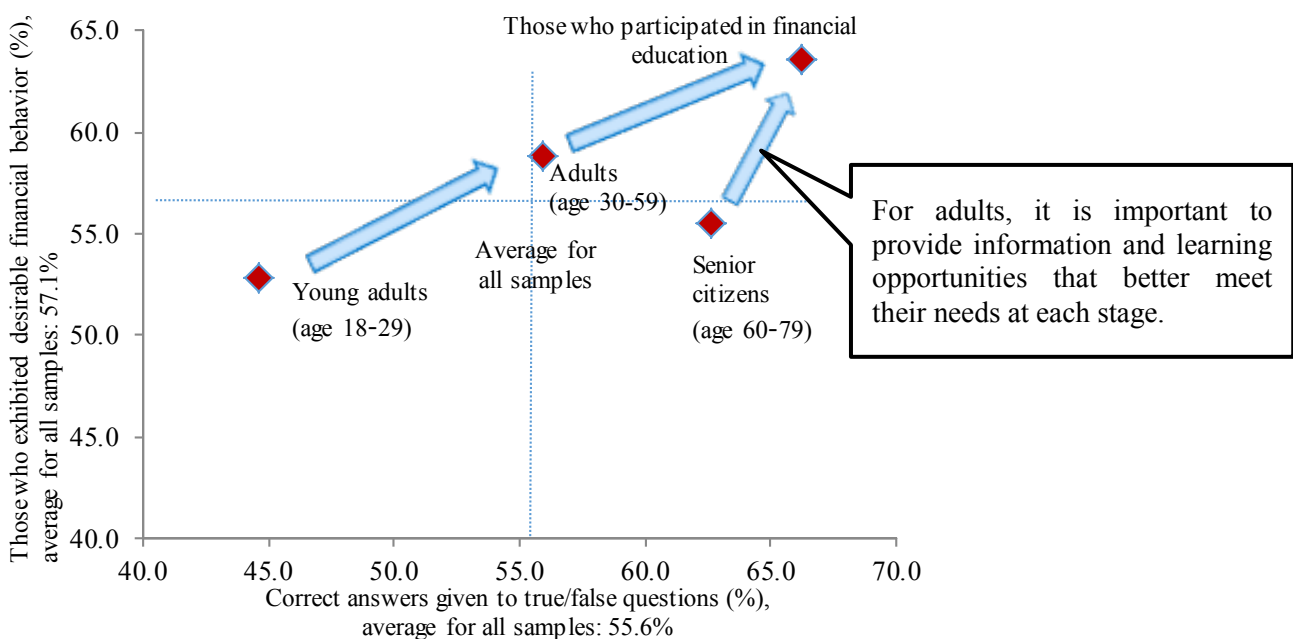


Figure 71 Promotion/enhancement of financial education and activities to spread financial knowledge for adults (Q24 and others)



IV. Future Challenges (Continued)

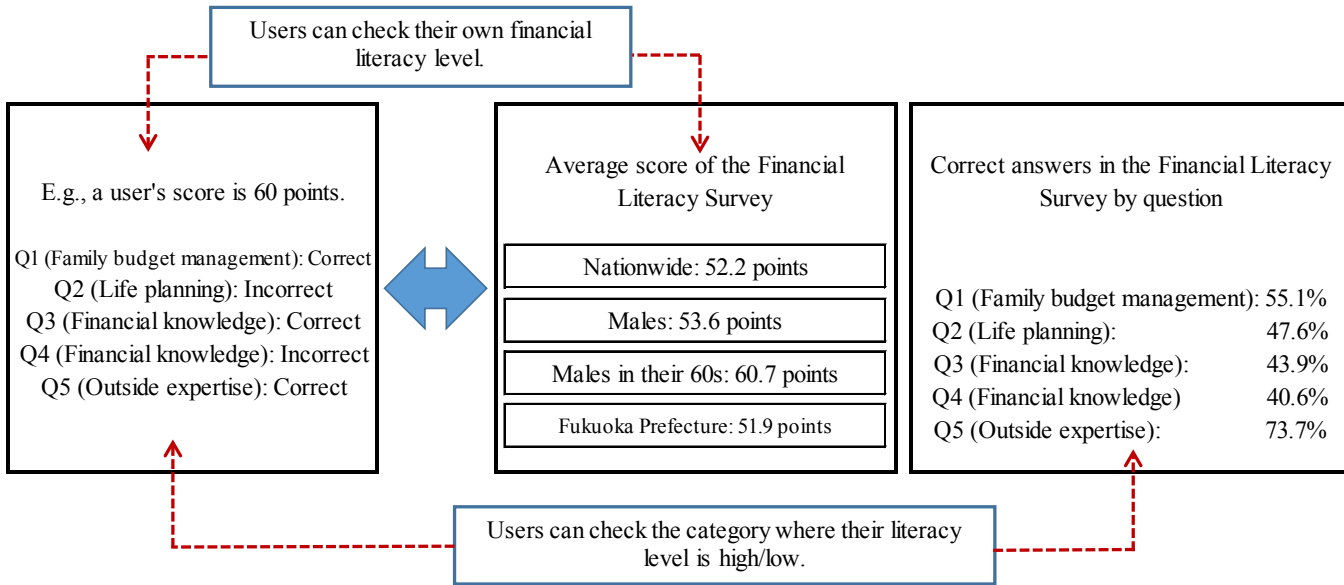
(2) Continued examination of the state of financial literacy

The Central Council for Financial Services Information intends to regularly conduct a survey like this for identifying the state of financial literacy in order to provide useful reference for various organizations promoting financial education—including government agencies and universities—in implementing their initiatives. Given this, the Council will consider increasing the frequency of the financial literacy survey, which is currently conducted once every 5 years.

Also, the Financial Literacy Quiz* for quickly checking the level of financial literacy is available on the Council's website (<https://www.shiruporuto.jp/e/>).

* A quiz consisting of five questions taken from this survey. The quiz takes only a few minutes to complete. A user can check his/her financial literacy level by comparing his/her score with the nationwide average and the average score by age group, gender, and prefecture. The user can also check his/her literacy level by category, looking at the Financial Literacy Map category corresponding to which he/she gave a wrong answer. For details, see "Box 1 Financial Literacy Quiz: A Learning Tool Based on the Survey Results."

Figure 72 Financial Literacy Quiz



Box 1 Financial Literacy Quiz: A Learning Tool Based on the Survey Results

Financial Literacy Quiz

Try this quiz and check your financial literacy!

Choose one answer for each of the questions below.

	Question
Q1	<p>Which of the following statements on household behavior is inappropriate?</p> <ol style="list-style-type: none"> 1. Managing income and expenditure by keeping a household account book or the like 2. Deciding on expenditure after considering whether it is truly necessary and whether there is enough income 3. Saving some money out of income by transferring a fixed amount of income into a savings account or the like 4. Frequently using installment payment plans of credit cards in order to defer payment 5. Don't know
Q2	<p>What are the so-called three major expenses in life?</p> <ol style="list-style-type: none"> 1. Living expenses for your lifetime, children's educational expenses, and your medical expenses 2. Children's educational expenses, costs of buying a house, and living expenses for your retirement 3. Costs of buying a house, your medical expenses, and costs of nursing care for your parents 4. Don't know
Q3	<p>Which of the following is appropriate as an action to take when investing (making deposits, etc.) or borrowing funds at a time of interest rate rise?</p> <ol style="list-style-type: none"> 1. Investing and borrowing at fixed interest rates 2. Investing at a fixed interest rate and borrowing at a floating interest rate 3. Investing at a floating interest rate and borrowing at a fixed interest rate 4. Investing and borrowing at floating interest rates 5. Don't know
Q4	<p>Suppose you owe 100,000 yen on a loan and the interest rate you are charged is 20% per year compounded annually. If you didn't pay anything off, at this interest rate, how many years would it take for the amount you owe to double?</p> <ol style="list-style-type: none"> 1. Less than 2 years 2. At least 2 years but less than 5 years 3. At least 5 years but less than 10 years 4. At least 10 years 5. Don't know
Q5	<p>Which of the following is inappropriate as a consultant office or a system to be used when trouble occurs in relation to a contract for a financial product?</p> <ol style="list-style-type: none"> 1. Consumer center 2. Financial alternative dispute resolution (ADR) system 3. Rating company 4. Attorney at law

Answers to the Financial Literacy Quiz

1. The full score is 100 points. The questions consist of important items from four Financial Literacy Map categories. Check the category in which your literacy level is high or low based on your score.
2. You can compare your score with the nationwide average and the prefectural average of the Financial Literacy Survey (sample size: 25,000 individuals).

Question	Answer	Financial Literacy Map category	Explanation
Q1	4	Family budget management	A fee (interest) will be charged if you use installment payment plans of credit cards, so you should not frequently use these plans for deferring payment.
Q2	2	Life planning	Living expenses for retirement, costs of buying a house, and children's educational expenses are referred to as the three major expenses in life.
Q3	3	Financial knowledge, understanding of financial/economic circumstances, and appropriate selection/use of financial products	When interest rates rise, investment income will increase, so you should invest with floating interest rates. On the other hand, you should borrow with fixed interest rates in order to avoid an increase in costs.
Q4	2		The Rule of 72 is a formula for easily calculating the number of years to double money (the doubling time $\approx 72 / \text{interest rate}$). According to this formula, the answer is "at least 2 years but less than 5 years."
Q5	3	Appropriate use of outside expertise	A rating company assigns ratings (credit ratings) for the creditworthiness of financial products, companies, or the government. It is not a company with which you should consult when financial trouble occurs.

Your score

Number of correct answers	5	4	3	2	1	0
Score	100 points	80 points	60 points	40 points	20 points	0 point

Note: Compare your score with the average scores of the Financial Literacy Survey on the next page!

Reference materials

- ▶ Financial Literacy Map (Committee for the Promotion of Financial Education)
- ▶ Tips for Your Money & Life: A Practical Guide for Adults (only in Japanese; Central Council for Financial Services Information)
- ▶ Tips for Your Life & Money: A Practical Guide for College Students (only in Japanese; Central Council for Financial Services Information)

Average scores of 25,000 respondents of the Financial Literacy Survey

	All age groups	Age 18–29	30s	40s	50s	60s	70s
		Nationwide	52.2	41.7	48.4	51.2	56.5
Male	53.6	42.4	50.6	52.3	57.0	60.7	60.1
Female	50.8	41.0	46.3	50.0	56.0	56.8	53.6

(%)

	Total					
		Q1	Q2	Q3	Q4	Q5
Nationwide	52.2	55.1	47.6	43.9	40.6	73.7
Hokkaido	50.3	55.9	46.2	41.0	36.1	72.4
Aomori	49.6	52.6	44.1	39.3	37.1	75.0
Iwate	52.8	58.3	49.8	41.7	37.5	76.8
Miyagi	50.0	52.8	48.3	38.5	36.6	73.8
Akita	51.6	56.1	40.6	41.5	44.3	75.5
Yamagata	47.8	50.0	43.3	40.2	34.4	71.0
Fukushima	51.6	59.5	45.6	40.2	37.1	75.5
Ibaraki	50.1	53.4	47.7	42.9	37.9	68.5
Tochigi	51.4	53.3	47.2	44.1	38.2	74.1
Gunma	52.6	56.0	49.2	44.6	39.6	73.8
Saitama	52.3	55.9	47.5	43.5	40.9	73.7
Chiba	53.1	53.9	49.2	46.4	41.3	75.0
Tokyo	52.3	54.0	47.2	45.7	41.5	73.2
Kanagawa	52.4	52.6	46.9	46.0	42.6	73.9
Niigata	52.4	59.5	49.9	41.2	37.3	74.1
Toyama	50.5	46.2	46.7	46.7	40.6	72.2
Ishikawa	50.4	53.5	45.6	46.9	36.7	69.5
Fukui	54.4	56.3	51.0	47.7	47.7	69.5
Yamanashi	47.6	51.2	43.9	37.8	37.2	67.7
Nagano	55.8	57.7	54.8	46.4	43.0	76.9
Gifu	54.5	55.5	50.3	47.5	44.3	75.0
Shizuoka	53.3	60.1	46.4	44.3	43.2	72.7
Aichi	53.3	57.3	49.4	45.5	38.4	75.7

	Total					
		Q1	Q2	Q3	Q4	Q5
Mie	53.5	57.3	48.0	45.5	43.5	73.3
Shiga	54.0	58.0	47.6	46.8	41.6	75.8
Kyoto	53.6	57.7	51.7	44.2	39.7	74.8
Osaka	50.4	54.1	44.6	40.7	42.0	70.7
Hyogo	52.6	53.7	49.2	46.7	40.6	72.8
Nara	53.3	55.1	48.2	48.9	44.2	70.3
Wakayama	53.3	54.1	51.0	46.4	43.3	71.6
Tottori	48.4	53.6	42.0	38.4	34.8	73.2
Shimane	51.6	60.0	40.7	37.8	38.5	80.7
Okayama	54.1	58.1	48.9	45.7	41.9	76.1
Hiroshima	52.8	54.5	47.5	44.1	41.7	76.3
Yamaguchi	53.3	54.6	44.6	48.2	42.9	76.1
Tokushima	55.3	57.9	48.7	44.7	40.1	84.9
Kagawa	54.5	52.9	47.1	50.3	51.9	70.4
Ehime	50.7	51.4	51.8	39.1	38.8	72.5
Kochi	53.4	54.8	47.3	46.6	41.8	76.7
Fukuoka	51.9	57.2	45.0	42.0	40.0	75.0
Saga	48.7	49.7	47.2	37.9	34.8	73.9
Nagasaki	50.5	55.7	44.3	42.5	37.7	72.5
Kumamoto	53.0	57.7	48.4	46.4	41.4	71.0
Oita	54.6	52.6	53.0	45.7	43.5	78.3
Miyazaki	53.9	59.0	52.5	41.9	45.2	71.0
Kagoshima	54.1	56.2	55.9	41.0	42.9	74.7
Okinawa	47.1	52.5	42.9	31.4	34.1	74.7

Box 2 Financial Literacy and Investment Behavior

About 60% of the respondents did not invest in any of the risk assets (stocks, investment trusts, foreign currency deposits, etc.). About 80% of the respondents answered that they would not invest even if the expected return rate was 5%.*

* This assumes that there would either be a capital gain of 20% of the principal or a capital loss of 10% at a 50% probability.

Those who did not invest generally had lower scores regarding true/false questions compared to those who invested, and indicated strong loss aversion.

Figure 73 Investment in stocks, investment trusts, and foreign currency deposits (Q34)

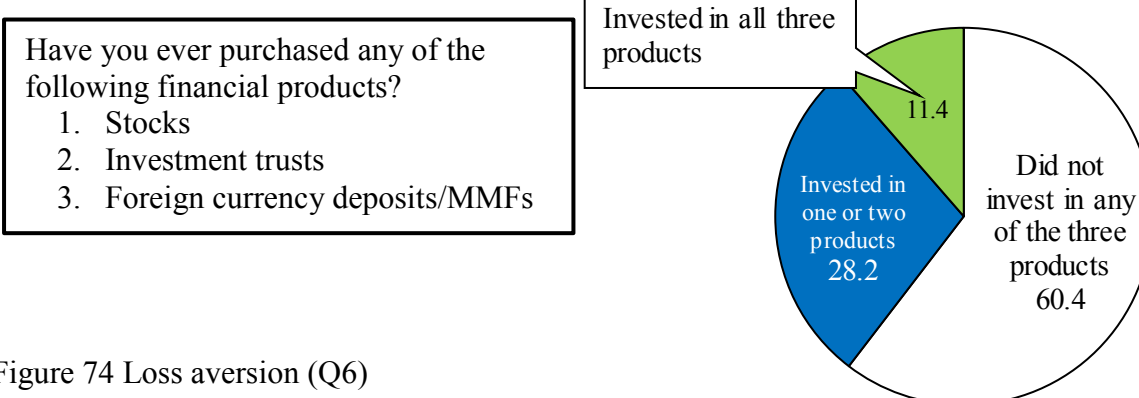


Figure 74 Loss aversion (Q6)

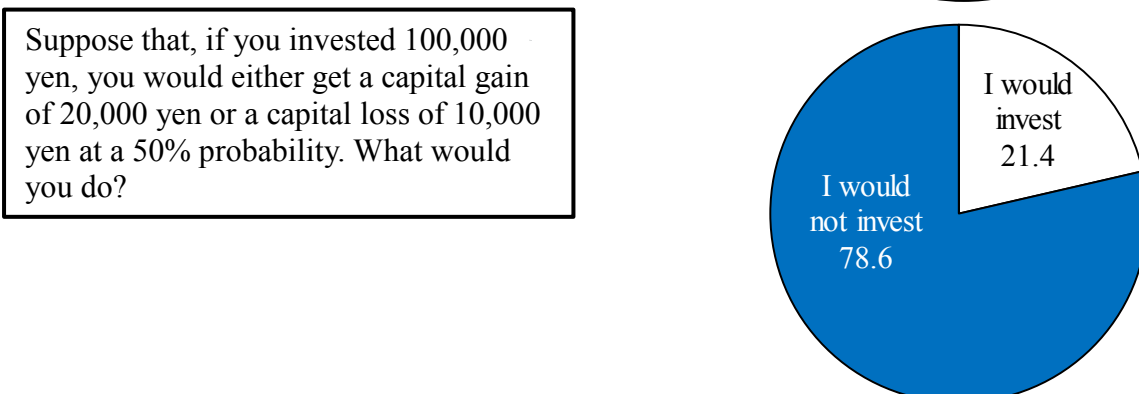


Figure 75 Characteristics of those who invested and those who did not invest in stocks, investment trusts, foreign currency deposits, etc. (%)

	All samples	Those who invested in all three products*(Q34)	Those who did not invest in any of the three products*(Q34)
Correct answers (25 questions)	55.6	68.5	47.2
Related to wealth building	54.3	73.5	42.9
Risk and return (Q21-3)	74.8	86.4	65.8
Diversification effect (Q21-4)	45.8	69.8	32.1
Deposit insurance (Q33)	42.3	64.2	30.8
Those with strong loss aversion (Q6)	78.6	50.9	89.1
Those who participated in financial education at school, etc. (Q39)	6.6	15.3	4.2

* Stocks, investment trusts, and foreign currency deposits, etc.

Box 2 Financial Literacy and Investment Behavior (Continued)

Respondents who had participated in financial education tended to invest, and purchased stocks and other risk assets after understanding the product details.

Looking at investment behavior by level of financial knowledge, groups with higher scores tended to invest in stocks, investment trusts, foreign currency deposits, etc.

The proportion of those who did not invest was relatively high among female respondents and younger age groups.

Figure 76 Financial education and investment behavior (Q34 and 39)

		All samples (%)		Those who had participated in financial education (%)			
Those who invested	Stocks	31.6	52.3	Those who purchased after understanding the product details	Stocks	75.7	85.5
	Investment trusts	25.8	43.8		Investment trusts	67.8	75.5
	Foreign currency deposits, etc.	17.3	35.0		Foreign currency deposits, etc.	74.4	75.5

Figure 77 Investment behavior by level of financial knowledge

	All samples (%)	Low-literacy group Level 1 (%)	Level 2 (%)	Medium-literacy group Level 3 (%)	Level 4 (%)	High-literacy group Level 5 (%)
Those who invested in stocks (Q34)	31.6	11.3	24.2	27.1	37.4	55.3
Those who invested in investment trusts (Q34)	25.8	7.9	18.7	22.0	31.6	46.3
Those who invested in foreign currency deposits, etc. (Q34)	17.3	6.1	13.5	13.0	21.2	30.8
Those who had participated in financial education (Q39)	6.6	2.8	6.4	5.5	6.7	11.0

Figure 78 Characteristics of those who did not invest (Q34)

	All samples (%)	Those who invested in all three products (%)	Those who invested in one or two products (%)	Those who did not invest in any of the three products (%)
Number of samples	(25,000 persons)	(2,852 persons)	(7,042 persons)	(15,106 persons)
All	100.0	11.4	28.2	60.4
Male	100.1	14.2	31.4	54.5
Female	99.9	8.7	25.0	66.2
Age 18–29	100.0	4.9	10.9	84.2
Age 30–59	100.0	10.8	25.8	63.5
Age 60–79	99.9	15.7	40.8	43.5

Box 2 Financial Literacy and Investment Behavior (Continued)

Looking at the relationship between the percentage of correct answers given to true/false questions and investment behavior, more respondents invested in stocks, investment trusts, etc. in prefectures with higher scores.

Figure 79 Investment in stocks in prefectures with higher/lower scores (Q34 and 49)

		Correct answers	Those who invested in stocks			Correct answers	Those who invested in stocks
Prefectures with higher scores	Nara	60.5	35.1	Prefectures with lower scores	Yamanashi	48.7	22.6
	Kagawa	59.4	32.3		Okinawa	51.3	22.6
	Kyoto	58.2	36.6		Yamagata	51.6	29.5
	Okayama	58.0	36.3		Aomori	51.7	22.4
	Kagoshima	57.9	27.2		Tottori	52.5	28.6
	Average of five prefectures	58.8	33.5		Nagasaki	52.5	23.4
Nationwide average		55.6	31.6	Average of six prefectures		51.4	24.9

Figure 80 Relationship between scores and investment in stocks (Q34, 49, and others)

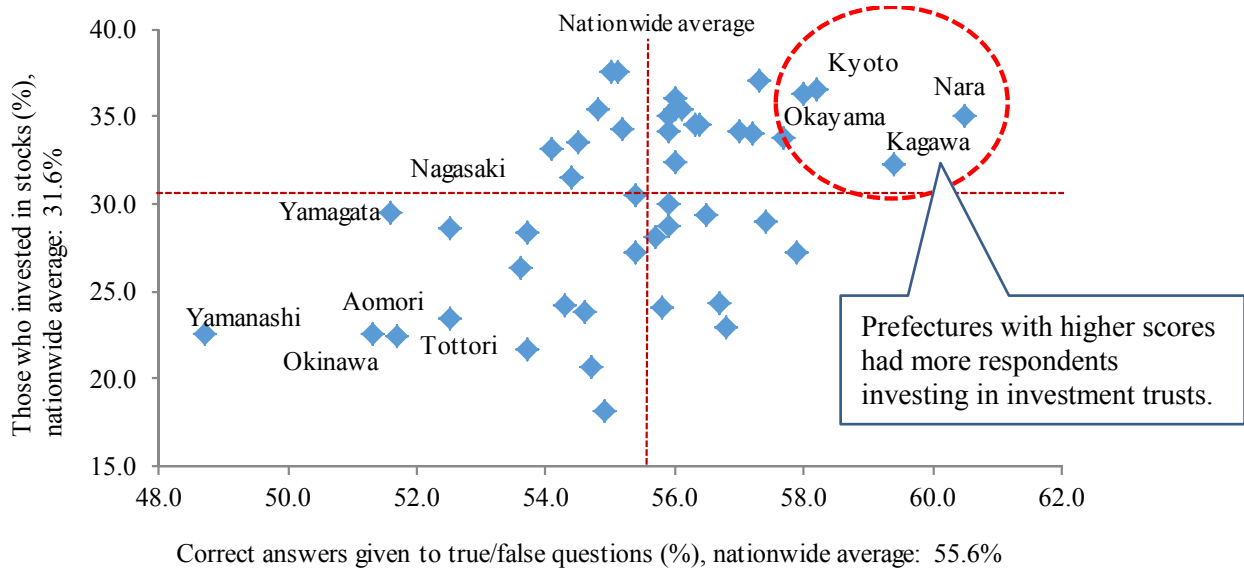
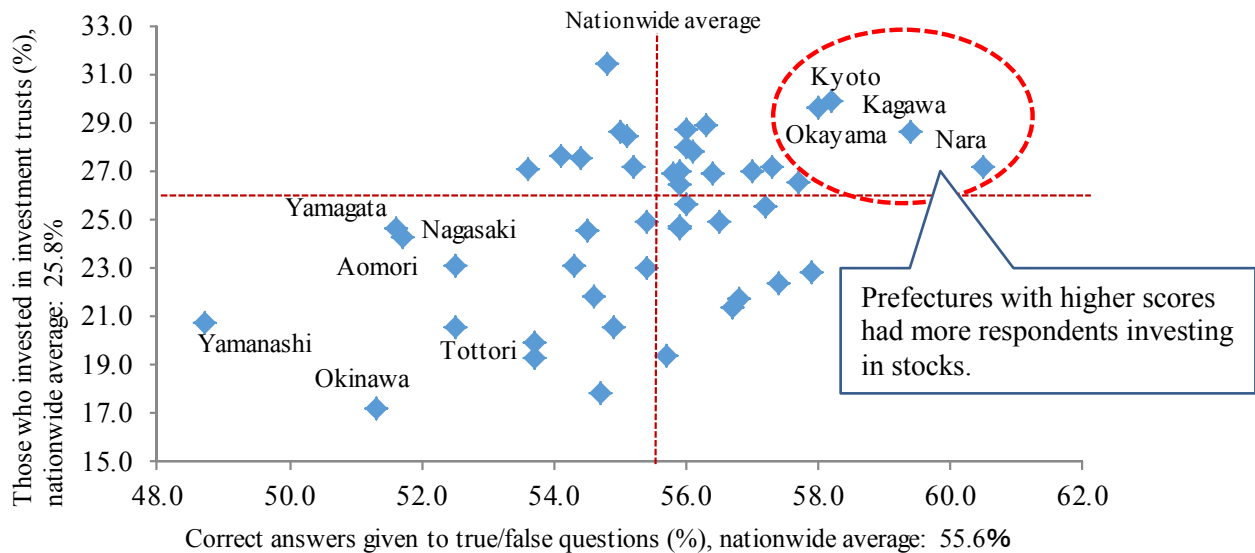


Figure 81 Relationship between scores and purchase of investment trusts (Q34, 49, and others)



V. Survey Outline

1. Purpose

This survey is conducted by the Central Council for Financial Services Information with the aim of understanding the current state of financial literacy, i.e., financial knowledge and financial decision-making skills, of individuals in Japan. The Council intends to collect basic information so that it can carry out more effective and efficient activities while referring to similar overseas surveys.

2. Contents

The questions in this survey include those on (1) financial knowledge and financial decision-making skills and (2) characteristics of behavior and attitude relating to the respective categories of the Financial Literacy Map (see "VI. Questionnaire [Simple Tabulation of Data]").

3. Methodology of selecting survey samples

- (1) The samples were individuals aged 18 to 79.
- (2) The number of samples were set to secure 25,000 effective responses, and respondents were allocated based on the composition ratios by prefecture (47 prefectures), by age (7 groups), and by gender as shown in the latest 2010 Population Census data (see Figures 82 and 83).
- (3) Samples were randomly selected from those registered with the survey company in a manner that secured the composition ratios satisfying the requirements in (2). However, for 21 prefectures where the number of female respondents in their 70s fell short, the number of female respondents in their 60s in the same prefectures was added to the above composition ratios (see Figures 82 and 84).

4. Methodology of the survey

The online survey method was adopted. E-mail requesting participation in the survey was sent to the registered people. The participants accessed the designated URL and gave answers to the survey questionnaire on the website.

5. Survey period

From February 29 to March 17, 2016.

6. Survey agency

Data collection, data handling, and preparation of data for analysis were undertaken by INTAGE Inc.

Figure 82 Sample attributes

(persons, %)

- The number of samples was set to form similar composition ratios as the Population Census.
- More than 100 samples were secured in every prefecture.
- For further details on the allocation of respondents, see Figure 84 "Composition of respondents in this survey."
- For the sample attributes of this survey other than those listed on the right, see Q42-51 in "VI. Questionnaire (Simple Tabulation of Data)."

		Number of samples (A)	Composition ratios (B)	Composition ratios in the Population Census (C)	Comparison with the Population Census (B-C)
Total		25,000	100.0	100.0	0.0
By gender	Male	12,334	49.3	49.3	0.0
	Female	12,666	50.7	50.7	- 0.0
By age group	Age 18-29	4,026	16.1	16.1	0.0
	30s	4,570	18.3	18.3	- 0.0
	40s	4,248	17.0	17.0	- 0.0
	50s	4,163	16.7	16.6	0.0
	60s	4,849	19.4	18.7	0.7
	70s	3,144	12.6	13.3	- 0.7
By prefecture	Hokkaido	1,108	4.4	4.4	- 0.0
	Aomori	272	1.1	1.1	0.0
	Iwate	259	1.0	1.0	0.0
	Miyagi	462	1.8	1.8	- 0.0
	Akita	212	0.8	0.8	- 0.0
	Yamagata	224	0.9	0.9	0.0
	Fukushima	388	1.6	1.6	- 0.0
	Ibaraki	581	2.3	2.3	- 0.0
	Tochigi	390	1.6	1.6	- 0.0
	Gunma	386	1.5	1.5	0.0
	Saitama	1,445	5.8	5.8	0.0
	Chiba	1,223	4.9	4.9	- 0.0
	Tokyo	2,619	10.5	10.5	- 0.0
	Kanagawa	1,809	7.2	7.2	0.0
	Niigata	459	1.8	1.8	- 0.0
	Toyama	212	0.8	0.8	0.0
	Ishikawa	226	0.9	0.9	0.0
	Fukui	151	0.6	0.6	- 0.0
	Yamanashi	164	0.7	0.7	- 0.0
	Nagano	407	1.6	1.6	0.0
	Gifu	400	1.6	1.6	0.0
	Shizuoka	729	2.9	2.9	- 0.0
	Aichi	1,436	5.7	5.7	- 0.0
	Mie	356	1.4	1.4	0.0
	Shiga	269	1.1	1.1	0.0
	Kyoto	511	2.0	2.0	- 0.0
	Osaka	1,737	6.9	6.9	- 0.0
	Hyogo	1,086	4.3	4.3	0.0
	Nara	276	1.1	1.1	- 0.0
	Wakayama	194	0.8	0.8	0.0
	Tottori	112	0.4	0.4	0.0
	Shimane	135	0.5	0.5	0.0
	Okayama	372	1.5	1.5	0.0
	Hiroshima	549	2.2	2.2	0.0
	Yamaguchi	280	1.1	1.1	- 0.0
	Tokushima	152	0.6	0.6	0.0
	Kagawa	189	0.8	0.8	- 0.0
	Ehime	276	1.1	1.1	0.0
	Kochi	146	0.6	0.6	- 0.0
	Fukuoka	987	3.9	4.0	- 0.0
	Saga	161	0.6	0.6	- 0.0
	Nagasaki	273	1.1	1.1	0.0
	Kumamoto	345	1.4	1.4	- 0.0
	Oita	230	0.9	0.9	0.0
	Miyazaki	217	0.9	0.9	0.0
	Kagoshima	324	1.3	1.3	0.0
	Okinawa	261	1.0	1.0	0.0

Figure 83 Composition of respondents designed based on the Population Census (persons)

	Total	Male						Female					
		Age 18-29	30s	40s	50s	60s	70s	Age 18-29	30s	40s	50s	60s	70s
Nationwide	25,000	2,048	2,318	2,141	2,069	2,267	1,491	1,978	2,252	2,107	2,094	2,412	1,823
Hokkaido	1,108	85	93	87	95	99	70	84	95	94	103	115	88
Aomori	272	19	21	22	25	25	18	18	22	23	27	28	24
Iwate	259	18	21	21	25	23	18	18	20	21	25	25	24
Miyagi	462	41	42	38	41	39	26	40	41	38	42	40	34
Akita	212	13	16	16	21	20	16	13	15	16	22	22	22
Yamagata	224	17	18	17	22	21	16	15	17	17	22	21	21
Fukushima	388	30	33	31	38	35	25	28	31	31	38	36	32
Ibaraki	581	49	54	49	53	56	35	43	49	46	52	56	39
Tochigi	390	32	37	34	37	36	22	29	34	31	35	36	27
Gunma	386	29	36	33	34	38	24	27	34	31	33	38	29
Saitama	1,445	125	145	132	116	136	81	116	133	121	113	140	87
Chiba	1,223	102	119	110	99	116	72	95	112	101	98	121	78
Tokyo	2,619	246	279	252	193	208	136	234	264	235	184	219	169
Kanagawa	1,809	164	187	178	139	155	98	147	173	161	133	163	111
Niigata	459	34	39	37	43	43	31	33	37	36	42	45	39
Toyama	212	15	19	17	18	22	13	13	18	17	19	23	18
Ishikawa	226	18	21	18	19	22	13	17	20	19	19	23	17
Fukui	151	11	13	12	14	14	10	11	13	13	13	15	12
Yamanashi	164	13	14	15	15	15	10	12	13	14	14	16	13
Nagano	407	28	37	35	35	39	28	27	35	34	35	41	33
Gifu	400	30	36	33	33	38	26	31	34	33	35	40	31
Shizuoka	729	55	67	63	63	70	46	51	63	60	63	73	55
Aichi	1,436	131	147	132	110	128	80	119	136	122	108	132	91
Mie	356	27	32	30	30	34	23	26	31	30	31	35	27
Shiga	269	25	26	23	22	24	15	23	25	23	22	24	17
Kyoto	511	45	46	41	38	47	30	46	47	42	40	52	37
Osaka	1,737	143	162	150	126	161	103	144	166	153	131	175	123
Hyogo	1,086	84	97	91	85	101	65	87	101	96	91	109	79
Nara	276	21	22	22	22	27	17	23	24	24	24	30	20
Wakayama	194	14	15	15	16	19	13	13	16	17	18	21	17
Tottori	112	8	9	9	10	11	7	8	9	9	11	11	10
Shimane	135	9	11	10	13	13	10	8	11	10	13	14	13
Okayama	372	30	33	29	30	35	24	31	33	29	31	38	29
Hiroshima	549	44	50	45	45	52	32	43	50	45	46	56	41
Yamaguchi	280	19	23	21	24	28	19	19	22	22	25	32	26
Tokushima	152	11	13	11	14	15	10	11	12	12	14	16	13
Kagawa	189	13	17	15	16	19	12	13	17	15	17	20	15
Ehime	276	19	23	21	24	26	18	20	23	23	26	29	24
Kochi	146	10	11	11	13	15	10	10	12	11	13	16	14
Fukuoka	987	84	87	76	82	85	54	88	92	82	88	96	73
Saga	161	13	13	12	15	14	10	13	13	14	16	15	13
Nagasaki	273	19	21	21	26	24	18	20	22	23	27	28	24
Kumamoto	345	27	27	26	32	30	22	27	28	29	34	33	30
Oita	230	17	19	17	20	22	15	17	19	18	22	24	20
Miyazaki	217	14	17	16	21	20	15	16	18	17	22	22	19
Kagoshima	324	23	24	24	32	29	22	26	26	26	33	30	29
Okinawa	261	24	26	23	25	18	13	25	26	23	24	18	16

Figure 84 Composition of respondents in this survey

(persons)

	Total	Male						Female					
		Age 18-29	30s	40s	50s	60s	70s	Age 18-29	30s	40s	50s	60s	70s
Nationwide	25,000	2,048	2,318	2,141	2,069	2,267	1,491	1,978	2,252	2,107	2,094	2,582	1,653
Hokkaido	1,108	85	93	87	95	99	70	84	95	94	103	115	88
Aomori	272	19	21	22	25	25	18	18	22	23	27	39	13
Iwate	259	18	21	21	25	23	18	18	20	21	25	42	7
Miyagi	462	41	42	38	41	39	26	40	41	38	42	40	34
Akita	212	13	16	16	21	20	16	13	15	16	22	37	7
Yamagata	224	17	18	17	22	21	16	15	17	17	22	28	14
Fukushima	388	30	33	31	38	35	25	28	31	31	38	56	12
Ibaraki	581	49	54	49	53	56	35	43	49	46	52	56	39
Tochigi	390	32	37	34	37	36	22	29	34	31	35	36	27
Gunma	386	29	36	33	34	38	24	27	34	31	33	48	19
Saitama	1,445	125	145	132	116	136	81	116	133	121	113	140	87
Chiba	1,223	102	119	110	99	116	72	95	112	101	98	121	78
Tokyo	2,619	246	279	252	193	208	136	234	264	235	184	219	169
Kanagawa	1,809	164	187	178	139	155	98	147	173	161	133	163	111
Niigata	459	34	39	37	43	43	31	33	37	36	42	57	27
Toyama	212	15	19	17	18	22	13	13	18	17	19	30	11
Ishikawa	226	18	21	18	19	22	13	17	20	19	19	23	17
Fukui	151	11	13	12	14	14	10	11	13	13	13	15	12
Yamanashi	164	13	14	15	15	15	10	12	13	14	14	16	13
Nagano	407	28	37	35	35	39	28	27	35	34	35	41	33
Gifu	400	30	36	33	33	38	26	31	34	33	35	45	26
Shizuoka	729	55	67	63	63	70	46	51	63	60	63	73	55
Aichi	1,436	131	147	132	110	128	80	119	136	122	108	132	91
Mie	356	27	32	30	30	34	23	26	31	30	31	35	27
Shiga	269	25	26	23	22	24	15	23	25	23	22	24	17
Kyoto	511	45	46	41	38	47	30	46	47	42	40	52	37
Osaka	1,737	143	162	150	126	161	103	144	166	153	131	175	123
Hyogo	1,086	84	97	91	85	101	65	87	101	96	91	109	79
Nara	276	21	22	22	22	27	17	23	24	24	24	30	20
Wakayama	194	14	15	15	16	19	13	13	16	17	18	21	17
Tottori	112	8	9	9	10	11	7	8	9	9	11	15	6
Shimane	135	9	11	10	13	13	10	8	11	10	13	19	8
Okayama	372	30	33	29	30	35	24	31	33	29	31	38	29
Hiroshima	549	44	50	45	45	52	32	43	50	45	46	56	41
Yamaguchi	280	19	23	21	24	28	19	19	22	22	25	32	26
Tokushima	152	11	13	11	14	15	10	11	12	12	14	21	8
Kagawa	189	13	17	15	16	19	12	13	17	15	17	20	15
Ehime	276	19	23	21	24	26	18	20	23	23	26	33	20
Kochi	146	10	11	11	13	15	10	10	12	11	13	21	9
Fukuoka	987	84	87	76	82	85	54	88	92	82	88	96	73
Saga	161	13	13	12	15	14	10	13	13	14	16	19	9
Nagasaki	273	19	21	21	26	24	18	20	22	23	27	34	18
Kumamoto	345	27	27	26	32	30	22	27	28	29	34	35	28
Oita	230	17	19	17	20	22	15	17	19	18	22	27	17
Miyazaki	217	14	17	16	21	20	15	16	18	17	22	27	14
Kagoshima	324	23	24	24	32	29	22	26	26	26	33	41	18
Okinawa	261	24	26	23	25	18	13	25	26	23	24	30	4

Note: Shaded cells indicate figures that differ from the "Composition of respondents designed based on the Population Census."

VI. Questionnaire (Simple Tabulation of Data)

Note: Unless otherwise specified, the figures shown in the answer sections denote the percentage of respondents who chose that answer (% , rounded to the nearest tenth). Figures in bold represent the percentage of respondents against the total. Since the percentage of non-respondents is not indicated, the percentage of respondents may not add up to 100% even in the case of single-answer questions.

Q1. How much do you agree or disagree that each of the following statements applies to you personally? Choose from the following scale of 1 to 5. Choose one answer for each item.
[Required entry]

Agree Disagree

|-----|-----|-----|-----|

1 2 3 4 5

1. Before I buy something I carefully consider whether I can afford it	33.8	36.7	22.0	5.3	2.3
2. I pay my bills on time	63.5	21.0	11.3	2.7	1.5
3. When there are several similar products, I tend to buy what is recommended as the most selling product, rather than what I actually think is a good product	3.7	11.3	43.4	22.9	18.7
4. I set long term financial goals and strive to achieve them	17.6	29.9	36.0	11.0	5.6
5. I find it more satisfying to spend money than to save it for the long term	5.8	16.7	41.3	21.2	15.1
6. I tend to live for today and let tomorrow take care of itself	3.9	13.2	28.3	25.6	28.9
7. I keep a close personal watch on my financial affairs	22.5	34.9	30.4	8.8	3.3
8. I have too much debt right now	4.4	7.0	14.8	13.3	60.6
9. I am prepared to risk some of my own money when saving or making an investment	8.1	18.9	32.8	18.3	22.0
10. If I had the choice of (1) receiving 100,000 yen now or (2) receiving 110,000 yen in 1 year, I would choose (1), provided that I can definitely receive the money	30.8	16.3	17.8	12.9	22.2

Q2. Overall, thinking of your assets, debts, and savings, how satisfied are you with your current personal financial condition? Choose from the following scale of 1 to 5. Choose only one answer.
[Required entry]

Satisfied Dissatisfied

|-----|-----|-----|-----|

1 2 3 4 5

7.1	15.2	36.9	17.5	23.3
------------	-------------	-------------	-------------	-------------

Q3. Are you aware of the amounts of your monthly income and expenditure? Choose one answer for each item. [Required entry]

	Yes	No
1. Amount of monthly income	87.4	12.6
2. Amount of monthly expenditure	72.1	27.9

Q4. Which of the following statements on household behavior is inappropriate? Choose only one answer. [Required entry]

1. Managing income and expenditure by keeping a household account book or the like **12.2**
2. Deciding on expenditure after considering whether it is truly necessary and whether there is enough income **15.1**
3. Saving some money out of income by transferring a fixed amount of income into a savings account or the like **6.2**
4. Frequently using installment payment plans of credit cards in order to defer payment **55.1**
5. Don't know **11.3**

Q5. Which of the following statements on family budget management and credit cards is inappropriate? Choose only one answer. [Required entry]

1. Using credit cards in a well-planned manner according to income **13.3**
2. Any unsettled credit card payment is practically a debt **10.1**
3. A credit card fee (interest) is charged for revolving payments but not for installment payments **46.9**
4. Failure to pay the credit card charge may cause credit card transactions to be declined **12.1**
5. Don't know **17.6**

Q6. Suppose that, if you invested 100,000 yen, you would either get a capital gain of 20,000 yen or a capital loss of 10,000 yen at 50% probability. What would you do? Choose only one answer. [Required entry]

1. I would invest **21.4**
2. I would not invest **78.6**

Q7. What expenses do you think you will have to cover in the future? Choose all answers that apply. [Required entry]

1. Living expenses for retirement **56.7**
2. Educational expenses for children **24.7**
3. Costs of buying a house **13.2**
4. Costs of health and nursing care for yourself **54.6**
5. Costs of health and nursing care for family members **43.2**
6. Costs of buying a car **27.1**
7. Wedding expenses for yourself **7.6**

8. Wedding expenses for children	14.9
9. Other ()	2.0
10. None in particular	12.5

Q8. With regard to the expenses you think you will have to cover in the future, are you aware of the amounts that will be required for your case? Choose one answer for each item. [Required entry]

	Yes	No
1. Living expenses for retirement	49.4	50.6
2. Educational expenses for children	56.8	43.2
3. Costs of buying a house	55.4	44.6
4. Costs of health and nursing care for yourself	38.3	61.7
5. Costs of health and nursing care for family members	35.7	64.3
6. Costs of buying a car	75.9	24.1
7. Wedding expenses for yourself	38.4	61.6
8. Wedding expenses for children	48.0	52.0
9. Other contents selected in Q7_9FA	74.9	25.1

Q9. Do you have a financial plan for the expenses you think you will have to cover in the future? Choose one answer for each item. [Required entry]

	Yes	No
1. Living expenses for retirement	35.6	64.4
2. Educational expenses for children	48.8	51.2
3. Costs of buying a house	35.2	64.8
4. Costs of health and nursing care for yourself	28.0	72.0
5. Costs of health and nursing care for family members	26.1	73.9
6. Costs of buying a car	41.1	58.9
7. Wedding expenses for yourself	23.0	77.0
8. Wedding expenses for children	25.1	74.9
9. Other contents selected in Q7_9FA	53.1	46.9

Q10. Have you set aside funds for the expenses you think you will have to cover in the future? Choose one answer for each item. [Required entry]

	Yes	No
1. Living expenses for retirement	26.0	74.0
2. Educational expenses for children	32.8	67.2
3. Costs of buying a house	15.5	84.5
4. Costs of health and nursing care for yourself	30.5	69.5
5. Costs of health and nursing care for family members	29.0	71.0
6. Costs of buying a car	32.0	68.0
7. Wedding expenses for yourself	16.0	84.0
8. Wedding expenses for children	21.8	78.2
9. Other (contents selected in [Q7_9FA])	41.5	58.5

Q11. Have you set aside emergency or rainy day funds that would cover your expenses for 3 months, in case of sickness, job loss, economic downturn, or other emergencies? Choose only one answer. [Required entry]

- | | |
|---------------|-------------|
| 1. Yes | 54.9 |
| 2. No | 29.7 |
| 3. Don't know | 15.4 |

Q12. Taro and Hanako are the same age. At age 25 Hanako began saving 100,000 yen per year and continued to save the same amount annually thereafter. Meanwhile, Taro did not save money at age 25, but began saving 200,000 yen per year at age 50. When they are aged 75, which of them will have more money saved? Choose only one answer. [Required entry]

- | | |
|---|-------------|
| 1. They would each have the same amount because they put away exactly the same amount | 6.3 |
| 2. Taro, because he saved more each year | 3.5 |
| 3. Hanako, because she has put away more money | 12.6 |
| 4. Hanako, because her money has grown for a longer time at compound interest | 53.2 |
| 5. Don't know | 24.3 |

Q13. What are the so-called three major expenses in life? Choose only one answer. [Required entry]

- | | |
|--|-------------|
| 1. Living expenses for your lifetime, children's educational expenses, and your medical expenses | 25.4 |
| 2. Children's educational expenses, costs of buying a house, and living expenses for your retirement | 47.6 |
| 3. Costs of buying a house, your medical expenses, and costs of nursing care for your parents | 6.2 |
| 4. Don't know | 20.7 |

- Q14. Which of the following is inappropriate as an action to take when concluding a contract? Choose only one answer. [Required entry]
1. Reconsidering whether the contract is truly necessary **9.3**
 2. Checking whether cancellation of the contract is possible and whether a penalty is charged for doing so **4.8**
 3. Concluding a contract based on a detailed explanation from the service provider, and carefully reading the contract document later **66.2**
 4. Seeking advice from a third party as needed when concluding a contract **4.4**
 5. Don't know **15.3**
- Q15. Which of the following is inappropriate as a behavior to avoid being involved in financial trouble? Choose only one answer. [Required entry]
1. Avoiding disclosing your personal information as much as possible **9.3**
 2. Making an effort to acquire financial and economic knowledge **3.8**
 3. Trusting and leaving the entire matter to the service provider when it is difficult to make a decision **72.4**
 4. Checking the user reviews of the product you are planning to purchase **3.2**
 5. Don't know **11.3**
- Q16. Which of the following is inappropriate as an action related to Internet transactions? Choose only one answer. [Required entry]
1. I updated the security software to the latest version **2.3**
 2. I received an e-mail, but I did not open it since it was sent from an unknown address **4.5**
 3. I made a bank transfer by using a computer at an Internet café **80.2**
 4. I checked many times to make sure that the information I entered had no errors **1.6**
 5. Don't know **11.5**
- Q17. How would you rate your overall knowledge about financial matters compared with other people? Choose only one answer. [Required entry]
1. Very high **1.2**
 2. Quite high **11.3**
 3. About average **44.8**
 4. Quite low **27.8**
 5. Very low **12.1**
 6. Don't know **2.8**

Q18. Suppose you put 1 million yen into a savings account with a guaranteed interest rate of 2% per year. If no further deposits or withdrawals are made, how much would be in the account after 1 year, once the interest payment is made? Disregard tax deductions. Answer with a whole number.* [Required entry]

yen

1.02 million yen **65.7**
 Amount other than 1.02 million yen **10.3**

Don't know **24.0**

* Whereas the respondents gave free answers, the results are shown here in a summarized manner.

Q19. Then, how much would be in the account after 5 years? Disregard tax deductions. Choose only one answer. [Required entry]

1. More than 1.1 million yen **42.9**
2. Exactly 1.1 million yen **18.7**
3. Less than 1.1 million yen **11.2**
4. Impossible to tell from the information given **10.7**
5. Don't know **16.5**

Q20. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account? Choose only one answer. [Required entry]

1. More than today **3.3**
2. Exactly the same **7.1**
3. Less than today **55.6**
4. Don't know **34.1**

Q21. Please indicate whether you think the following statements are true or false. Choose one answer for each item. [Required entry]

	True	False	Don't know
1. High inflation means that the cost of living is increasing rapidly	60.8	7.6	31.6
2. When compared, a 15-year mortgage typically requires higher monthly payments than a 30-year loan, but the total interest paid over the life of the loan will be less	68.4	5.8	25.8
3. An investment with a high return is likely to be high risk	74.8	2.7	22.5
4. Buying a single company's stock usually provides a safer return than a stock mutual fund	5.2	45.8	49.0

- Q22. If interest rates rise, what will typically happen to bond prices? Choose only one answer. [Required entry]
1. They will rise **21.4**
 2. They will fall **24.0**
 3. They will stay the same **5.1**
 4. There is no relationship between bond prices and the interest rate **9.1**
 5. Don't know **40.4**
- Q23. Which of the following is appropriate as an action to take when investing (making deposits, etc.) or borrowing funds at a time of interest rate rise? Choose only one answer. [Required entry]
1. Investing and borrowing at fixed interest rates **5.0**
 2. Investing at a fixed interest rate and borrowing at a floating interest rate **7.9**
 3. Investing at a floating interest rate and borrowing at a fixed interest rate **43.9**
 4. Investing and borrowing at floating interest rates **2.6**
 5. Don't know **40.6**
- Q24. Do you have a life insurance policy? When you purchased your current life insurance, did you compare offers from different life insurance providers? Choose only one answer. [Required entry]
1. I purchased a life insurance policy after making comparisons **38.1**
 2. I purchased a life insurance policy without making any comparison **31.6**
 3. I have no life insurance policy **30.3**
- Q25. Which of the following statements on the basic function of insurance is appropriate? Choose only one answer. [Required entry]
1. Insurance is effective when a risk occurs with high frequency, causing a large loss **6.1**
 2. Insurance is effective when a risk occurs with low frequency, causing a large loss **46.7**
 3. Insurance is effective when a risk occurs with high frequency, causing a small loss **3.1**
 4. Insurance is effective when a risk occurs with low frequency, causing a small loss **6.7**
 5. Don't know **37.4**
- Q26. When a 50-year-old man reviews his life insurance policy (whole life insurance) after his children have become financially independent, which of the following statements is appropriate? Suppose that other circumstances have not changed. Choose only one answer. [Required entry]
1. He should consider increasing the death benefit **12.7**
 2. He should consider decreasing the death benefit **50.7**
 3. There is no need to review the policy in particular **11.7**
 4. Don't know **24.9**

- Q27. Which of the following information about public pensions you are qualified to receive are you aware of? Choose all answers that apply. [Required entry]
1. Type of public pension that covers you **63.5**
 2. Category of insured person you fall into **41.9**
 3. Required number of years of paying contributions in order to qualify for pension benefits **44.6**
 4. The amounts of pension you are qualified to receive **36.6**
 5. The age at which you will start receiving the pension **45.2**
 6. Don't know any of the above **24.3**
- Q28. Which of the following statements on insurance is inappropriate? Choose only one answer. [Required entry]
1. You need to pay national pension contributions if you are aged 20 or over, even if you are a student **6.5**
 2. The damage caused by an automobile accident will be fully covered by the automobile liability insurance **60.0**
 3. You should review the necessity of life insurance and the amount of coverage of insurance according to changes in circumstances of family members and yourself **3.3**
 4. Health insurance may not cover pre-existing medical conditions that you had before purchasing the insurance policy **9.1**
 5. Don't know **21.2**
- Q29. Have you ever taken out a loan from a financial institution that exceeded the amount of your monthly living expenses? When you took out such a loan most recently, did you compare it with other financial institutions' loans or other types of loans in order to choose one that suited your situation at the time? Choose only one answer. [Required entry]
1. I took out such a loan after making comparisons **11.3**
 2. I took out such a loan without making any comparison **9.7**
 3. I have never taken out such a loan **79.0**
- Q30. Which of the following statements on mortgages is appropriate? Choose only one answer. [Required entry]
1. It is far less costly to continue living in a rented house for your whole life than buying a house with a loan **4.3**
 2. Mortgages can be repaid by either the equal payment method or the equal principal payment method, but the total repayment is the same for both methods **3.5**
 3. Mortgages are offered with either a floating interest rate or a fixed interest rate, and those with a fixed interest rate are always more advantageous than those with a floating interest rate **4.8**
 4. In order to decrease the total mortgage repayment, it is effective to prepare as much down payment as possible and make advanced repayments to the extent possible **50.9**
 5. Don't know **36.6**

Q31. Suppose you owe 100,000 yen on a loan and the interest rate you are charged is 20% per year compounded annually. If you didn't pay anything off, at this interest rate, how many years would it take for the amount you owe to double? Choose only one answer. [Required entry]

- | | |
|--|-------------|
| 1. Less than 2 years | 2.7 |
| 2. At least 2 years but less than 5 years | 40.6 |
| 3. At least 5 years but less than 10 years | 16.0 |
| 4. At least 10 years | 2.6 |
| 5. Don't know | 38.1 |

Q32. Have you ever invested an amount of money that exceeded your monthly living expenses? When you invested such an amount in a financial product most recently, did you compare it with other financial institutions' products or other types of financial products in order to choose one that was considered to be the most beneficial? Choose only one answer. [Required entry]

- | | |
|---|-------------|
| 1. I invested such an amount of money after making comparisons | 15.6 |
| 2. I invested such an amount of money without making any comparison | 9.2 |
| 3. I have not invested such an amount of money | 75.2 |

Q33. Which of the following statements on the types of deposits protected up to 10 million yen under Japan's deposit insurance system is appropriate? Choose only one answer. [Required entry]

- | | |
|--|-------------|
| 1. Only ordinary deposits are protected | 9.7 |
| 2. Ordinary deposits and time deposits are protected | 42.3 |
| 3. All types of deposits including ordinary deposits, time deposits, and foreign currency deposits are protected | 10.0 |
| 4. No deposit is protected due to the principle of self-responsibility | 3.5 |
| 5. Don't know | 34.5 |

Q34. Have you ever purchased any of the following financial products? When you did so, how well did you understand the product details*? Choose one answer for each item. [Required entry]

Note: For this question, the items are listed horizontally and the scales are shown vertically.

* Whether the principal is guaranteed and a fee is charged, what kind of risks it involves, etc.

	Stocks	Investment trusts	Foreign currency deposits/MMFs
I have purchased them			
1. I understood the product details well enough to be able to explain to other people	4.0	2.3	2.0
2. I understood the product details to a certain extent	20.0	15.2	10.9
3. I did not understand the product details so well	5.5	6.3	3.2
4. I did not understand the product details at all	2.2	2.0	1.2
I have never purchased them			
5. I have never purchased them	68.4	74.2	82.7

Q35. At what opportunities do you mainly acquire knowledge or information when you choose financial products? "Financial products" are deposits at financial institutions, securities, insurance policies, etc. Choose up to three answers. [Required entry]

1. Consultation at financial institutions (asking the sales staff to explain)	22.4
2. From pamphlets provided at financial institutions	16.2
3. At a lecture meeting or a seminar	6.0
4. Consultation with financial professionals/professional financial advisors	4.7
5. Through media reports (TV and radio programs, newspapers, magazines, etc.)	16.1
6. From websites	23.7
7. Conversations with family members/friends	14.5
8. By taking classes and/or attending lectures at schools (including those for adults)	1.3
9. Other information sources ()	0.9
10. I'm not sure at what opportunities I might acquire such knowledge or information	4.7
11. I don't invest in financial products	40.9

Q36. Which of the following is inappropriate as behavior or attitude when determining whether to purchase an unfamiliar financial product? Choose only one answer. [Required entry]

1. Collecting information to make sure that the product is not frequently causing trouble and no warning has been issued by a public institution	3.1
2. Collecting information from the Internet, books, and several sellers and comparing the product with other products	3.2
3. Consulting with an institution, agency, etc., that provides information from a neutral standpoint and receiving advice	3.3
4. Purchasing the product if the seller tells you that you can expect a high return	59.6
5. Don't know	30.9

Q37. Which of the following is appropriate as an action to take when considering purchase of a financial product with a complicated structure? Choose only one answer. [Required entry]

1. Purchasing the product if it is selling well, even if you do not understand its structure clearly	1.6
2. Purchasing the product if you can trust the financial institution providing the product, even if you do not understand its structure clearly	3.1
3. Purchasing the product if you can expect a high return, even if you do not understand its structure clearly	3.3
4. Purchasing the product if you understand its structure and find no problem	62.8
5. Don't know	29.3

Q38. Which of the following is inappropriate as a consultant office or a system to be used when trouble occurs in relation to a contract for a financial product? Choose only one answer. [Required entry]

- | | |
|--|-------------|
| 1. Consumer center | 15.2 |
| 2. Financial alternative dispute resolution (ADR) system | 5.1 |
| 3. Rating company | 73.7 |
| 4. Attorney at law | 6.1 |

Q39. Was financial education offered by a school or college you attended, or a workplace where you were employed? Choose only one answer. [Required entry]

- | | |
|--|-------------|
| 1. Yes, but I did not participate in the financial education offered | 1.8 |
| 2. Yes, and I did participate in the financial education | 6.6 |
| 3. No | 73.9 |
| 4. Don't know | 17.7 |

Q40. Did your parents or guardians teach you how to manage your finances? Choose only one answer. [Required entry]

- | | |
|---------------|-------------|
| 1. Yes | 19.8 |
| 2. No | 60.4 |
| 3. Don't know | 19.8 |

Q41. Do you think financial education should be offered in schools? Choose only one answer. [Required entry]

- | | |
|---------------|-------------|
| 1. Yes | 62.4 |
| 2. No | 12.9 |
| 3. Don't know | 24.7 |

The following questions are about you and your household.

Q42. What is your gender? Choose only one answer. [Required entry]

- 1. Male **49.3**
- 2. Female **50.7**

Q43. What is your age? Answer with a whole number.* [Required entry]

	years old
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* Whereas the respondents gave free answers, the results are shown here in a summarized manner.

- 1. 18–19 **2.4**
- 2. 20–29 **13.7**
- 3. 30–39 **18.3**
- 4. 40–49 **17.0**
- 5. 50–59 **16.7**
- 6. 60–69 **19.4**
- 7. 70–79 **12.6**

Q44. Which of the following best describes your current employment or work status? Choose only one answer. [Required entry]

- 1. Company employee **32.2**
- 2. Government employee **3.5**
- 3. Self-employed **7.0**
- 4. Part-timer **14.0**
- 5. Full-time homemaker **20.9**
- 6. Student **4.8**
- 7. Unemployed **15.6**
- 8. Other () **1.8**

Q45. <If you chose 6 in Q44> Do you currently have any loans? / <If you chose any of 1–5, 7, or 8 in Q44> Does your household currently have any loans? Choose one answer for each item. [Required entry]

	Yes	No	Don't know
1. Mortgages	20.2	74.3	5.5
2. Consumer loans	3.9	90.3	5.8
3. Other loans	11.5	82.5	6.0

Q46. What is the highest educational level that you have attained? (If you are a student, choose your current educational level.) Choose only one answer. [Required entry]

- | | |
|---|-------------|
| 1. Primary and secondary schools only | 2.8 |
| 2. High school | 32.4 |
| 3. Specialized training college | 10.5 |
| 4. Junior college/college of technology | 11.3 |
| 5. University | 38.6 |
| 6. Graduate school | 4.2 |
| 7. Other () | 0.2 |

Q47. Have you ever been involved in financial trouble such as a bank transfer fraud or multiple debts? Choose only one answer. [Required entry]

- | | |
|--------|-------------|
| 1. Yes | 5.9 |
| 2. No | 94.1 |

Q48. How often do you acquire financial and economic information from sources such as newspapers, magazines, television, and the Internet? Choose only one answer. [Required entry]

- | | |
|------------------------------|-------------|
| 1. Almost every day | 34.9 |
| 2. About once a week | 19.5 |
| 3. About once a month | 8.3 |
| 4. Less often than the above | 18.6 |
| 5. Never | 18.5 |
| 6. Other | 0.1 |

Q49. Which prefecture do you live in? Choose only one answer. [Required entry]

Hokkaido	4.4	Ishikawa	0.9	Okayama	1.5
Aomori	1.1	Fukui	0.6	Hiroshima	2.2
Iwate	1.0	Yamanashi	0.7	Yamaguchi	1.1
Miyagi	1.8	Nagano	1.6	Tokushima	0.6
Akita	0.8	Gifu	1.6	Kagawa	0.8
Yamagata	0.9	Shizuoka	2.9	Ehime	1.1
Fukushima	1.6	Aichi	5.7	Kochi	0.6
Ibaraki	2.3	Mie	1.4	Fukuoka	3.9
Tochigi	1.6	Shiga	1.1	Saga	0.6
Gunma	1.5	Kyoto	2.0	Nagasaki	1.1
Saitama	5.8	Osaka	6.9	Kumamoto	1.4
Chiba	4.9	Hyogo	4.3	Oita	0.9
Tokyo	10.5	Nara	1.1	Miyazaki	0.9
Kanagawa	7.2	Wakayama	0.8	Kagoshima	1.3
Niigata	1.8	Tottori	0.4	Okinawa	1.0
Toyama	0.8	Shimane	0.5		

Q50. <If you chose 6 in Q44> Which of these categories does your income for last year fall into? / <If you chose any of 1–5, 7, or 8 in Q44> Which of these categories does your household income for last year fall into? (Before deducting taxes; including asset income, pensions, etc.) Choose only one answer. [Required entry]

1. Didn't earn any income	3.6
2. Less than 2.5 million yen	15.7
3. At least 2.5 million but less than 5 million yen	28.9
4. At least 5 million but less than 7.5 million yen	16.6
5. At least 7.5 million but less than 10 million yen	9.7
6. At least 10 million but less than 15 million yen	5.1
7. At least 15 million yen	1.6
8. Don't know/Prefer not to say	18.8

Q51. <If you chose 6 in Q44> Which of these categories do your financial assets (deposits, stocks, etc.) currently fall into? / <If you chose any of 1–5, 7, or 8 in Q44> Which of these categories do your household's financial assets (deposits, stocks, etc.) currently fall into? Choose only one answer. [Required entry]

1. Don't have any financial assets	13.6
2. Less than 2.5 million yen	15.1
3. At least 2.5 million but less than 5 million yen	9.9
4. At least 5 million but less than 7.5 million yen	5.3
5. At least 7.5 million but less than 10 million yen	4.7
6. At least 10 million but less than 20 million yen	7.0
7. At least 20 million yen	11.5
8. Don't know/Prefer not to say	32.9
