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Financial literacy for investors in the securities market in Portugal

REFORM/SC2020/017

DELIVERABLE 3 – Research report on investors and non-investors knowledge and behaviour towards security investments

March 05, 2021

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1 Introduction

This document presents Deliverable 3, the "Research report on investors and non-investors knowledge and behaviour towards security investments" (further referred to as "research report") for the project "Financial literacy for investors in the securities market in Portugal" where the beneficiary is the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários – CMVM). This project is supported by DG REFORM of the European Commission and is carried out by VVA and KPMG ("Contractor").

The report provides an overview of the methodology used within Phase 3 of the project to gather the data relevant for this report, as well as an analysis of the results of the data collection.

This document is structured as follows:

- Chapter 2: Survey design and methodology;
- Chapter 3: Results and investors and non-investors knowledge and behaviour towards security investments;
- Chapter 4: Conclusions;
- Annex 1: Sample
- Annex 2: Questionnaires; and
- Annex 3: Minutes of meetings on past initiatives

2 Survey design and methodology

The aim of this Chapter is to provide a detailed overview of the survey design and approach taken with regards to understanding the investors and non-investors' knowledge and behaviour towards investments in securities in Portugal. The approach was split in three steps:

- Sample design;
- Questionnaire design; and
- Data collection/survey approach.

2.1 Sample design

The first step of the survey design and data collection was the development of a stratified sample of individuals aged 18 and above, representative of the Portuguese population. This sample was developed based on the most recent census of the Portuguese population.

The most recent available census used for the development of the survey sample was Censos 2011 by the National Institute of Statistics in Portugal (Instituto Nacional de Estatistica[1]). The first census was carried out in 1864 and a new census is conducted every 11 years.

In order to develop the sample, based on the total Portuguese population, the sample was built on two levels.

First, only the population aged 18+ was selected into the main group. This group was then, in the second level, categorised by the following characteristics:

- Gender;
- Age and age groups (by gender);
- Size of location (e.g. city size); and
- NUTS[2] 2 and NUTS 3 region and sub-region (including the division for city size, gender and age as well).

The sample selected was shared with the Client for approval. Looking into Portugal, in 2011 the population was distributed as follows.

Of the total population of over 10.5 million inhabitants (10,562,178), 82% were aged 18 or older. Of these, 53% were women and 47% men. The majority of the people lived in the regions Norte (35%), Centro (22%) or Lisbon (26%). The distribution by age group and gender is shown in the table below.

Table 1: Age distribution in Portugal

Age - Gender	Total	%	Male	%	Female	%
18-24 years	814706	9%	411069	10%	403637	9%
25-29 years	656076	8%	324848	8%	331228	7%
30-34 years	773567	9%	378734	9%	394833	9%
35-39 years	824683	10%	402307	10%	422376	9%
40-44 years	773098	9%	374962	9%	398136	9%
45-49 years	770294	9%	370989	9%	399305	9%

[1] https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_main

[2] NUTS stands for Nomenclature of Territorial Units for Statistics

Age - Gender	Total	%	Male	%	Female	%
50-54 years	722360	8%	346248	9%	376112	8%
55-59 years	677651	8%	322095	8%	355556	8%
60-64 years	634741	7%	298546	7%	336195	7%
65-69 years	551701	6%	253004	6%	298697	7%
70-74 years	496438	6%	220461	5%	275977	6%
75-79 years	429706	5%	180131	4%	249575	5%
80-84 years	297888	3%	113325	3%	184563	4%
85-89 years	164356	2%	55635	1%	108721	2%
90 years or more	69975	1%	19768	0.5%	50207	1%
Total	8657240	100%	4072122	100%	4585118	100%

With regards to the distribution of the population across location size, over one third lived in places with fewer than 2,000 inhabitants. More than half of the 18+ year-olds were employed (58%) and had basic education (55%). Details to the characteristics is shown in the table below.

Table 2: Characteristics of the Portuguese population (18+)

City size	Total	%
Up to 1 999 inhabitants	3262893	38%
From 2 000 to 4 999 inhabitants	793470	9%
From 5 000 to 9 999 inhabitants	760856	9%
From 10 000 to 19 999 inhabitants	1012699	12%
From 20 000 to 49 999 inhabitants	1000872	12%
From 50 000 to 99 999 inhabitants	426036	5%
From 100 000 to 199 999 inhabitants	587393	7%
From 200 000 to 499 999 inhabitants	202388	2%
From 500 000 to 999 999 inhabitants	462845	5%
Non-resident population, diplomatic corps	147788	2%
Total	8657240	100%
Employment	**Total**	**%**
Active	5012040	58%
Not active	3645200	42%
Total	8657240	100%
Education*	**Total**	**%**
Without education	1999754	19%
Basic education	5817858	55%
Secondary education	1411801	13%
Post-secondary education	88023	1%
Bachelor	168468	2%
Licenciatura	935515	9%
Masters	114518	1%
Doctorate	26241	0%
Total	10562178	100%
***Concerning the whole Portuguese population**		

These characteristics were applied in the same way in the sample and across the NUTS 2 regions of Portugal. A detailed sample design is provided in the Annex of this report. The process ensures that the survey is built on a representative sample.

2.2 Questionnaire design

In total, three types of questionnaires were developed, revised and approved: i) Step 1 questionnaire; ii) Step 2 questionnaire for investors; and iii) Step 2 questionnaire for non-investors.

Once the questionnaire had been approved, they were translated to Portuguese and the Portuguese version approved by the CMVM. All the questionnaires are provided in Annex 2 of this report.

2.2.1 Step 1 questionnaire development

This questionnaire served the purpose of identifying the characteristics of investors and non-investors in Portugal as well as identifying participants for the second step, the in-depth survey.

The questionnaire was built in four sections: i) introduction; ii) "about you"; iii) identification questions; and iv) closing questions.

The introduction presented the interview participant with the overall project goals, the objectives of the survey and the Step 1 interview. The CMVM was also introduced in this section.

With regards to the "about you" section, this section was the most extensive within the questionnaire, as it aimed at identifying the characteristics of the interviewee. The first question was to identify whether the person interviewed made day-to-day financial decisions about their money either independently or jointly with someone. If not, the interview was ended, as the majority of the questions for the second step of the survey were targeted at people who made financial decisions. The remaining questions in this section related to the personal characteristics of the interviewee, such as where they live, their age group, gender, education level, etc.

The identification section consisted of one long question divided into two sub-questions. This question aimed at identifying who of the interviewees was a current investor and who was a past investor.

Finally, the closing questions aimed at identifying the interviewees' interest in participating in the second step of the survey, as well as their contact information (i.e. e-mail) and consent for the use of their personal contact information to reach out to them again.

2.2.2 Step 2 questionnaires development

The second step questionnaire was developed based on two aspects: common questions for investors and non-investors and a set of questions for each group, and a set of questions to understand the characteristics of these groups (e.g. financial knowledge, financial and investing behaviours, etc.).

In order to ensure comparability on a national level with previous studies, as well as to follow international guidelines, the step 2 questionnaires were developed based on the 2015 survey questionnaire of CMVM and the OECD financial literacy measurement kit.

The approved questionnaires in English are provided in the Annex of this report.

2.3 Survey approach

The overall survey was structured in two steps: i) first step interview of the representative sample; and ii) second step in-depth survey for financial literacy of investors and non-investors. The total timeline of the survey fieldwork was from the 05/10/2020 to the 22/01/2021. The survey implementation needed to be extended due to the need to change the procedure to adjust to measures taken by the Portuguese government to contain the spread of Covid-19.

2.3.1 Step 1: Identification of investors and non-investors' characteristics in Portugal

The first step consisted of interviewing a representative sample of 10,000 persons of the Portuguese population (18 years old and higher). The objective of this step was to gather a pool of potential participants for the second in-depth survey while understanding the share of investors within the sample. It is important to note that the survey was only conducted with persons that were identified as "decision makers", meaning that they manage their finances either on their own or jointly with another person in the household.

This phase was run from the 05/10/2020 until the week of the 11/12/2020 through CAT[3] interviews reaching fixed line numbers and mobile phones. In order to avoid a bias in the identification and profiling of the sample, the interview called a fixed line number with the person in the household who had their birthday next (if 18 years or above), one of the common criteria for random selection of the population and to avoid that only the persons responding the telephone in the households answer the survey. Given that landline-telephone penetration in Portugal is at 49%, parts of the interviews were also conducted by reaching mobile phones. Regarding mobile phone contacts, a pulsed RDD (random digit dialling) sample was used, meaning that a random list of possible mobile phone numbers was generated, and the numbers pulsed[4].

The telephone interviews were run in Portuguese by native speakers and they were first conducted in a pilot phase. Once the questionnaire was validated, tested in the pilot phase[5] and the approach adjusted where necessary, the remaining interviews were run with the whole sample. 30 to 35 operators and two room supervisors for control and assistance conducted the CATI. Every number was only dropped after five tries on different days and times to guarantee the best possible representativeness and to avoid biases in the results. Quality checks were done by supervisors.

As indicated before, through this first step, we were able to assess investors and non-investors and their socio-demographic profile by starting from a very large and representative sample and to have a pool of potential participants for the second step. The results of step 1 are provided in the next Chapter.

2.3.2 Step 2: In-depth survey on financial literacy and behaviour

The second step of the survey consisted of an in-depth survey with a sample of more than 500 investors based on the results of the first step interviews and a sample of about 1,500 non-investors.[6] The final number of survey participants was higher than the minimum target and are presented in the next Chapter.

The second step survey was initially planned to be run through face-to-face interviews at participants' homes, so-called CAPI interviews[7]. Many of the interviews were run through CAPI, starting with a pilot the week of the 19/10/2020 and continued where possible until the 22/01/2021.

[3] Computer Aided Telephone Interviews

[4] Pulsing a number means checking if that number is valid and active.

[5] No issues were identified, hence no further revisions had to be made to the questionnaires or the survey design

[6] As per the clarification of Annex 1 in document Ares(2020)1411533, this exceeds the minimum required of 400 investors.

[7] Computer Assisted Personal Interviews

Given the development of the Covid-19 pandemic, changes to this approach had to be made. These changes were approved by CMVM and DG Reform. The following approaches were used for step 2:

- Face-to-face interviews: Where already scheduled and possible, face-to-face (CAPI) were still conducted. This was continued in order to ensure a representative sample of people without internet connectivity, which in general was low for people aged 55 and above, as well as those living in more sparsely populated areas;
- CAWI survey: Instead of conducting only face-to-face interviews with a pool of the sub-sample identified through step 1, the participants of the previous step were asked whether they have internet access and their email address to share an online version of the second step survey with them. The CAWI survey was introduced in the week of the 26/10/2020 and ran until the end of the full survey process; and
- CATI: Where neither CAWI nor face-to-face interviews were possible, the second step survey was implemented through telephone interviews. This change was introduced the week of the 09/11/2020 and was implemented, where relevant, until the end of the whole survey procedure. Given the type of questions in the questionnaire, this option was chosen as last resort alternative to the two other approaches.

The interviewers received a detailed instruction manual and personal briefing (on site or via Skype/ videocall). In addition, 20 pilot interviews were conducted to resolve any unclear wording or phrasing of the questionnaire and to ensure that it is fully understandable for the respondents.

In order to ensure that the respondents reflected the profiles of investors and non-investors as identified in the first step, quotas were set. In case the quota of investors was lower than expected and/or the refusal rate for in-depth interviews during the first CATI step was high, meaning that the first step survey recruitment did not guarantee 500 interviews with investors, the face-to-face fieldwork proceeded with additional recruitment. This further recruitment aimed at reaching the profile or socio-demographic characteristics of investors that was identified during the first step of the survey.

3 Results

This chapter provides a detailed overview of the results of the survey, both with regards to step 1 and step 2. The results shown in this chapter do not comprise all the statistical analyses that were run and exported into Excel sheets, which was provided separately to this Deliverable to CMVM and DG REFORM. The raw data in SPSS was also made available while ensuring anonymity and in accordance with GDPR rules Regulation (EU) General Data Protection Regulation 2016/679. This chapter focuses on the main findings to understand the key characteristics of financial decision makers and investors/non-investors in Portugal, their financial understanding, behaviour and decision-making processes.

3.1 Results of step 1: Identification of investors

Within the first step of the survey, a total of 15,173 CATI were conducted with a representative sample of the Portuguese population. This served to identify the share of investors in Portugal and their characteristics. Of those interviews, only the respondents who were financial decision makers or at least co-decision makers were asked further questions. These “financial decision makers” were 9,969 of the total CATI respondents.

The figures and tables below show the distribution of those interviewed in the first step across various categories.

Figure 1: Characteristics of the interviewed

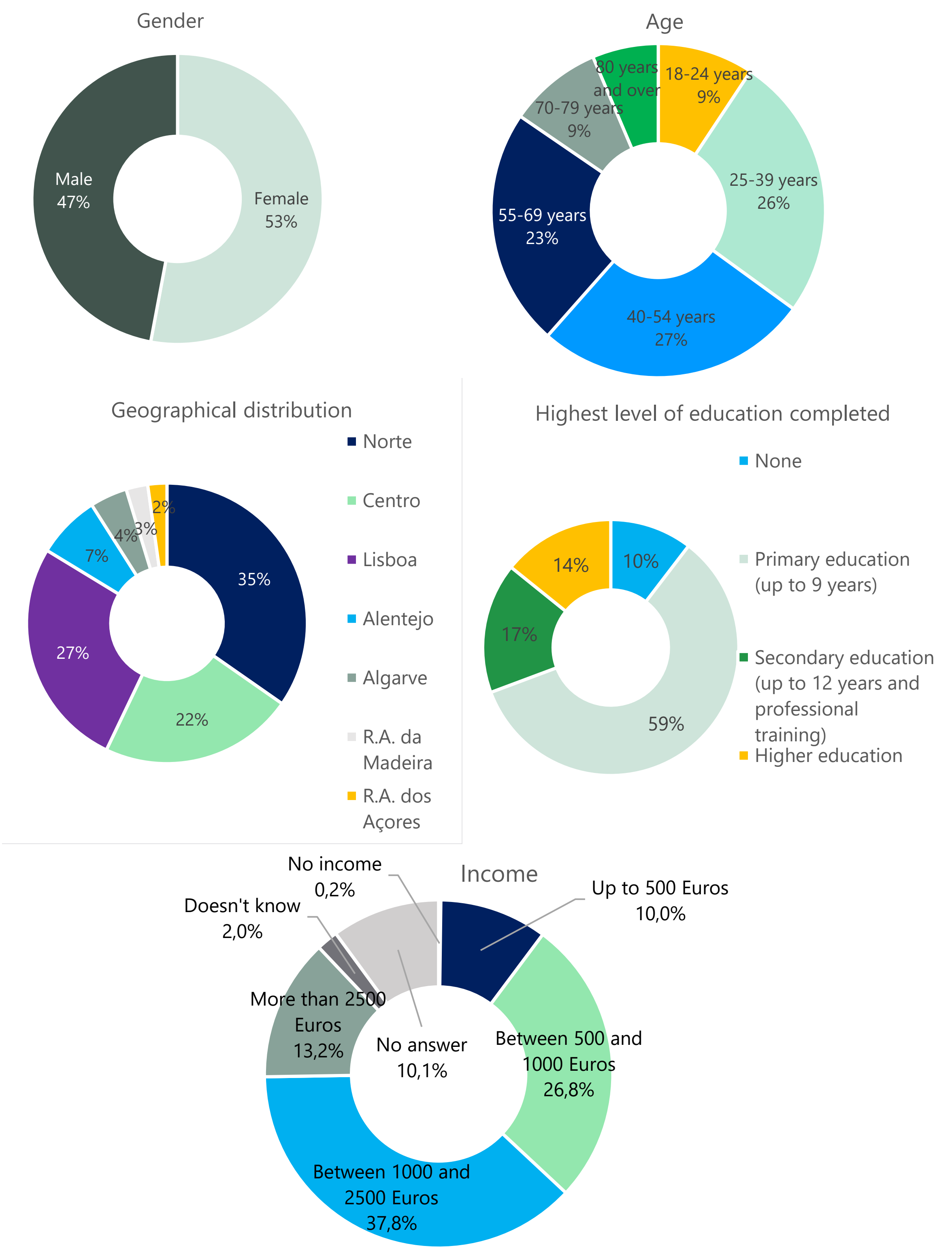
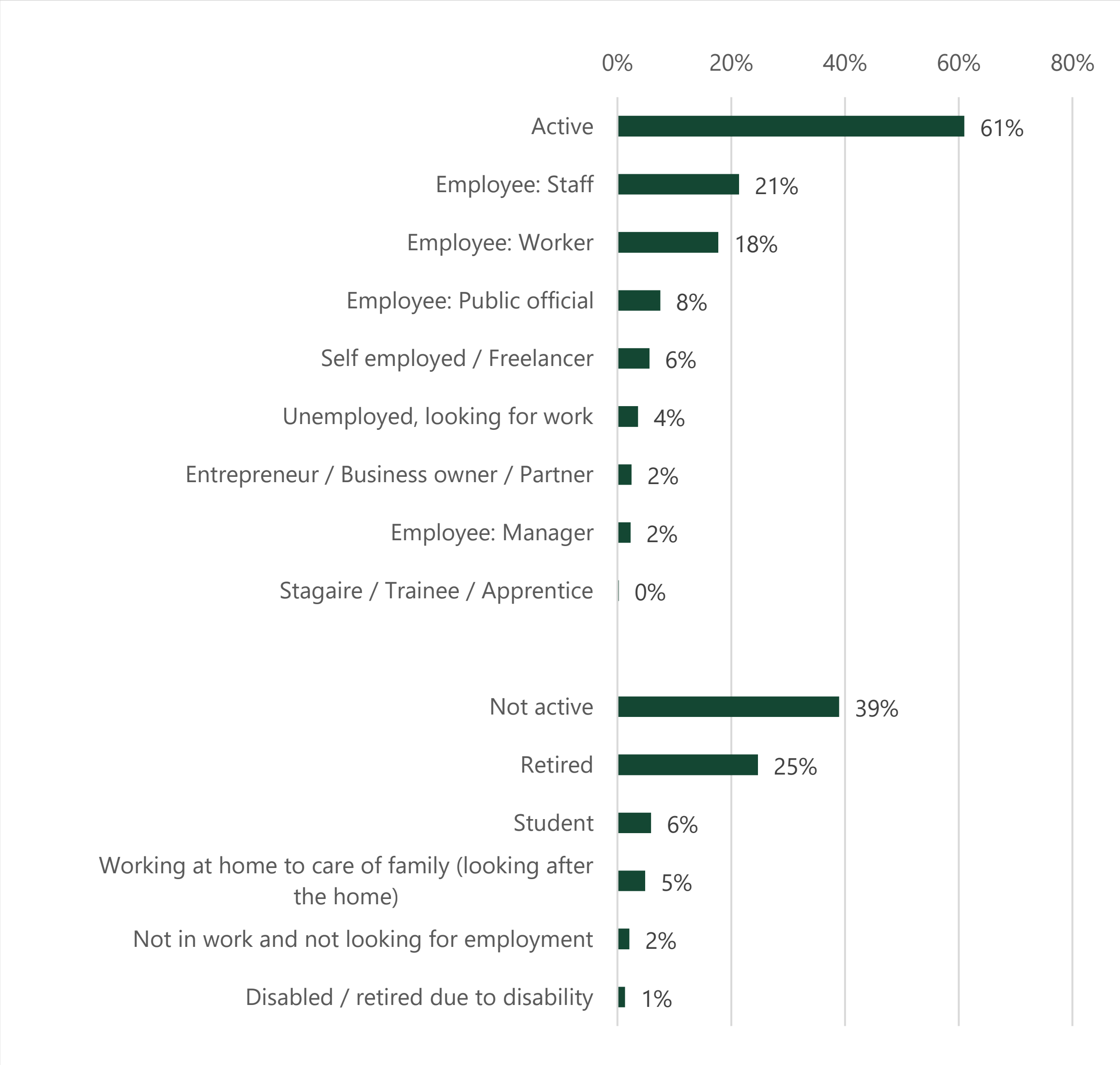


Figure 2: Labour status



Another main aim of the first step of the survey was to identify the share of the Portuguese population who are financial decision makers in their household, either independently or jointly with another person, as well as identifying the share and characteristics of investors.

Of the persons called in step 1, the majority is a "financial decision maker", meaning that they are responsible for making day-to-day decisions about money in their household either independently or jointly with another person. Of those financial decision makers, most people take decisions jointly with someone else. The table below provides the overview of the results.

Table 3: Financial decision makers

Financial decision maker	Total	Of decision makers
You make the decisions	**65.86%**	**100.00%**
You make these decisions by yourself	25.48%	38.69%
You make these decisions with someone else	40.38%	61.31%
Someone else makes these decisions	**34.14%**	-

For the aim of this research report, the relevant group of people are those that make financial decisions, as the second step seeks to understand behaviour and knowledge of those that invest and those that do not invest, meaning those actively involved in financial decisions. This is why the following results are related to financial decision makers only.

One of the main questions to identify investors and non-investors was which type of products the respondent owns. Of all the financial decision makers, 92% own at least one of the products listed, while 86% held at least one of these products in the past. Respondents were able to choose multiple products.

Table 4: Share of respondents that own or owned one or more types of financial products

Type of product	Share of respondents that currently hold the product	Share of respondents that held the product in the past
Investment funds and unit trust (other than pension)	8.27%	7.91%
Stocks and shares	8.85%	13.21%
Treasury bonds	4.28%	4.49%
Private bonds	1.16%	1.47%
Time deposits	41.32%	45.77%
Demand deposits	87.14%	73.06%
Structured deposits	2.10%	2.45%
Equity securities	4.33%	3.18%
Structured products (except structured deposits)	0.84%	1.11%
Other derivatives	0.67%	0.86%
Other investment products	1.92%	1.58%
Retirement savings funds (FPR)	12.37%	9.98%
Pension plans or pension funds	14.37%	14.71%
Savings certificates	9.56%	13.71%
Treasury bills	5.99%	5.66%
Do not hold any of the products given to question as a whole	7.81%	12.74%
Don't know response given to question as a whole	0.07%	0.40%
No answer to the full question	0.15%	0.51%

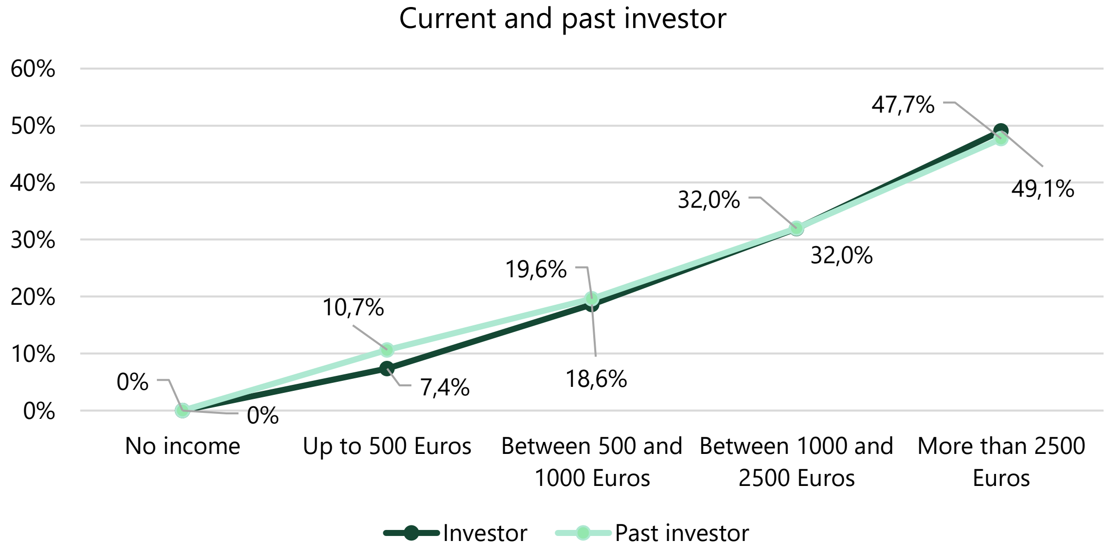
Source: CATI, financial decision makers, n=9,969

In line with previous reports, respondents were categorised as “current investor” if he or she owns one or more of the following products:

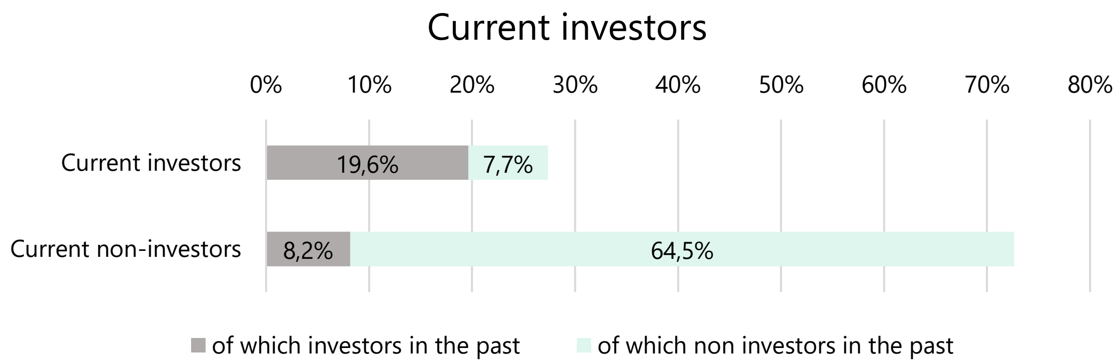
- Investment funds and unit trust (other than pension);
- Stocks and shares;
- Treasury bonds;
- Private bonds;
- Equity securities;
- Structured products (except structured deposits);
- Other derivatives;
- Other investment products; and/or

- Retirement savings funds (FPR).

Within the first step of the survey with a representative sample of the Portuguese population, about one third of the Portuguese population is currently an investor (27.4%) and slightly more were (also) past investors (27.8%). The share of investors is closely linked to income levels.



The figure below shows the share of investors and non-investors of the total sample interviewed in the first step. Of the 27% of current investors shown below, most (71.8%) were also investors in the past.

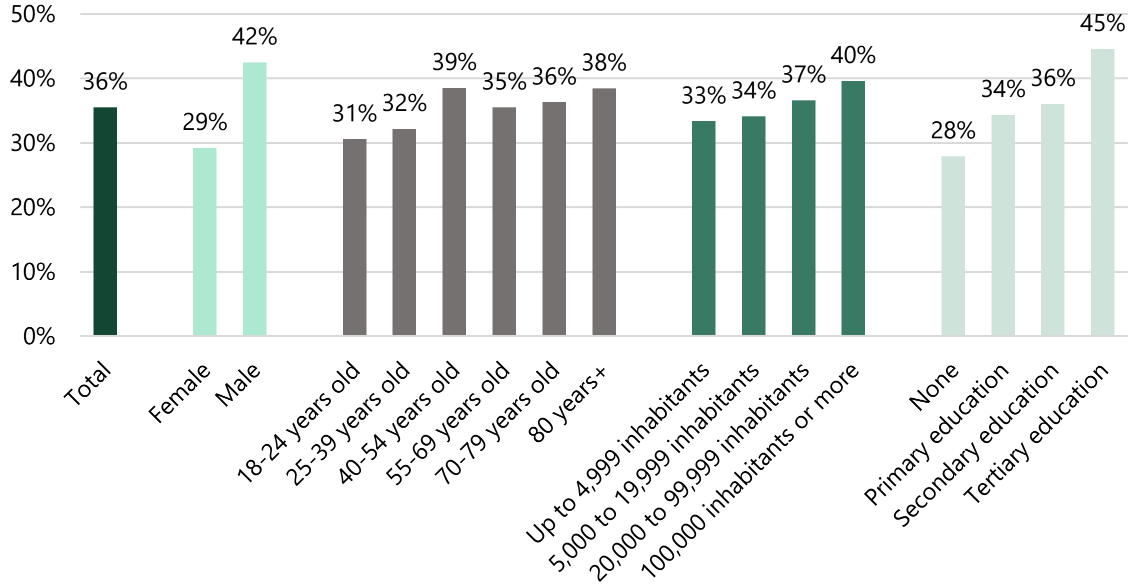


Gender and age distributions are also an important factor when looking into the share of investors. 57% of investors are men and being a current investor correlates with gender at a significance level of 0.01, meaning that men are statistically more likely to be current investors than women. Considering the general distribution of men and women in Portugal with 53% of the overall population being women, the results indicate that they are underrepresented in the securities market or as investors in general.

Looking at other characteristics of investors in Portugal, there does not seem to be an age effect, but rather an "urbanisation effect", meaning that the share of investors in more densely populated areas is higher.

Apart from income, education also has an effect on the likelihood of being a current investor, with the share of investors increasing with the level of education completed. The figures below visualise the details of the results.

Figure 3: Share of financial decision makers who have been or are investors, by categories

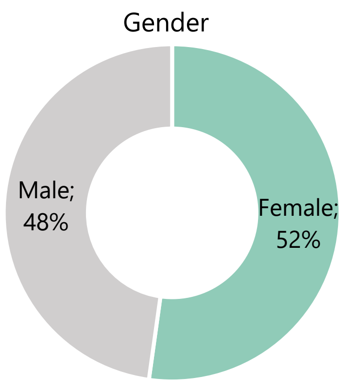


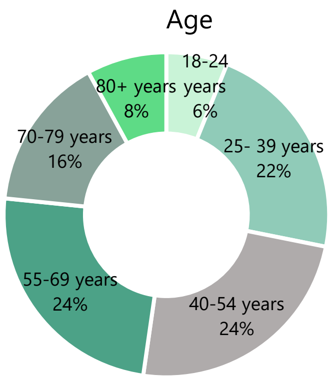
3.2 Results of step 2: Financial literacy in Portugal

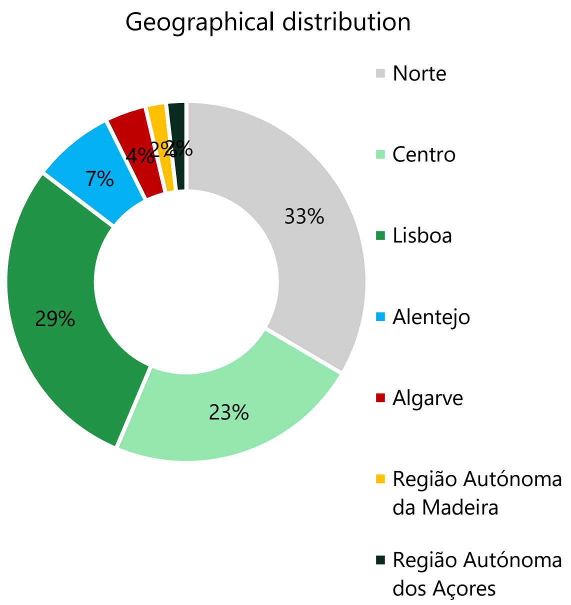
The approach to the step 2 interviews was initially planned as face-to-face interviews. However, due to the COVID19 pandemic and the measures taken to limit its spread, the total of 2,207 interviews were conducted in three forms:

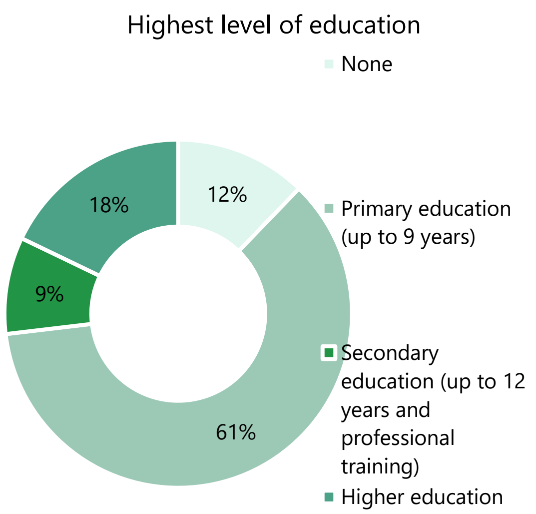
- Computer Assisted Personal Interviewing (CAPI) – 52%;
- Online survey: 31%;
- Computer Assisted Phone Interviewing (CATI) – 17%.

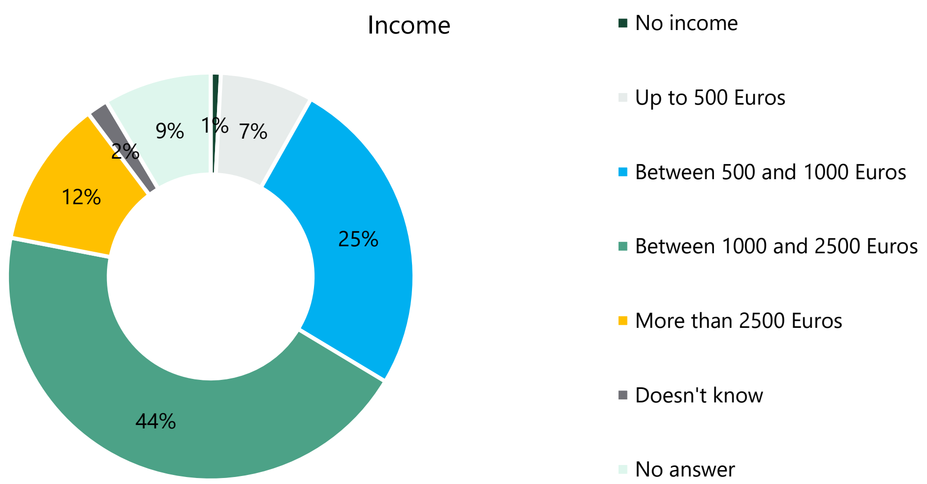
The sample interviewed in step 2 follow the step 1 identification and distribution. The figures below summarise the characteristics of the sample interviewed in step 2.











When it comes to the other characteristics of the sample, 57% are active in the labour market. 39% make financial decisions by themselves, while 61% make them with someone else. Of the total interviewed persons, 32% were investors (706 persons) and about 70% use the internet. The share of internet use indicated is below the overall EU-27 share of individuals (89%) and slightly lower than the Eurostat results for Portugal (79%) in 2020.[8] Portugal remains within the bottom category of countries in the EU when it comes to the share of individuals that use the internet. Only in Bulgaria and Italy fewer individuals use the internet (74% and 78% respectively). There is a high difference between investors and non-investors in the use of the internet in Portugal. 83% of Portuguese investors indicated that they use the internet, compared to 65% of non-investors.

[8] Eurostat (ISOC_CI_IFP_IU). Available at: https://ec.europa.eu/eurostat/databrowser/view/isoc_ci_ifp_iu/default/table?lang=en

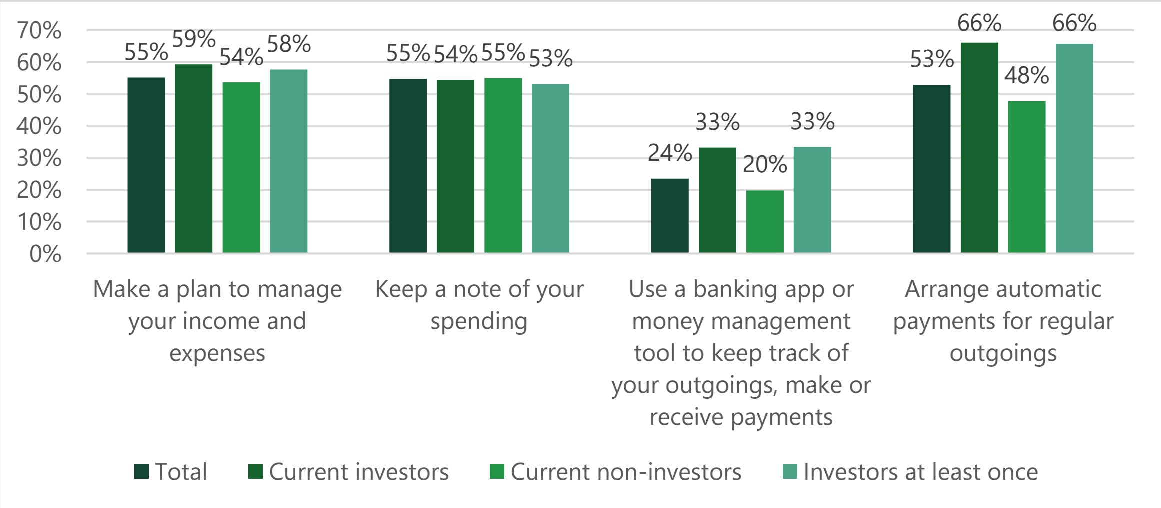
3.2.1 Financial behaviour and attitude

One of the key aspects researched during the second step was related to the persons' financial behaviour and attitude.

3.2.1.1 Budgeting and product ownership

With regards to the budgeting behaviour or attitude, over half of the people interviewed make a plan to manage their income and expenses (55%), keep a note of their spending (55%) or arrange automatic payments for regular outgoings (53%). The largest difference between investors and non-investors is found in the latter, with 66% of investors having automatic payments in place, compared to 48% non-investors. Looking into other differences, more women indicated that they make plans to manage their income and expenses (60%) and keeping a note of their spending (56%) than men (50% and 53% respectively). In comparison, slightly more men indicated to use a banking app (24%) or arrange automatic payments (53%), compared to women (23% and 52% respectively).

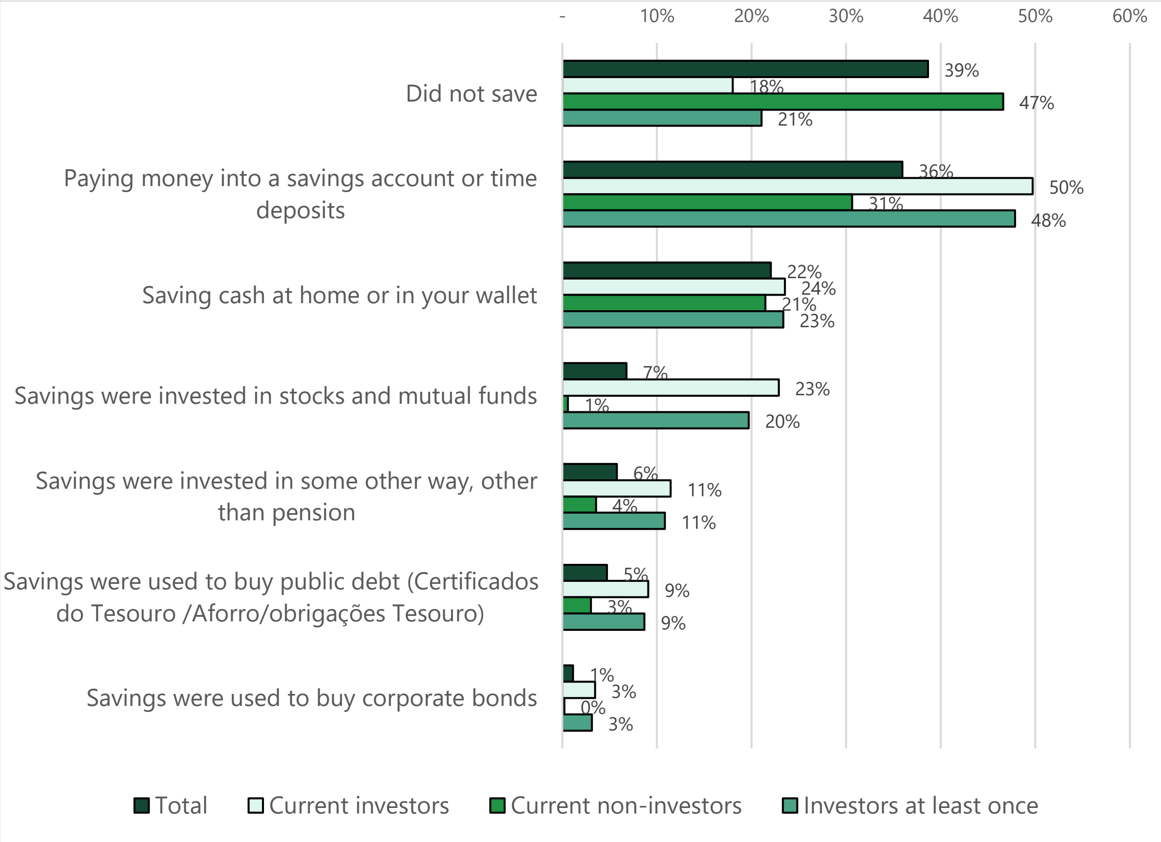
Figure 4: Types of budgeting followed



N=2,207, multiple responses possible, share of answers "don't know" and "no answer" are omitted from the figure

In terms of saving behaviour, over one third of the people interviewed did not save in the past 12 months (39%). The difference between investors and non-investors is high with 18% of current investors not having saved in the last 12 months compared with 47% of non-investors. Comparing with results of past surveys, the share of those that did not save has continuously decreased from 48% in 2010 to 41% in 2015 and 39% in 2020. The figure below shows the savings activities of the respondents over the past 12 months.

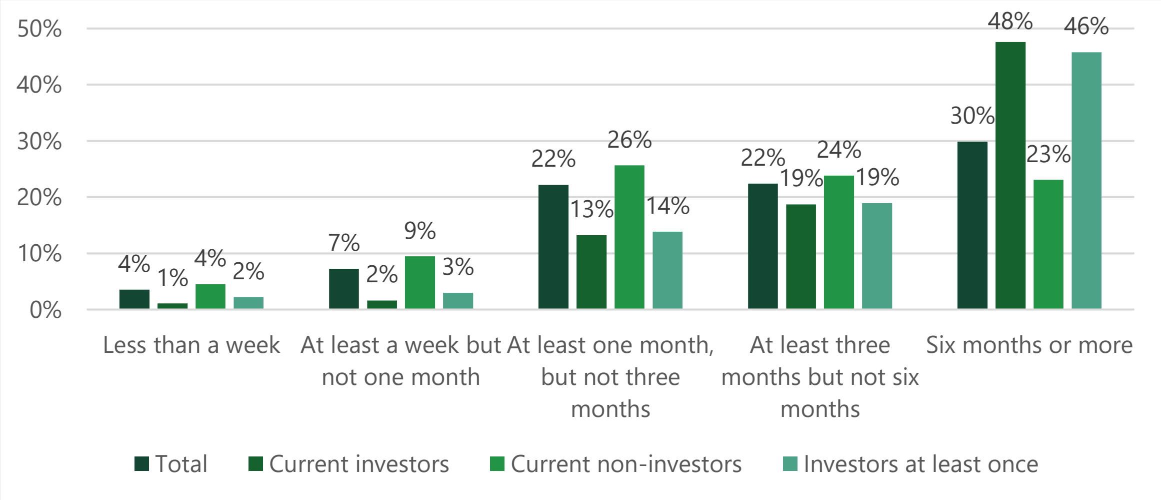
Figure 5: Saving in the past 12 months



N=2,207, multiple responses possible, share of answers “don’t know” and “no answer” are omitted from the figure

As shown in the results of step 1, the likelihood of being an investor increases with income. The survey also asked about the time during which the respondent would expect to be able to cover their expenses without asking for a loan or having to change the living situation if the main source of income was lost. Here, strong differences are observable between investors and non-investors. While 48% of current investors said they would expect to be able to cover expenses for six months or more, only 23% of non-investors said the same. The figure below shows the different periods of time the respondents would expect to be able to cover expenses if they lost their main source of income.

Figure 6: If you were to lose your main source of income, how long would you be able to cover your expenses without asking for a loan or having to change your living situation?



N=2,207, share of answers "don't know" and "no answer" are omitted from the figure

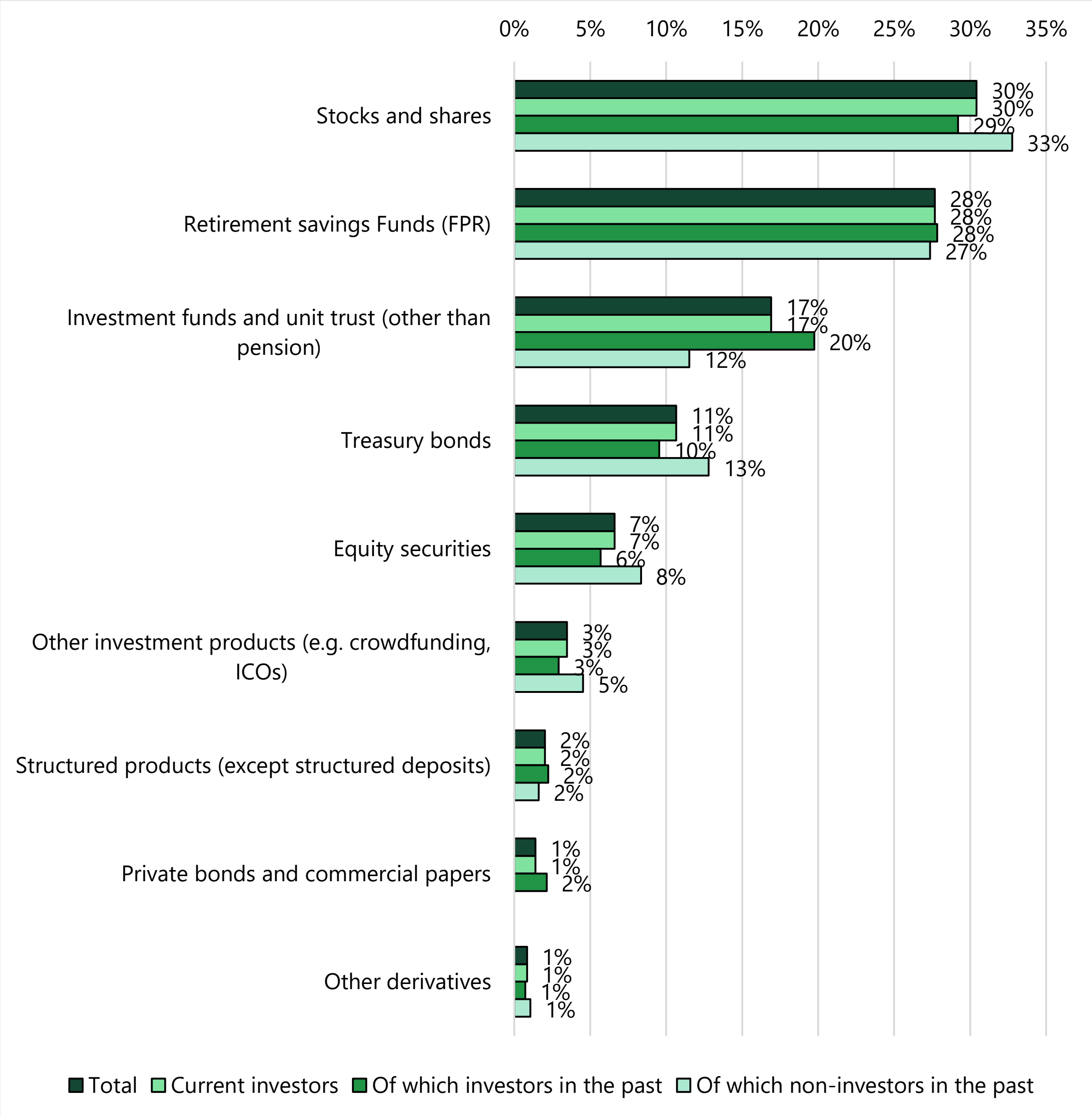
The products owned by the current and past investors is shown in the table below.

Type of product	Total	Investors		
		All	Past investors	Past non-investors
Investment funds and unit trust (other than pension)	7%	25%	28%	18%
Stocks and shares	11%	39%	39%	39%
Treasury bonds	4%	15%	15%	16%
Private bonds	1%	3%	4%	1%
Time deposits	44%	63%	69%	50%
Demand deposits	81%	81%	87%	68%
Structured deposits	5%	8%	7%	9%
Equity securities	3%	12%	11%	13%
Structured products (except structured deposits)	1%	4%	4%	3%
Other derivatives	0%	2%	1%	3%
Other investment products	2%	7%	6%	8%
Retirement savings Funds (FPR)	11%	40%	41%	36%
Pension plans or pension funds	16%	28%	30%	26%
Savings certificates	9%	14%	16%	10%
Treasury bills	7%	12%	13%	9%
Don't know response given to question as a whole	7%	-	-	-

Current investors were also asked about the (investment) product they chose most recently. Most indicated to have purchased stocks and shares (30%), followed by retirement savings funds (28%).

When looking into the distribution of the current choice between investors that had been investors in the past as well and those that have not been investors in the past, there are some differences in the products they have chosen most recently, as shown in the figure below.

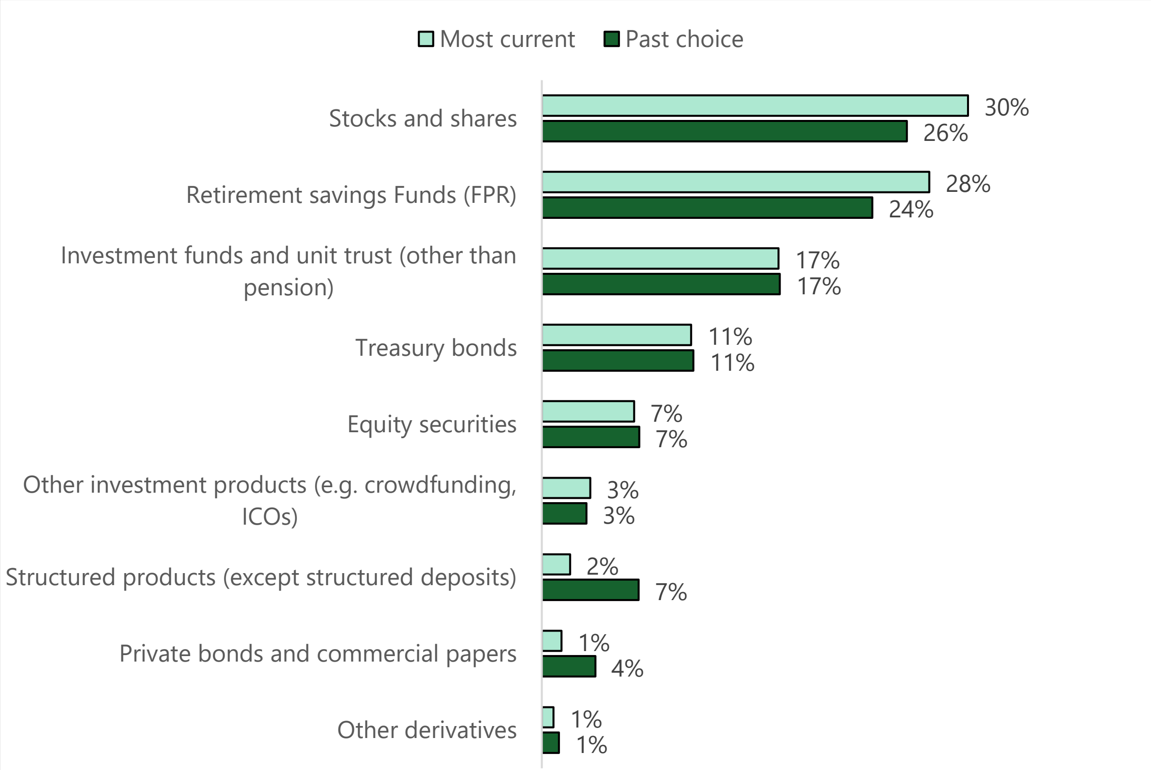
Figure 7: Most recent investment product chosen, by investor categories



N=706, multiple responses possible

No big differences in product choice was overall identified. One exception is structured products, which 7% chose in the past, compared to 2% of investors who chose it most recent. Slight increases are seen in stocks and shares, as well as the retirement funds categories, as shown in the figure below.

Figure 8: Which of the following investment products did you choose most recently and in the past? (Current investors)



N=706, multiple responses possible

Looking into specifically the securities market, the total sample shows that 28% of the surveyed individuals are current investors in the securities market (compared to 32% of total share of investors in the sample).

Following this finding, the distribution of investors in the securities market surveyed in the second step of the process is shown below.[9]

Type of respondent	Share
CURRENT INVESTORS	**27.81%**
of which investors in the past	18.22%
of which non investors in the past	9.59%
CURRENT INVESTORS	**27.81%**
of which make decision by himself	10.86%
of which share decision with other	16.95%
CURRENT NON-INVESTORS	72.19%
of which make decision by himself	27.83%
of which share decision with other	44.36%

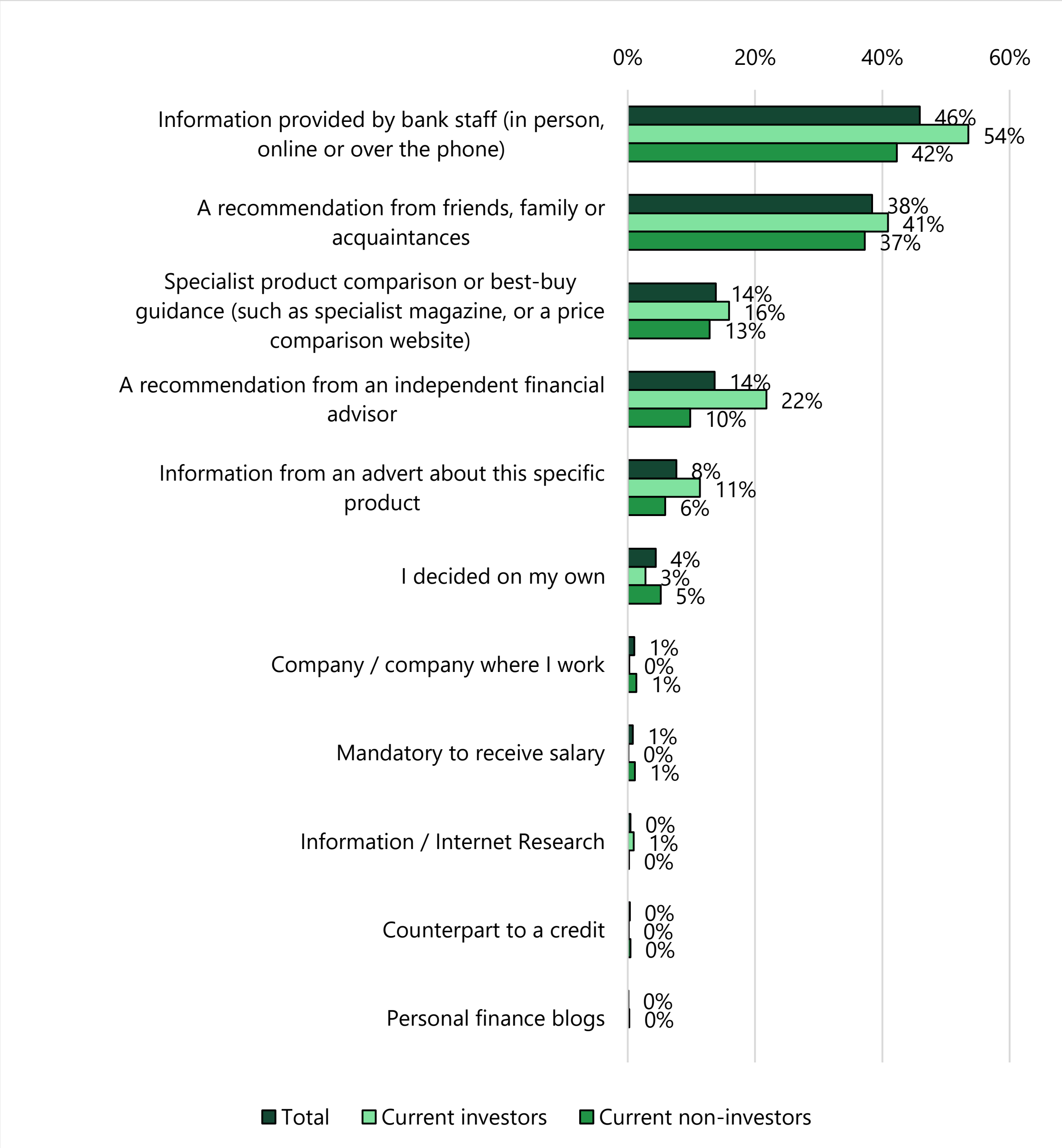
[9] Please note that the share of investors and non-investors might vary from the results in Step 1 as the respondents were not all the same in Step 2.

3.2.1.2 Information and the sources chosen

One key aspect of choosing products is the sources of information that feed the decision-making process. Thus, a series of questions were asked to understand which are used and which affect their decision.

With regards to the source that the respondent felt influenced their decision most, the information provided by bank staff received most mentions, in particular by current investors (54%), followed by a recommendation from friends, family or acquaintances (41%). The fewest mentions were related to personal finance blogs and the product being a counterpart to a credit currently held by the respondent. The responses are shown in the figure below.

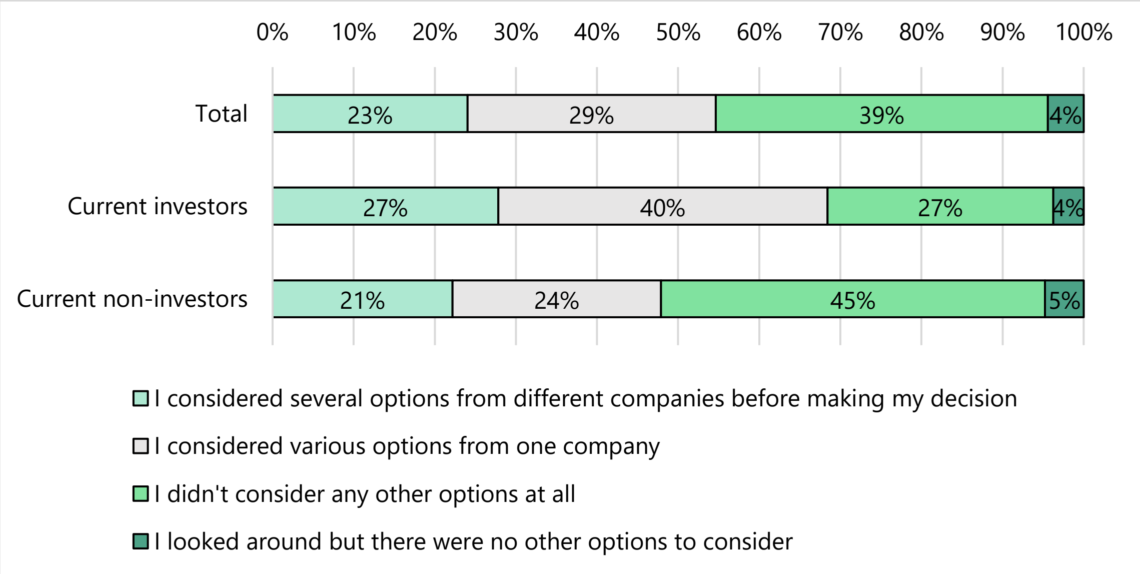
Figure 9: Source of information that influenced the most recent product choice



N=1,928, multiple responses possible, "no answer" omitted from figure

The survey also provided the respondents with more concrete statements to identify which way they made their most current product choice. Over one third of the total respondents did not consider any other product options at all (39%). On the other hand, current investors did consider various options from one company (40%), most likely the bank they asked for advice considering the responses in the previous figure (see Figure 9). While, the majority of total respondents did consider more than one option, either from different companies or from the same company, less than half of the current non-investors did so.

Figure 10: Options considered before making decision

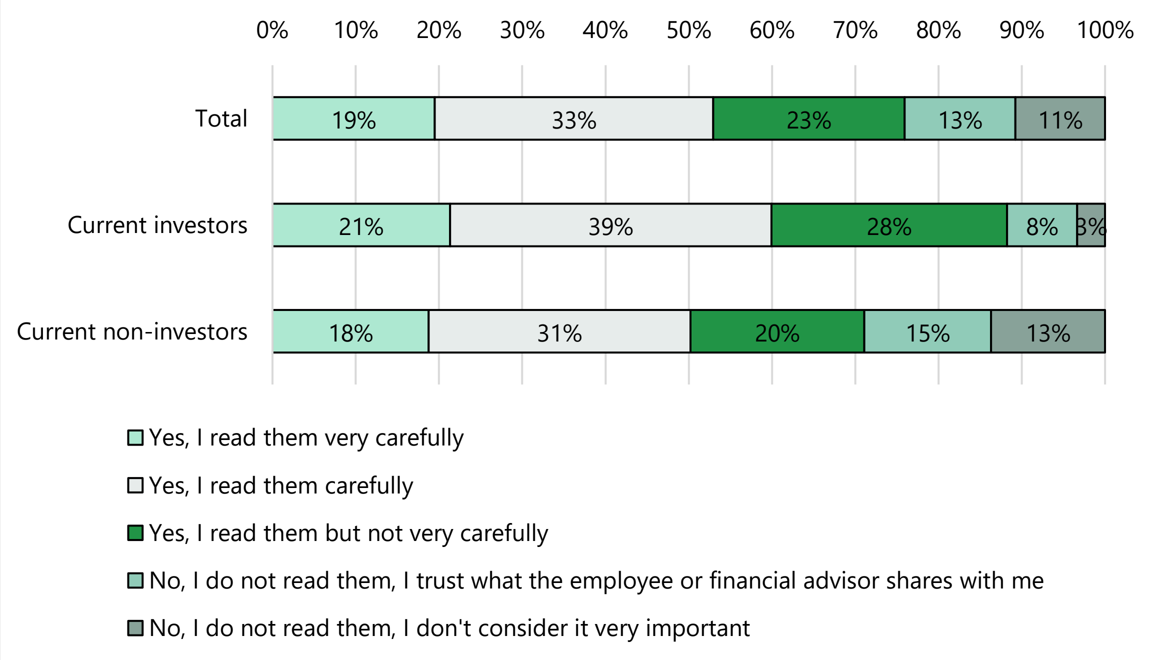


N=1,928; answers "don't know" and "no answer" are omitted from the figure

Following the understanding of the respondent's attitude towards comparing options, the survey also asked about the degree to which they read the contracts of the financial products they purchase. Almost one fourth of respondents indicated that they do not read the contracts, either because they trust what the financial advisor or employee shares with them (13%) or because they do not consider them to be very important (11%). While the majority of respondents do read the contracts (75%), albeit to varying depth, the level has decreased since 2015, where the rate was at 81%[10].

[10] Todos Contam (2015). Relatório inquérito literacia 2015, p.69 (não deriva ser em inglês?)

Figure 11: Degree to which the respondent reads the contracts of the financial product s/he purchases

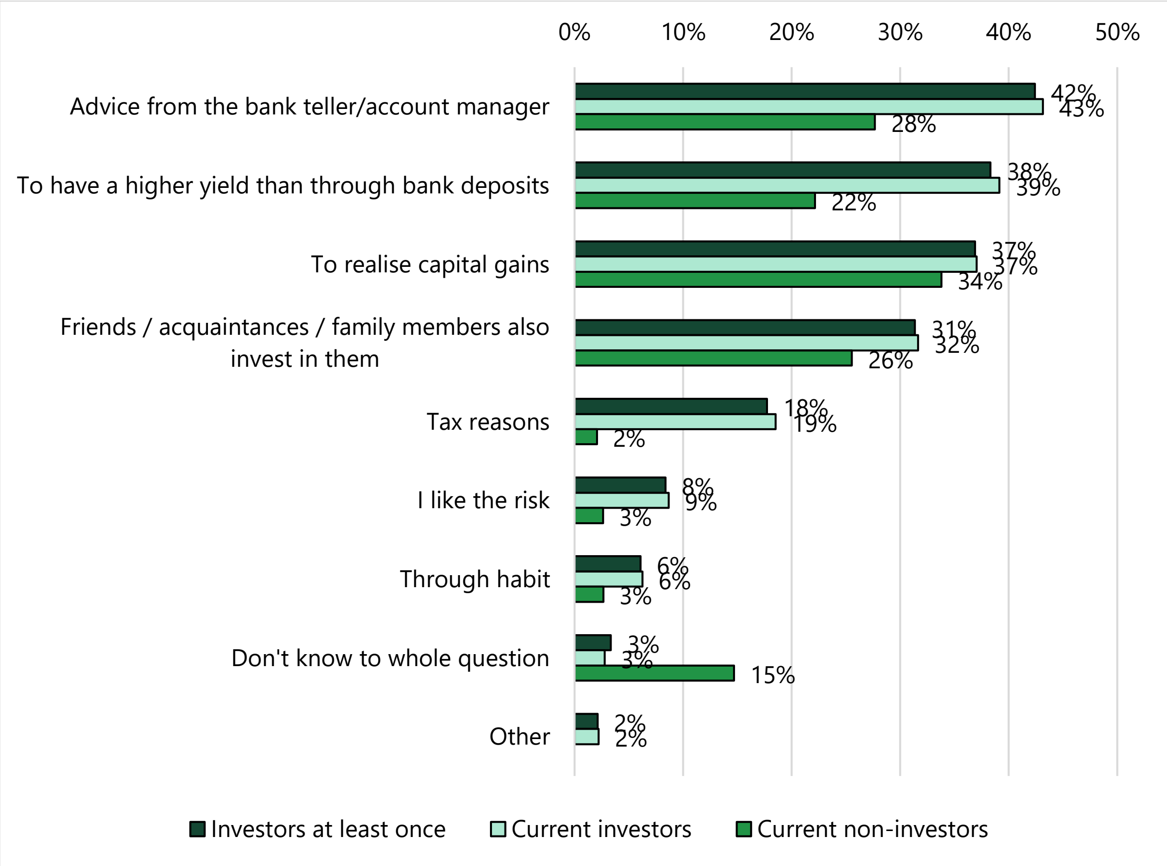


N=2,207; answers "don't know" and "no answer" are omitted from the figure

3.2.1.3 Decision making and financial behaviour

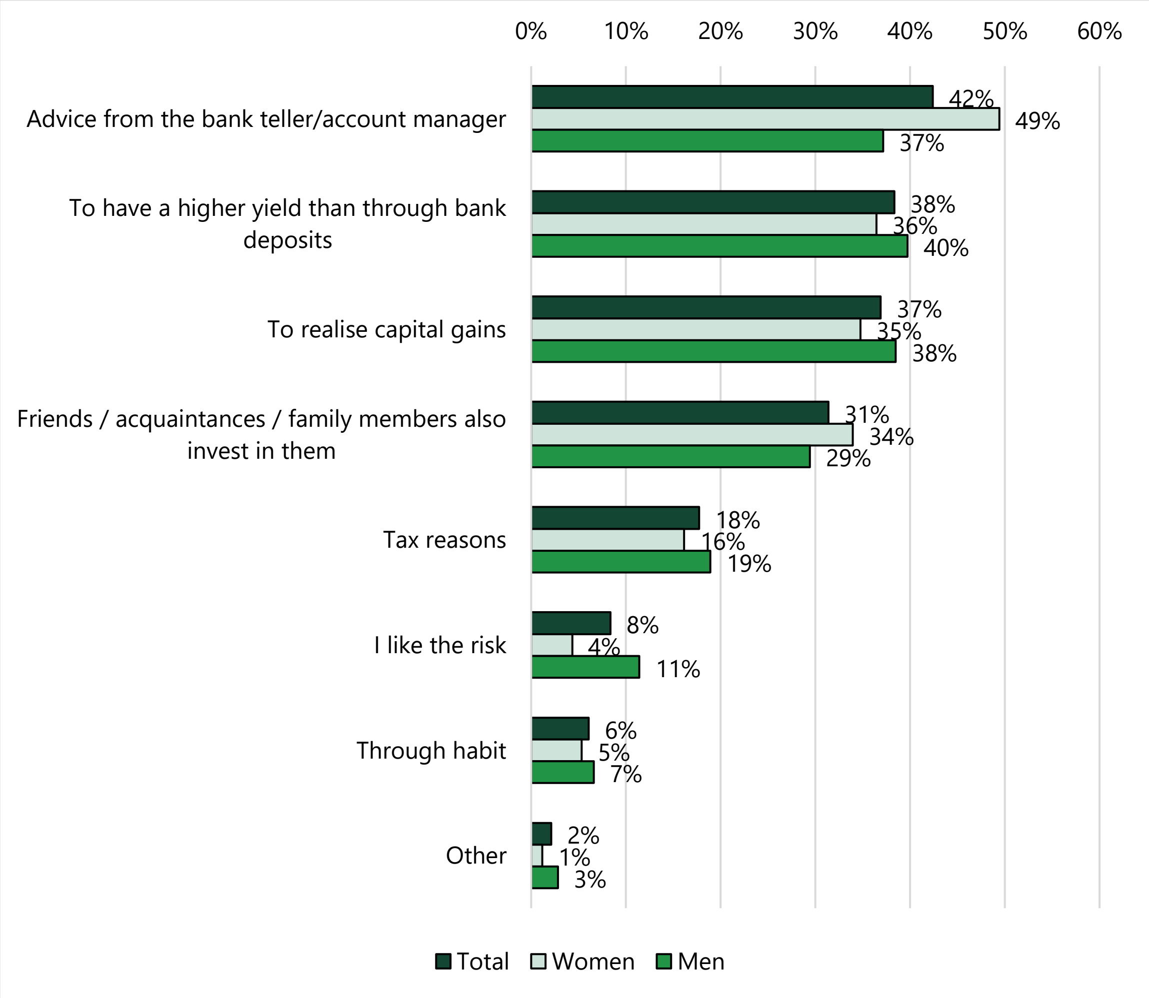
Looking closer at the reason why investors took the decision to invest in securities, many indicated that it was due to the advice received from the bank or account manager (42%), followed by the goal to have a higher yield than through bank deposits (38%) and to realise capital gains (37%). The figure below shows the different reasons for which an investor decided to invest in securities. In this case, the figure compares those that have been investors at least once, which could include current investors and current non-investors (if they have been investors in the past), to those that are current investors and those that are currently non-investors.. Comparing men and women, men seemed to be more risk prone (11%) compared to women (4%). For women, advice from the bank teller or friends (49%, 35%) were more likely to convince them to invest (see Figure 13).

Figure 12: Reason why investor decided to invest in securities



N=738; "no answer" responses are omitted from the figure

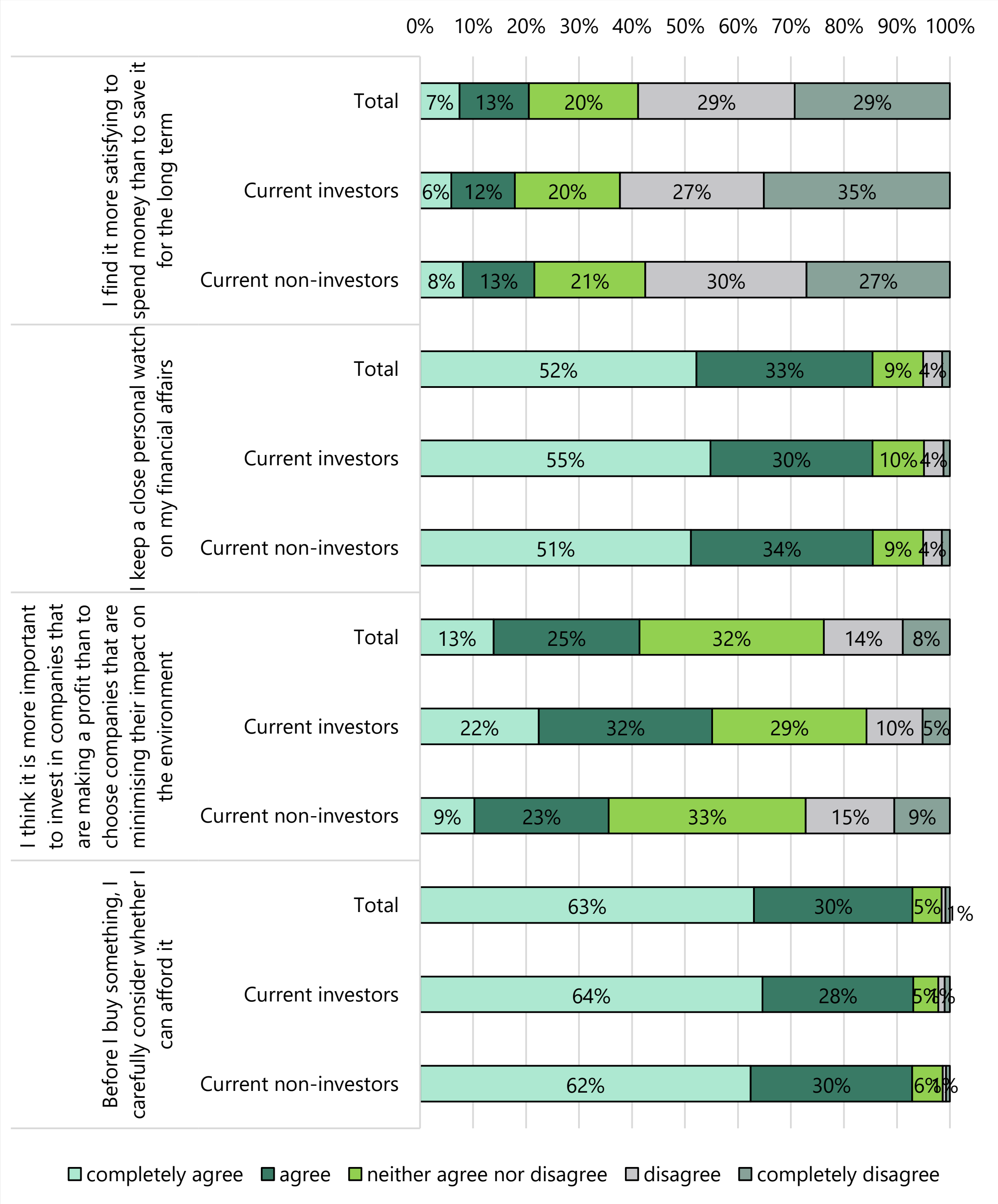
Figure 13: Reasons why people have decided to invest, by gender



N=738; answers "don't know" and "no answer" are omitted from the figure

Respondents were asked to answer a series of statements to understand their financial behaviour better. While, overall, there are no big differences in the way respondents answered the statements, one exception is the degree to which profit made by the company is considered more important than the environmental impact. Here, 54% of investors agree that making a profit is considered more important, compared to 32% of non-investors and 31% of those that have never invested.

Figure 14: I would like to know how much you agree or disagree with each of these statements (as it relates to you)



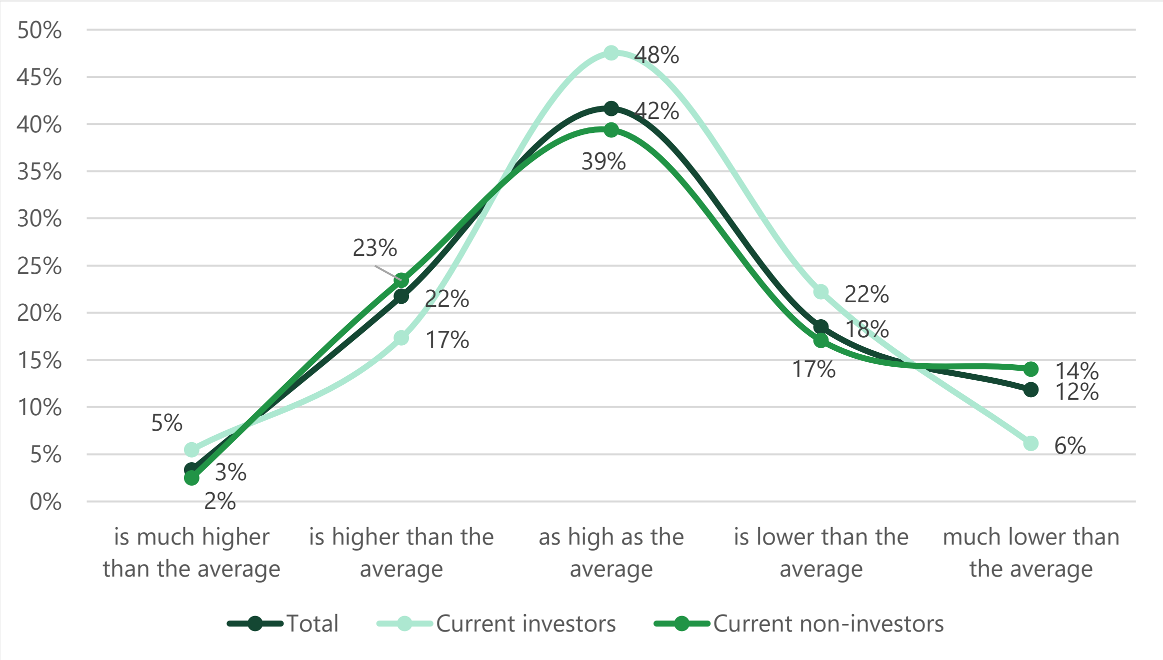
N=2,207; "no answer" are omitted from the figure

3.2.2 Financial knowledge

Another main objective of the research conducted was to understand the level of financial knowledge of the Portuguese population. The areas of knowledge the survey tried to understand was related to general numerical skills and financial terms (i.e. inflation and interest rate), followed by knowledge on the securities market and investment.

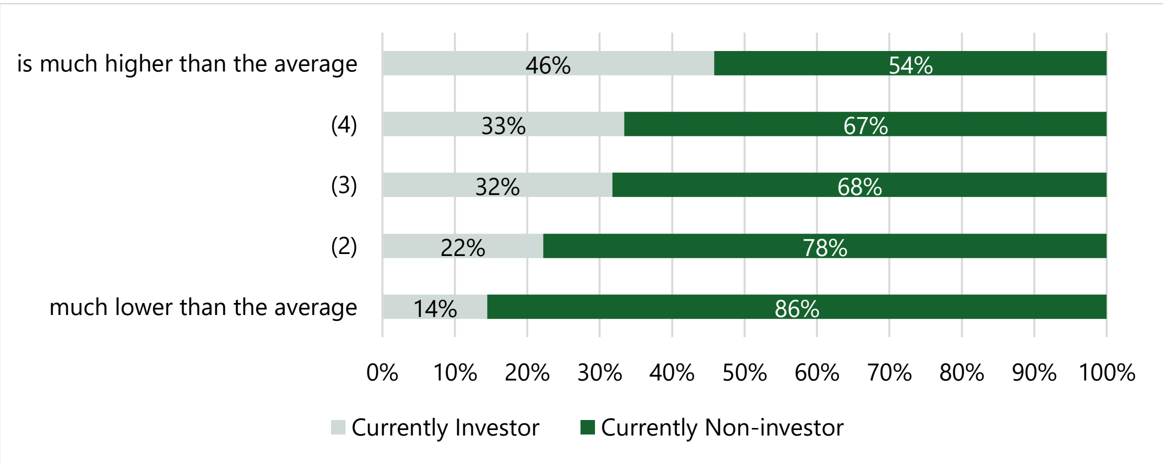
The first question asked the respondents about their self-perception of their level of financial knowledge, compared to the average. The distribution of people's self-assessment reminds somewhat to that of a normal curve, with the highest share of people estimating their knowledge around the average, but with a fat tail towards the lower end. This means that more people tend to underestimate their knowledge than overestimate it. Of the 75 respondents considering their knowledge to be much higher than the average, 60% were men, while 68% of the 244 respondents indicating their knowledge to be much lower than the average were women. In addition, the degree of confidence in financial knowledge increases for investors, looking into the distribution between investors and non-investors for each self-perception level (see Figure 16).

Figure 15: Self-perception of financial knowledge, compared to the average



N=2,027; answers "don't know" and "no answer" are omitted of the figure

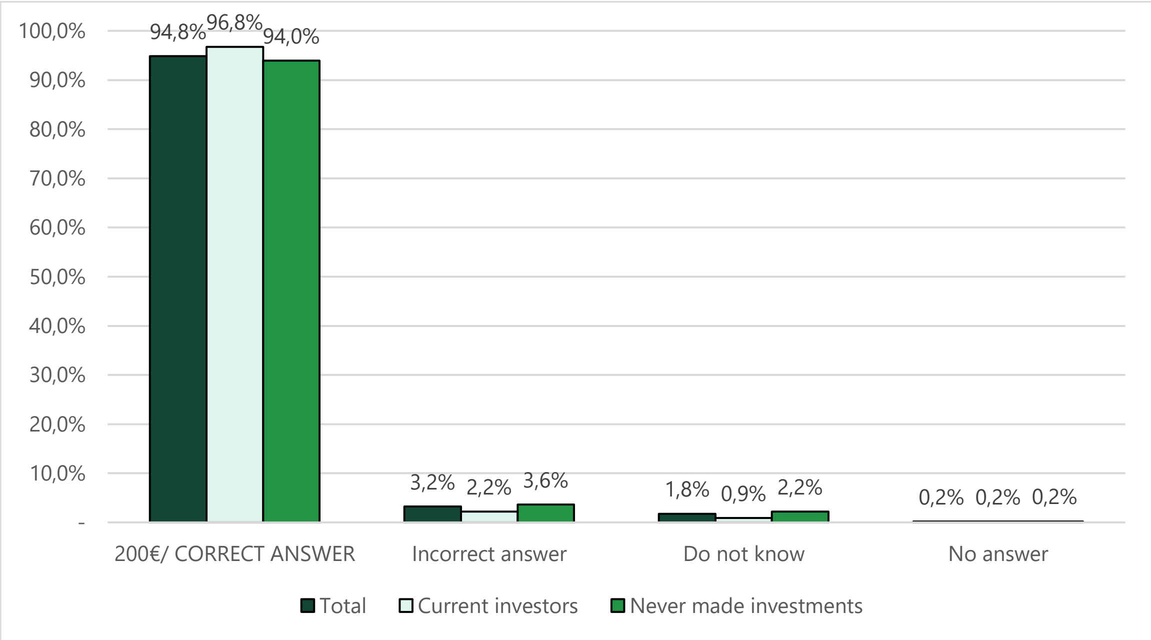
Figure 16: Self-perception of financial knowledge, by perception category



3.2.2.1 Numerical and basic financial knowledge

The first questions on financial knowledge aimed at identifying the level of numerical skills of the respondents. The first question was a division question asking how much each of five brothers would receive if the gift of EUR 1,000 was equally distributed amongst them. This question was correctly answered by 95% of respondents, with current investors slightly more likely to get this right (97%) than those who never made any investments (94%). The same share of women and men answered the question correctly (95%). Looking into the age groups, a below average share of 18 to 24 year olds answered the question correctly (92%), the lowest rate across all age groups. When comparing temporal effects, the share of respondents that answered correctly increased from 88% in 2015 to 95% in 2020.

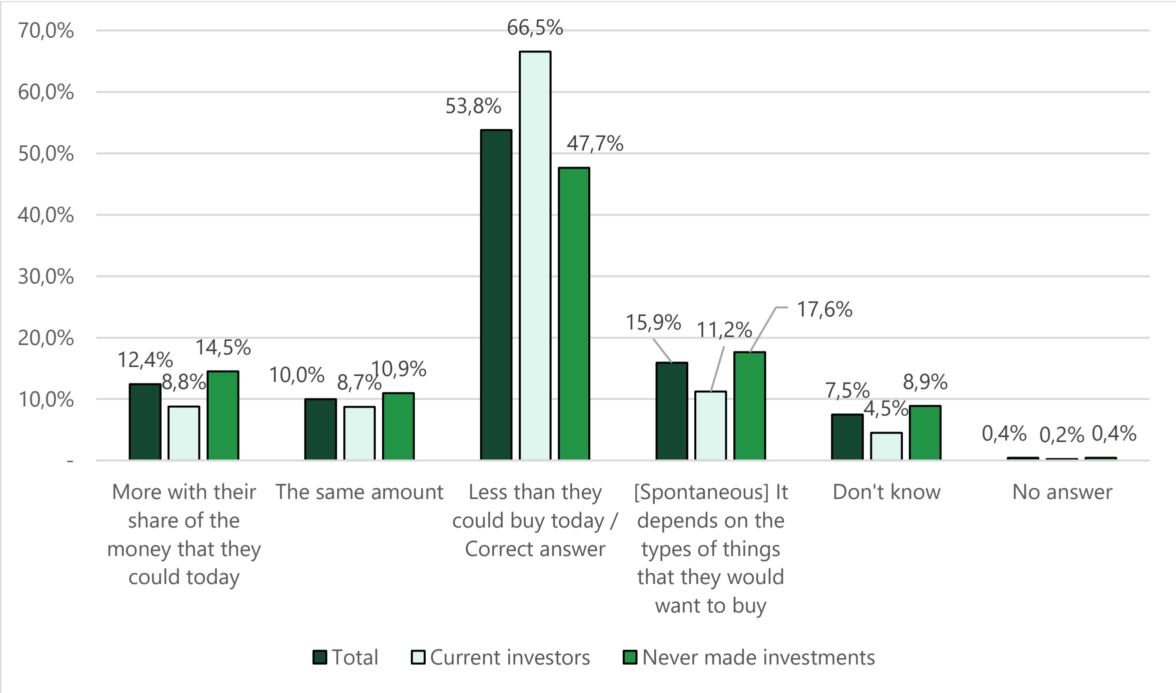
Figure 17: Imagine that five brothers are given a gift of 1,000 Euros in total. If the brothers have to share the money equally how much does each one get?



Total 2,207; 706 investors and 1,390 never made investments

The basic understanding of inflation and interest rate was also investigated. For the question how much the brothers could buy after one year with their share of the EUR 1,000 if inflation stayed at 2%, 54% responded correctly (i.e. less than they could buy today). This is a slight increase compared to 52.9% of correct responses in 2015. A few answered that it would depend on the types of things they would like to buy (16%), which, following OECD guidelines is also categorised as a correct response. Thus, a total of 70% of respondents answered the question correctly. More men answered correctly (73%) than women (66%). The share of correct responses increased with age with the highest share of correct responses given by 70 to 79 year olds (74%), albeit with a sharp drop within the group of 80+ year olds (58%). Those respondents who considered their financial knowledge to be much higher than the average had the lowest rate of correct responses to this question (47%), compared to the rest of respondents (average of 54%). In addition, current investors answered more often correctly (67%) than those who never invested (48%).

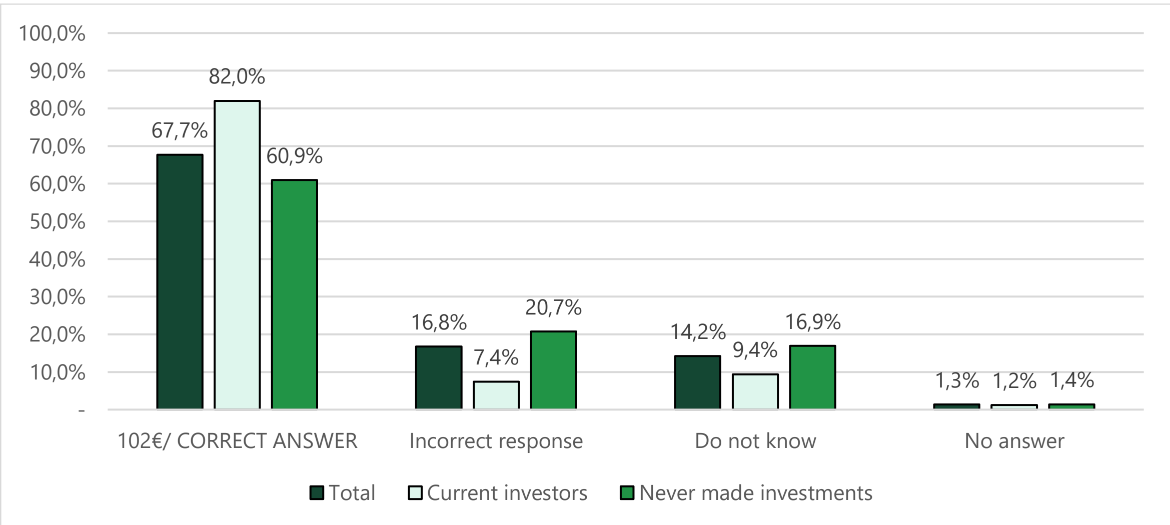
Figure 18: Now imagine the brothers have to wait for one year to get their share of the 1,000 Euros and inflation stays at about 2%. In one year's time will they be able to buy:



Total 2,207; 706 investors and 1,390 never made investments

With regards to the understanding or knowledge of interest rates, the survey asked that if someone puts EUR 100 into a no fee and tax-free savings account with a guaranteed interest rate of 2% per year and no additional changes, what the total amount in the account would be after one year. 68% of respondents answered correctly, compared to 57% in 2015. Current investors answered this question more often correctly (82%) than those that have never invested (61%). Here again, more men answered correctly (73%) than women (62%).

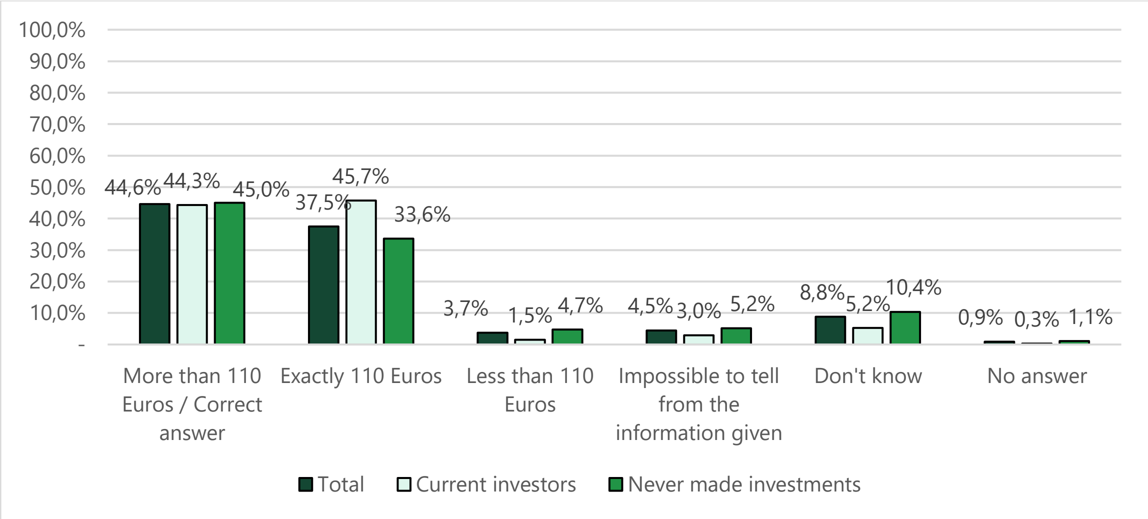
Figure 19: Imagine that someone puts 100 Euros into a no fee/tax free savings account with a guaranteed interest rate of 2% per year. How much would be in the account at the end of the first year, once the interest payment is made?



Total 2,207; 706 investors and 1,390 never made investments

The following question asked how much would be on said account at the end of five years (considering that no changes are made to the account). Here, 45% of respondents answered correctly, with a very slight difference between investors (44%) answering less often correctly than those that have never invested (45%). The share of respondents answering correctly had also increased compared to 2015 (39.5%), but so did also the share of incorrect responses (45.7% of investors and 37.5% of all respondents in 2020 and 33.5% in 2015). More men answered correctly (47%) than women (43%). The response options to this question hinted to a very detailed calculation, whereby respondents were given the main options of "more than 110 Euros"; "exactly 110 Euros"; or "less than 110 Euros". 37% of respondents answered, "exactly 110 Euros", which could be due to a quick calculation or rough estimation without the annual compounding.

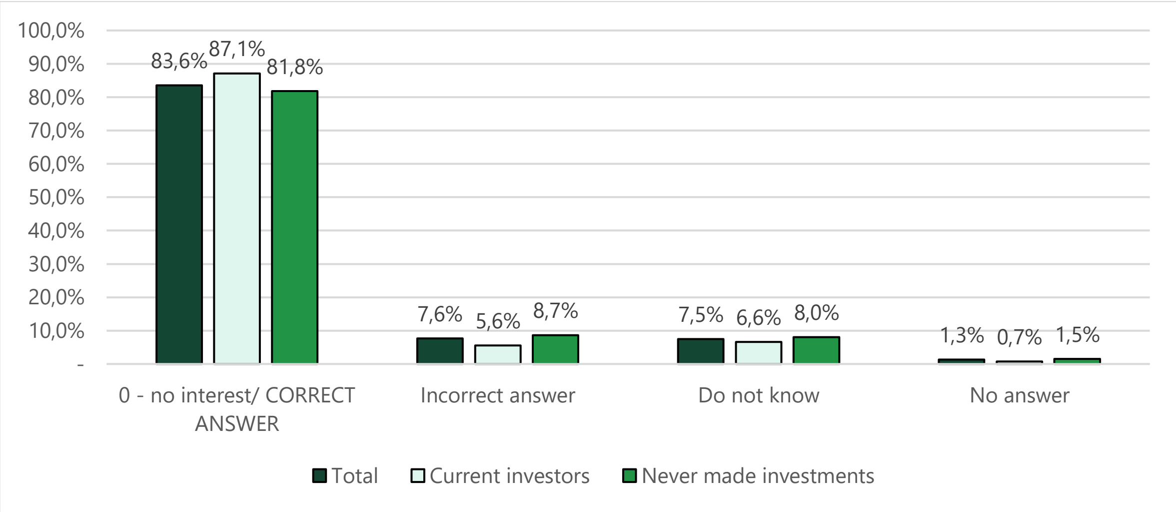
Figure 20: And how much would be in the account at the end of five years [remembering that there are no fees or tax deductions]?



Total 2,207; 706 investors and 1,390 never made investments

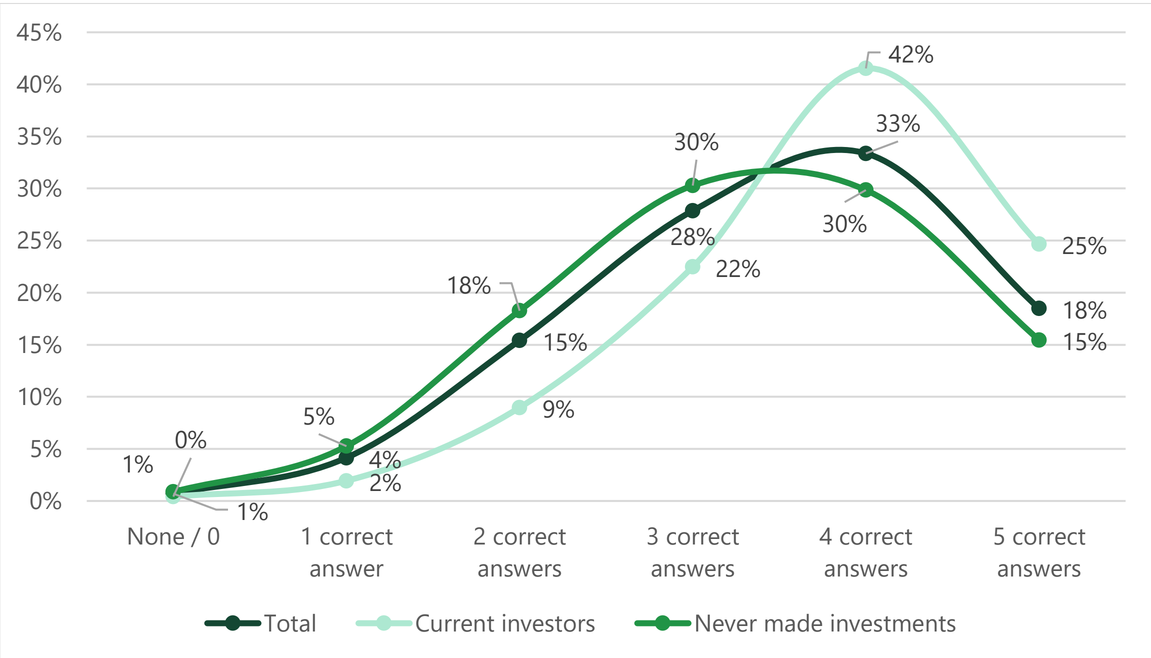
Continuing with the knowledge on interest rates, the final question on numerical knowledge asked the respondent if they were to lend EUR 25 to a friend and they give back EUR 25 after a day, how much interest the friend has paid on that loan. A total of 84% responded correctly to the question, with only a small difference between current investors (87%) and those who have never invested (82%). The share of correct responses has decreased compared to the 86.5% in 2015. More women answered correctly (85%) than men (82%). In addition, those considering their knowledge to be much higher than the average showed the lowest share of correct responses (80%) compared to the remaining respondents (84% correct responses on average).

Figure 21: You lend 25 Euros to a friend one evening and he or she gives you 25 Euros back the next day. How much interest has he or she paid on this loan?



Total 2,207; 706 investors and 1,390 never made investments Looking into the total number of responses that the people surveyed had answered correctly, investors are on the upper band of correct responses, as shown in the figure below. Differences in age shows that the age group 70-79 had the highest number of correct responses. 18 to 24 year old respondents had the highest share of people who did not respond correctly to any question (1.3%) and the lowest share of respondents with 5 correct answers (14%). Comparing to the results of 2015, the number of correct responses has increased. In 2015, no surveyed person had answered correctly to all the questions, 18% to four questions (33% in 2020) and 42% to three questions (28% in 2020).[11]

Figure 22: Total number of correct responses, by type of respondent



Total 2,207; 706 investors and 1,390 never made investments

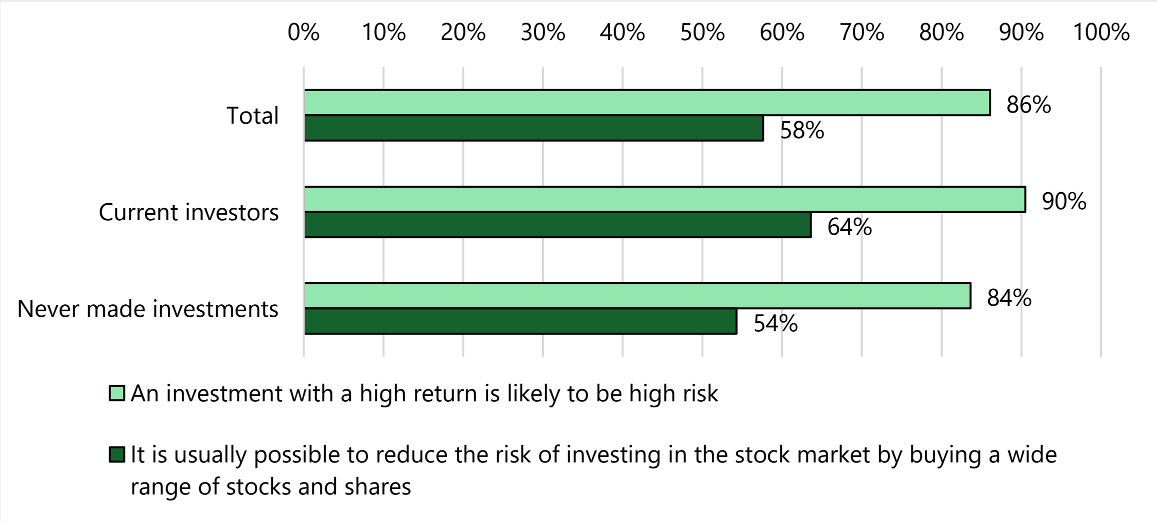
[11] Todos Contam (2015). Relatório inquérito literacia 2015, p.95

3.2.2.2 Knowledge on investing

Next to overall numerical and basic financial knowledge, specific questions related to investment have been asked as well.

First, two statements were read to the respondents to which they were to answer whether they are true or false. The respondents answered correctly if they indicated the statements were true. That an investment with high return is likely to be a high-risk investment was correctly answered by 86% of respondents, compared to 81% in 2015. The share of correct responses grows with age, with the highest share of correct answers in the group of 40 to 54 year olds and it drops again from the age group 55 to 69 onwards. In comparison, that reducing the risk is usually possible by diversifying the portfolio, i.e. investing in a wide share of stocks and shares was answered correctly by 58% of respondents. This represents a decrease of correct responses compared to the 72% in 2015. Here again, a larger share of men answered correctly (62%) compared to women (53%). However, respondents preferred to say "I don't know" than answering incorrectly. The figure below shows the share of respondents that answered correctly broken down by whether they are investors (or have been in the past) or not.

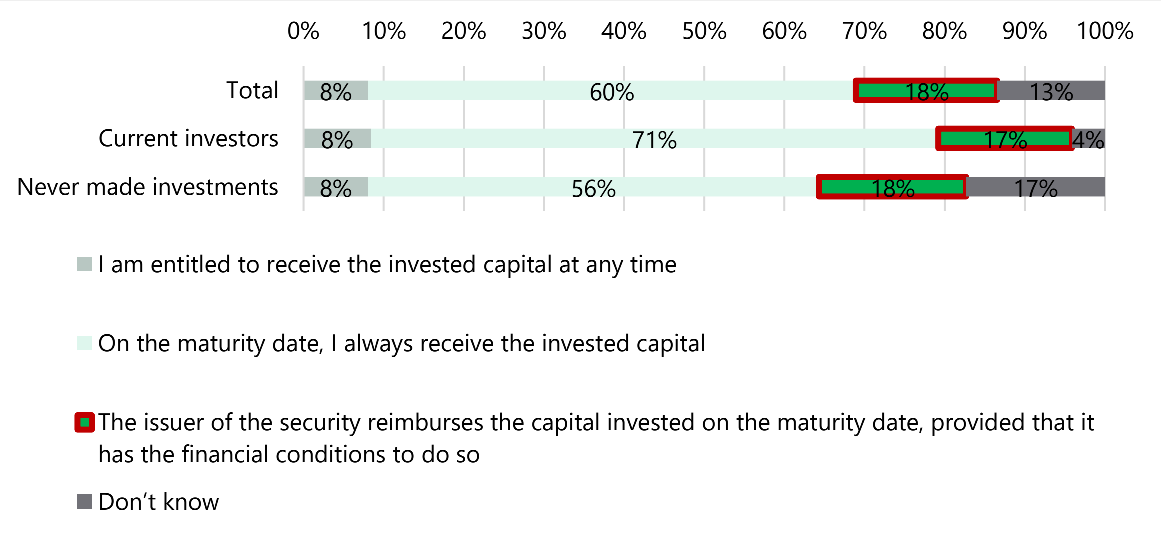
Figure 23: Share of respondents answering correctly to statements on investment



N=2,207

The next question asked about the respondent's understanding of guaranteed capital. Overall, only a minority of the respondents answered correctly to the question (18%), with almost no difference between investors (17%) and those that have never invested (18%). Nevertheless, the share of correct responses has increased since 2015, where it stood at 4%.

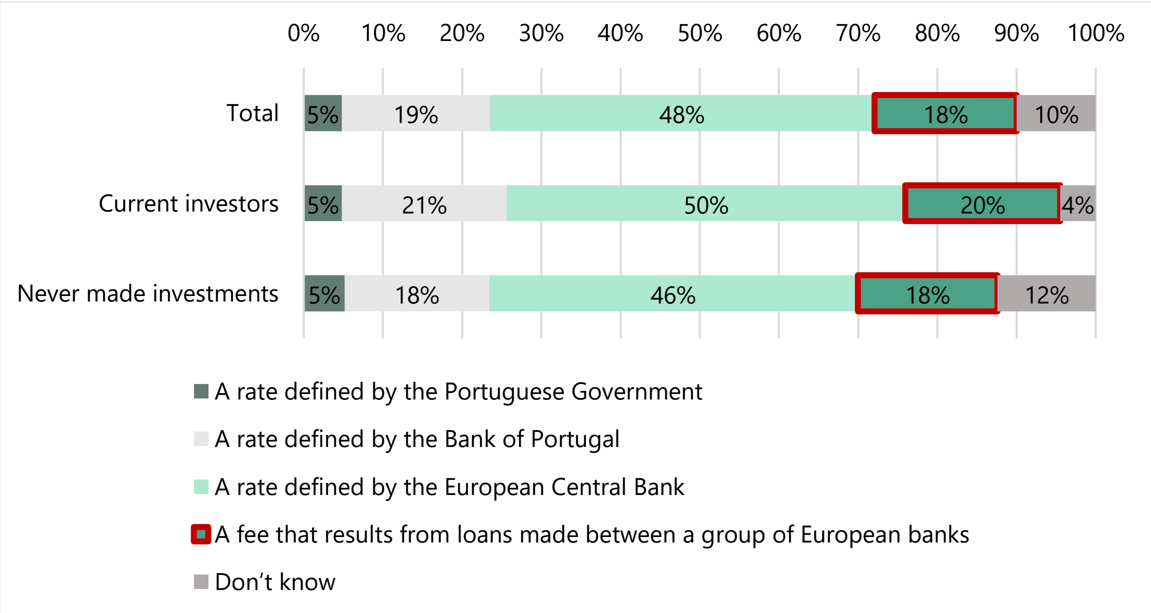
Figure 24: What does it mean for a security to have guaranteed capital on the maturity date?



N=2,207

The next question was the most technical and it asked about the understanding of the Euribor. Only 18% of the respondents answered correctly, which is an increase of 7%-points compared to the 2015 survey, where 10.5% of respondents answered correctly.

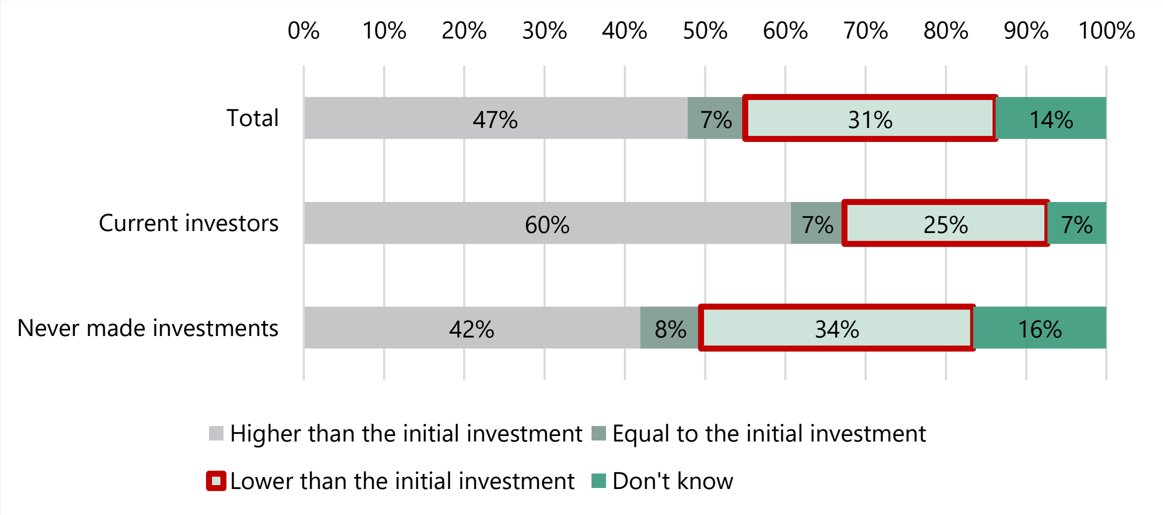
Figure 25: Tell me, Euribor is…:



N=2,207

The last question on investment knowledge aimed at understanding how the respondent understands the development of investment value: What is the value of a EUR 1,000 investment if the price drops 50% in the first six months and then increases 80% after those six months. About one third of the respondents answered correctly to the question (31%), surprisingly current investors answered less often correctly (25%) than people who have never invested (34%). The share of women who answered the question correctly was slightly higher (32%) than the share of men answering correctly (30%).

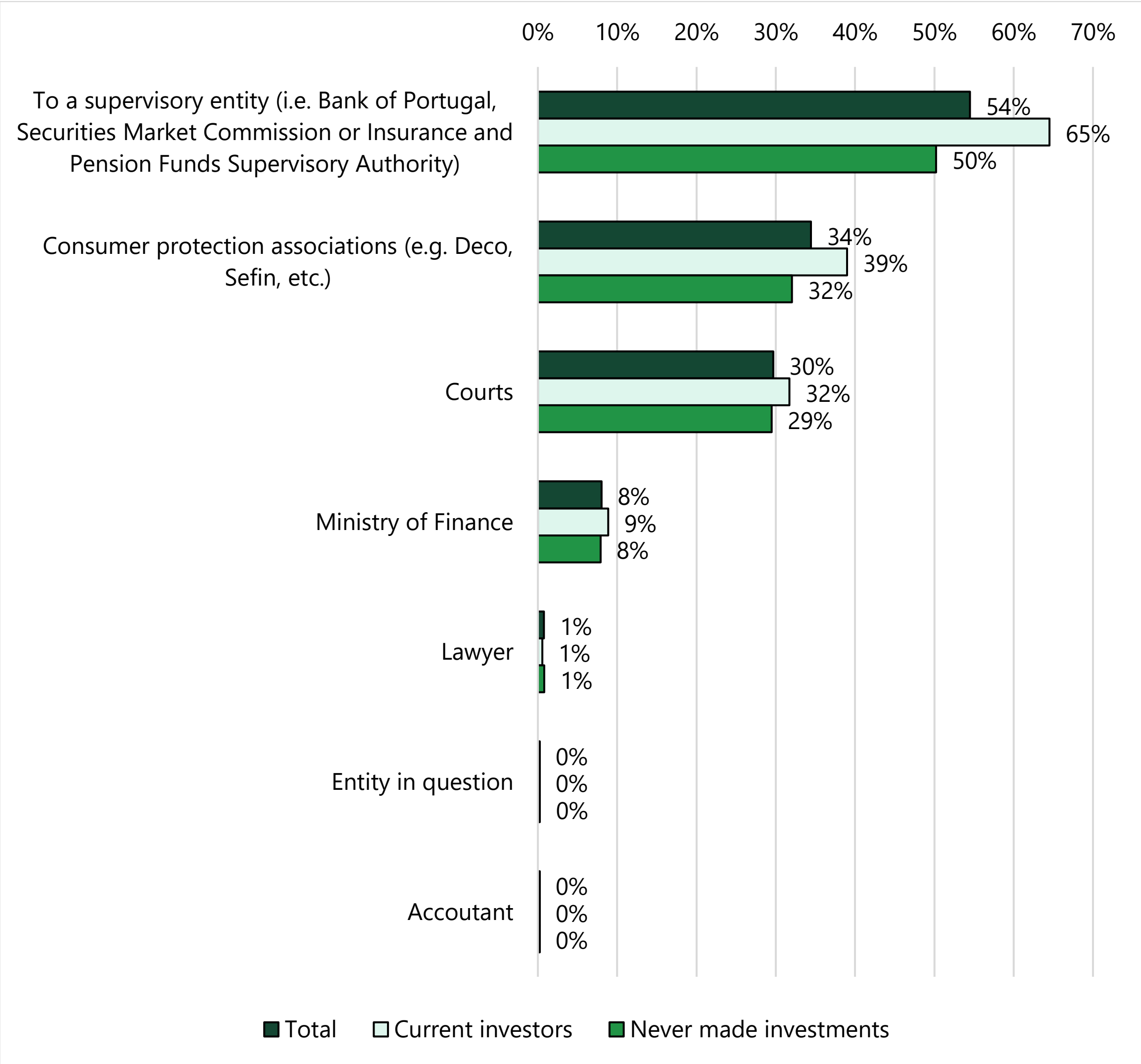
Figure 26: What is the value of a 1,000€ investment if the price drops 50% in the first six months and then increases 80% after those six months?



N=2,207

One final question, albeit less related to financial knowledge, was to which entity the respondent would resort to or had already resorted to, in case of disagreement about financial products. Most respondents indicated that they would resort to a supervisory entity (e.g. Bank of Portugal, CMVM) (54%), an increase compared to 46.5% in 2015, followed by consumer protection associations (e.g. Deco) (34% in 2020, 23.5% in 2015).

Figure 27: Which of these entities would you resort to, or have you already resorted to, in case of disagreement about a financial product?



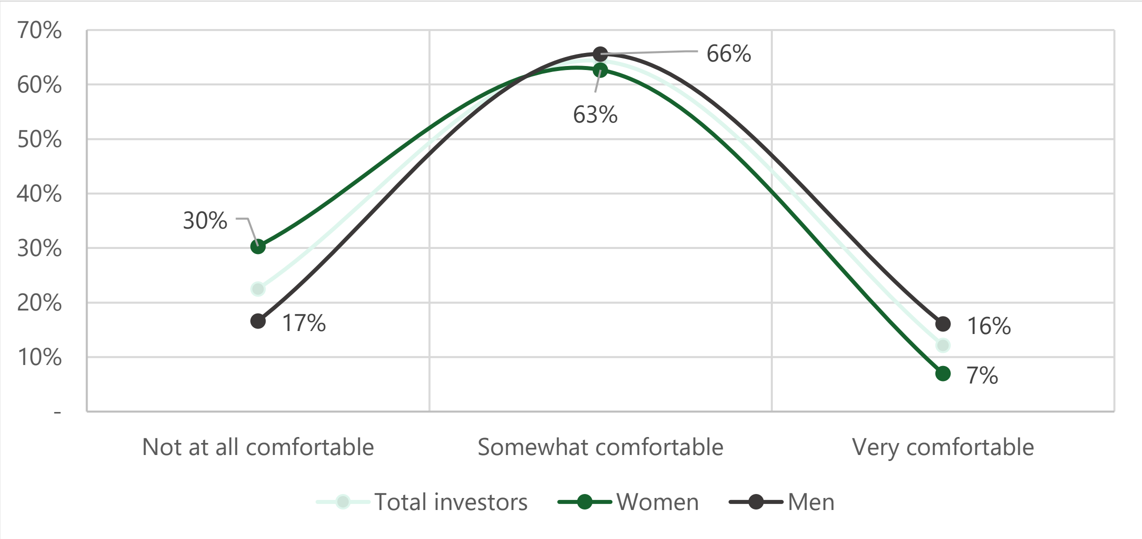
N=2,207; multiple responses possible

3.2.3 Investment behaviour and attitude

Investors were asked about their behaviour when investing, while non-investors were asked about reasons for not investing and those that were past investors but are currently not, the survey asked about the reasons why they did not continue to invest in the securities market.

With regards to investors, most are somewhat comfortable in making investments decisions (64%), though more indicated to not be comfortable (23%) than very comfortable (12%). Women indicated to be more uncomfortable in making decisions (30%) than men (17%). Particularly young women tended to indicate that they are not at all comfortable (48%) and at most 'somewhat comfortable' (52%), but none felt 'very comfortable'.

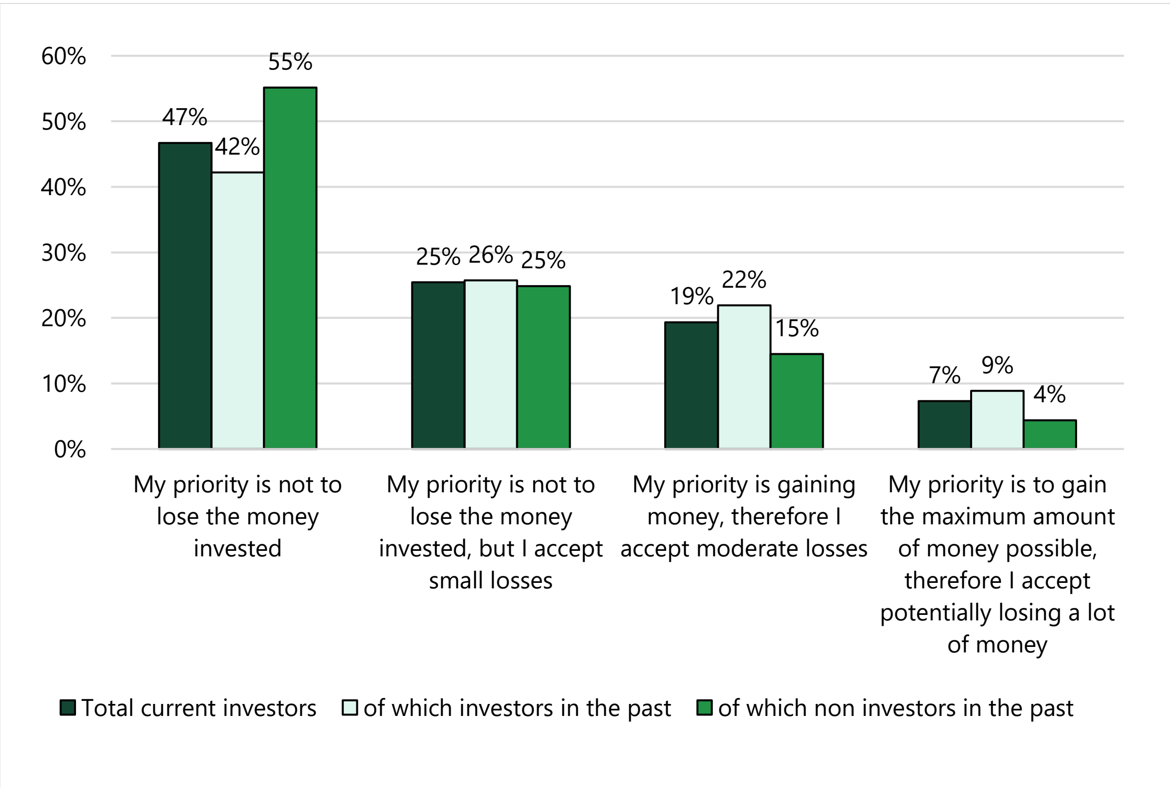
Figure 28: In terms of experience, how comfortable are you in making investment decisions?



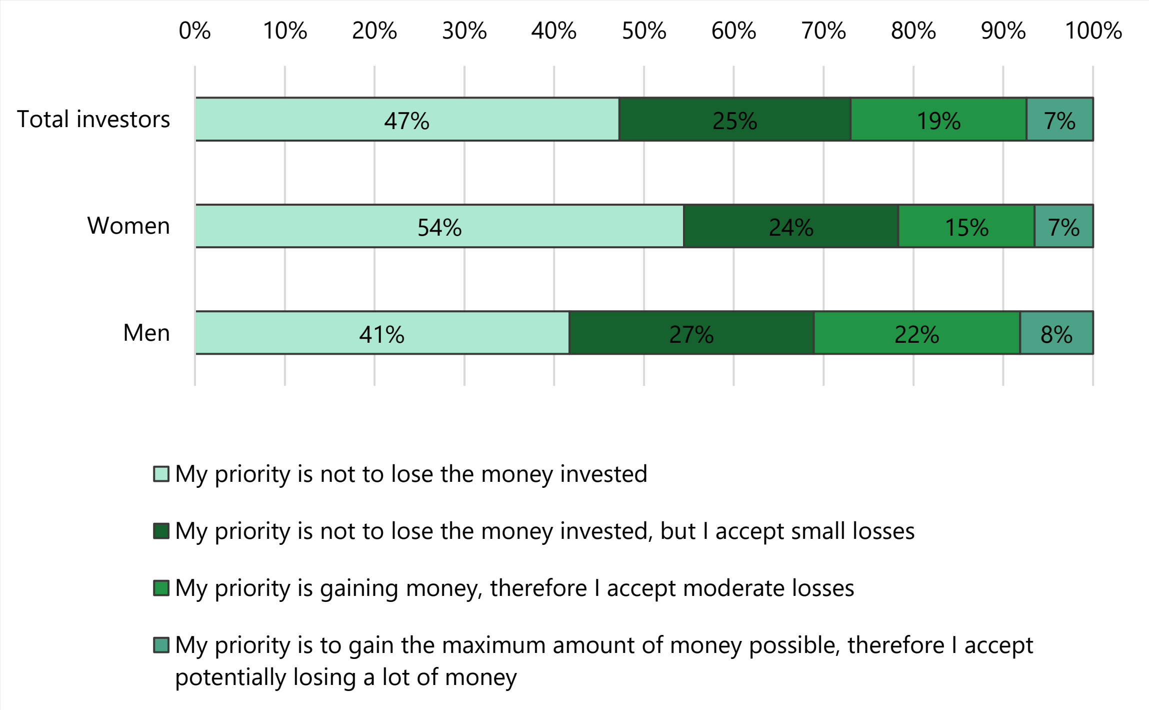
N=706; "no answer" is omitted from the figure

Looking into the priorities when investing, it seems that new investors, meaning current investors that had not been investors in the past tend to be more risk-averse, as 55% of them indicated that their priority is not to lose the money invested, compared to 42% of investors that had been investors in the past as well. Thus, current investors who were also investors in the past are more risk prone but there remains an overall preference towards lower risk. More than half of the women (54%) indicated that their priority when investing is not to lose the money they invested, compared to 41% men. Overall, men seemed more prone to risk.

Figure 29: Which option best describes your attitude towards making investments in financial products?



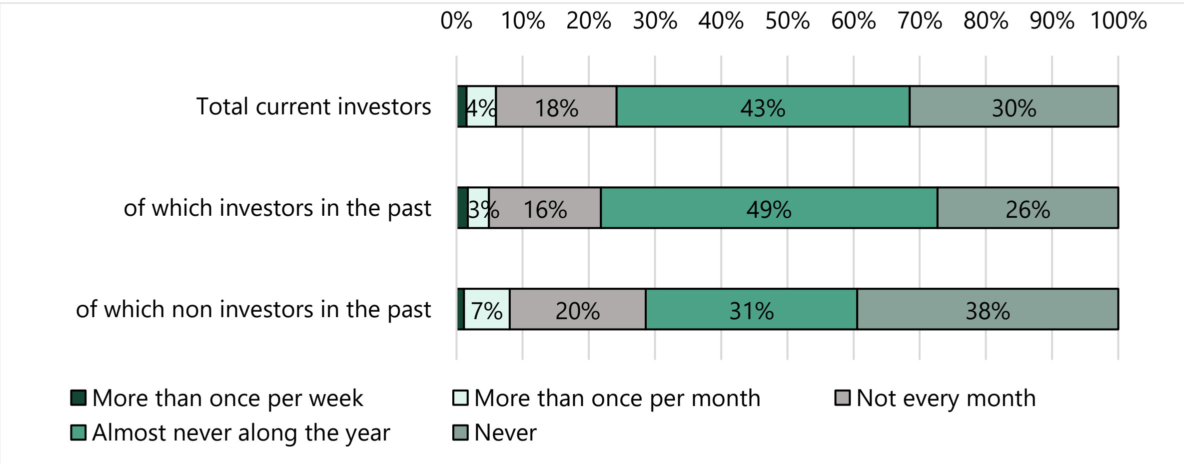
N=706; answers "don't know" and "no answer" are omitted from the figure



N=706; "don't know" and "no answer" are omitted from the figure

Current investors do not tend to make transactions involving securities along the year. The transactions appear to be more sporadic than yearly. There was a tendency for women to make transactions rather more sporadically (41% almost and 38% never) than men (33% and 25% respectively). There also seemed to be an age effect, with growing age, the share of those only making transactions sporadically increased (with the exception of the highest age group 80+).

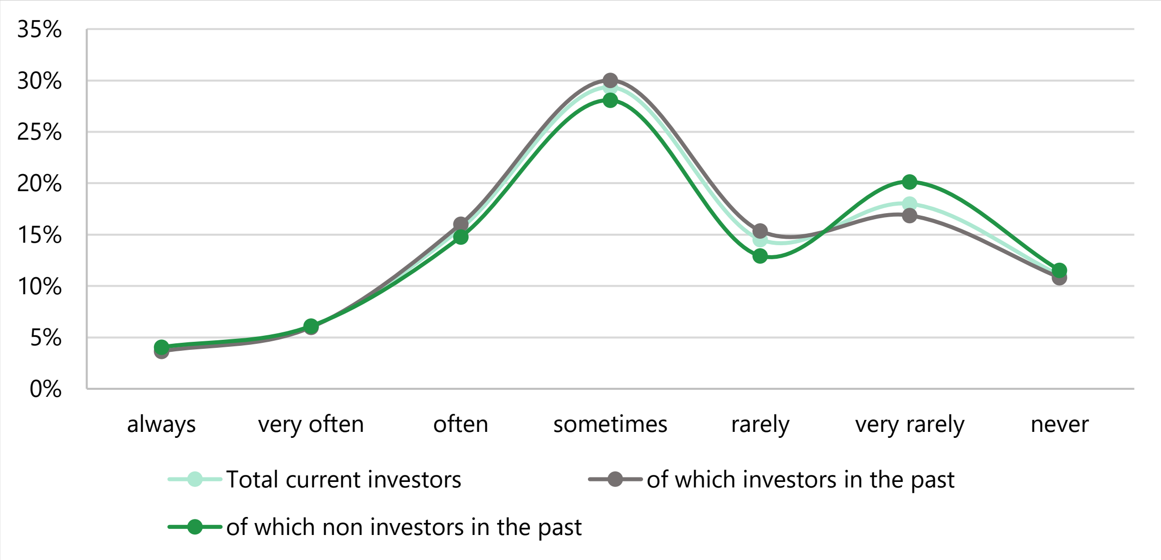
Figure 30: How often do you or did you make transactions involving securities?



N=706

Current investors were asked how often they check the value of their investments or investment portfolio. Here the responses are distributed around the middle, with 29% indicating they check it sometimes. More women indicated to check the value of their investments very rarely to never (36%) compared to men (24%). The age group differences were somewhat less clear, with the exception of investors in the age group 80+, who indicated to check the value very rarely or never (52%).

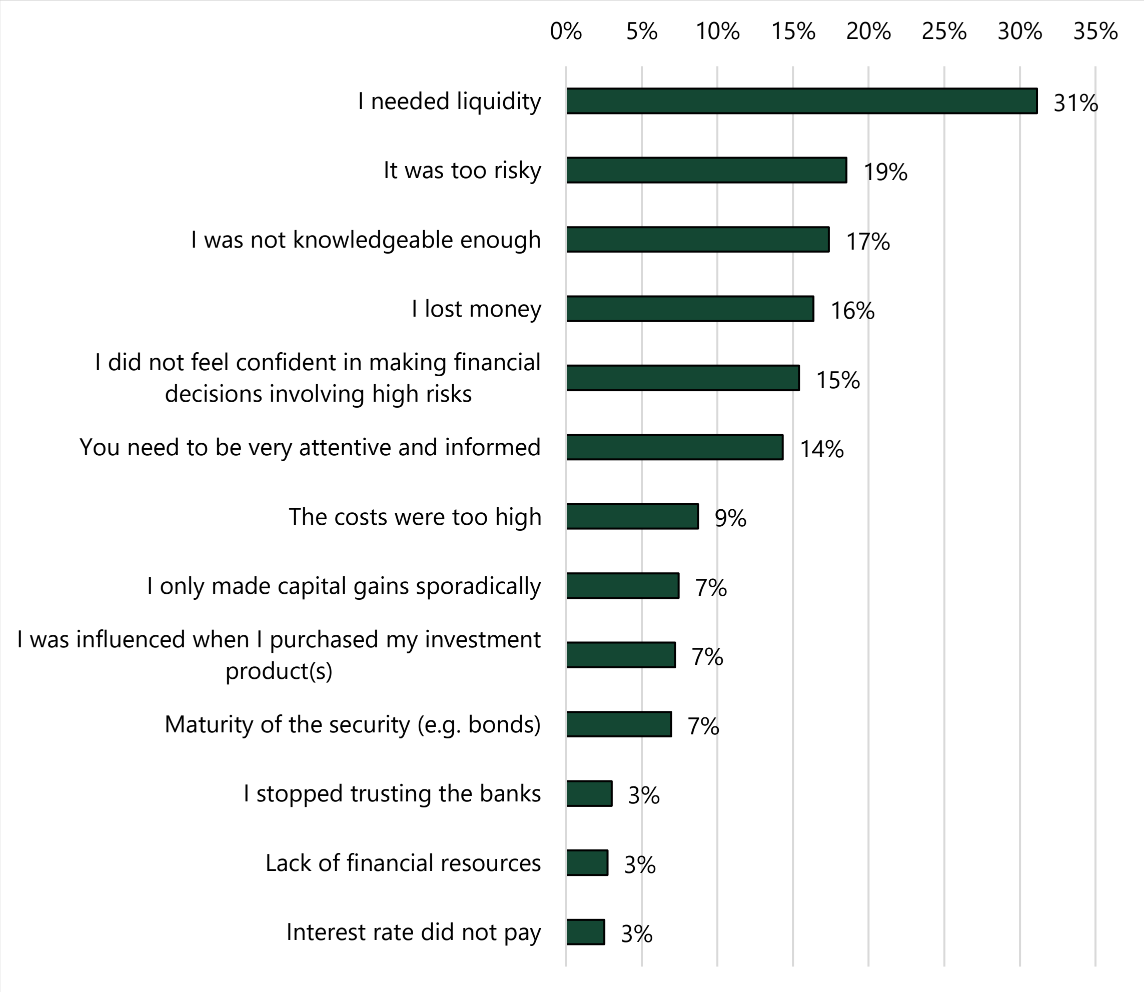
Figure 31: How often do you check the value of your investment / portfolio?



N=706; "don't know" and "no answer" are omitted form the figure

Persons who were investors in the past, but not anymore were asked for their reason why they stopped investing (in securities). Amongst the more often mentioned reasons was that they needed liquidity (31%), especially indicated by men (40% compared with only 20% among women). This was followed by past investments having been too risky (19%), also somewhat more often mentioned by men (21%) than women (15%). The third most common reason was that they were not knowledgeable enough (17%), and this was the reason most often mentioned by respondents in the age category 70 to 79 years (42%).

Figure 32: What was the reason you stopped investing in securities?

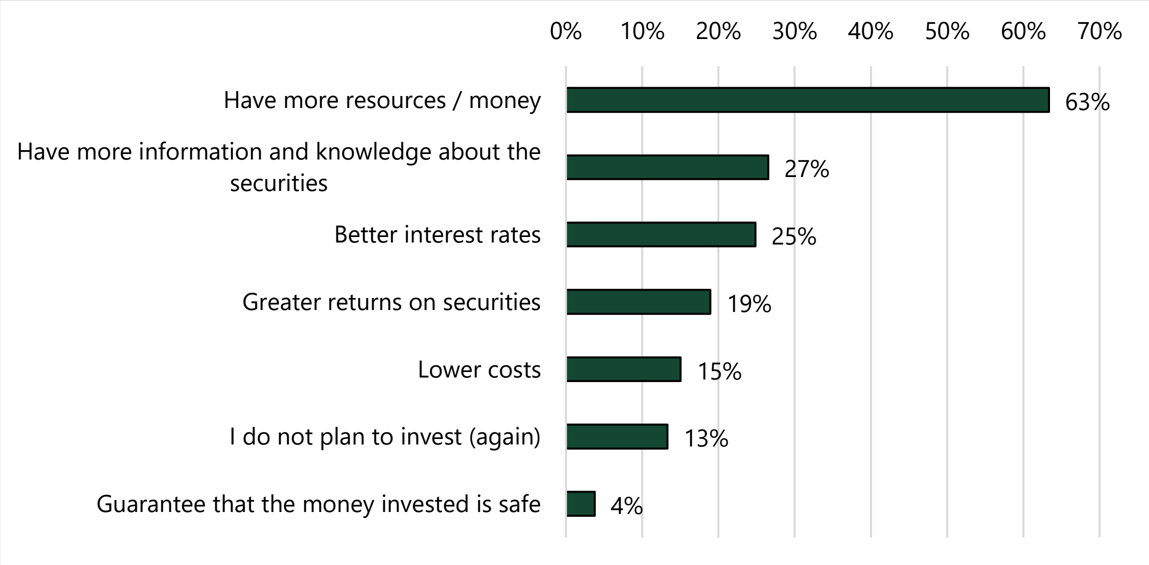


N=111; multiple responses possible; answers "don't know" and "no answer" are omitted from the figure

For those that indicated that they had lost money in their investments and that is why they had stopped investing, the survey also asked about what they attributed the money loss to. The majority said that it was a change in the market circumstances (62%), followed by bad advice (26%), and finally 13% bad luck.

The survey asked past investors what would be needed for them to start investing again. Most indicated that they would need to have more money (63%), followed by 27% who indicated that they would need more information and knowledge about securities.

Figure 33: What would be needed for you to invest again?

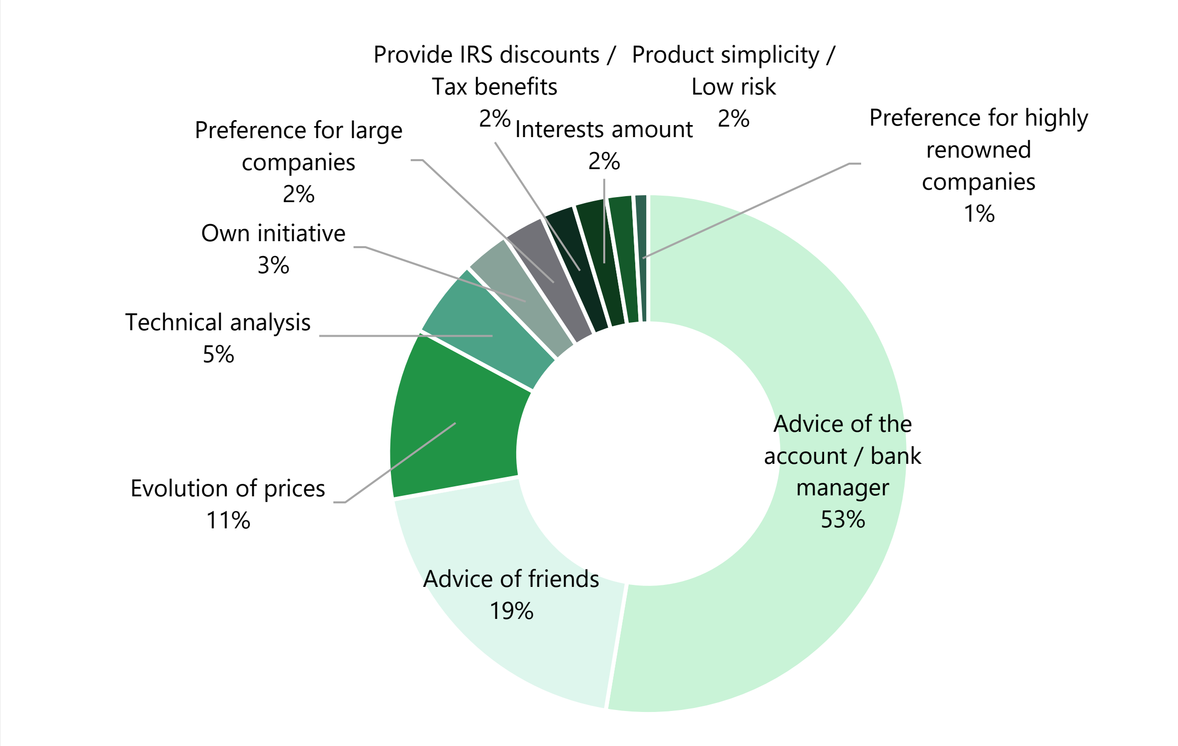


N=111; multiple answers possible; "no answer" and "don't know" are omitted from the figure

Those that indicated they were not planning on investing again were asked what the reason is. 37% indicated that they do not trust securities investments and 36% said that they do not like to take risks. 18% said that the lack of information represents a barrier for them to invest (again). Only about 9% indicated that the reason is a lack of money.

Past investors were also asked what the most important aspect had been when they were choosing which securities to invest in. Slightly more than half of the respondents indicated that it had been the advice of the account or bank manager (51%), followed by "advice from friends" (with only 18% indicating this response).

Figure 34: What was the most important aspect when choosing your securities to invest in?



N=111; "no answer" and "don't know" are omitted from the figure

To further understand how past investors made decisions, they were asked to rank a series of factors according to the level of importance they gave them.

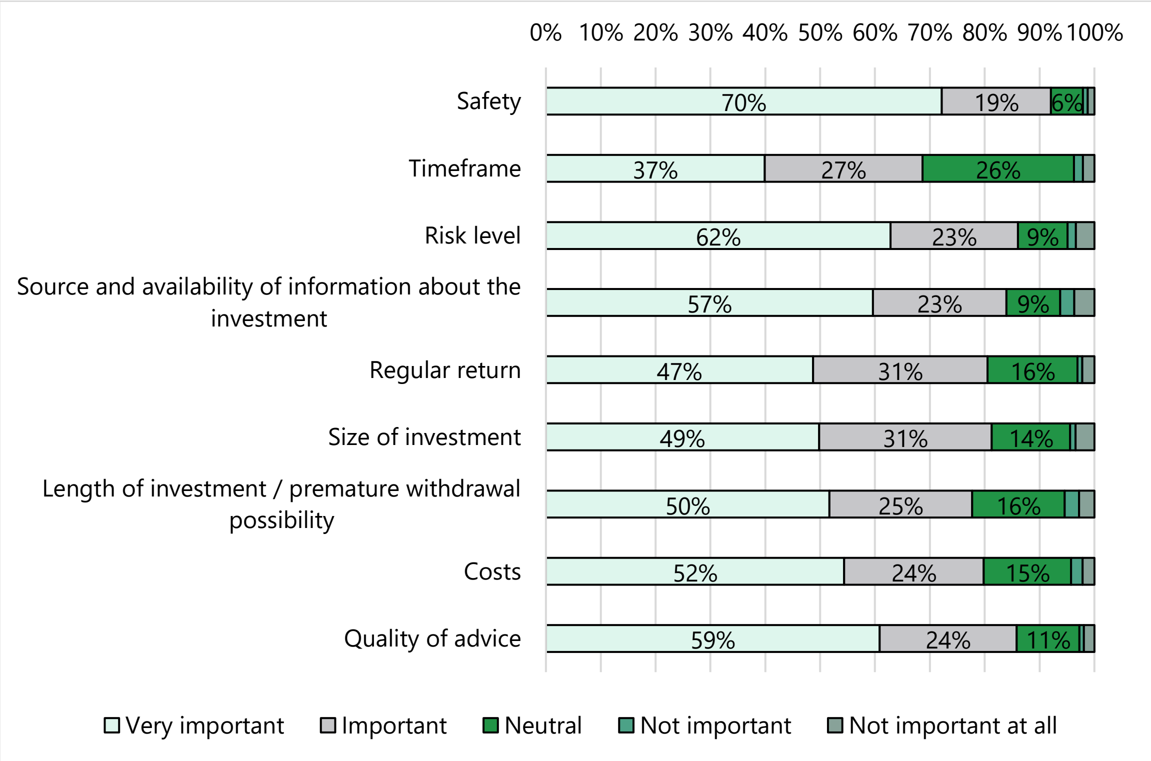
- While the overall share of investors that preferred safety was 89%, a substantively higher share of women indicated that safety was needed (96%). None of the women (and only a small share of men) said it was rather not important. The lower bound of age groups up to 54 years also indicated that safety was overall important, or at least not unimportant.
- The timeframe was overall considered less important than safety (65%). Indeed, the lowest share of respondents indicated timeframe to be important, compared to the other indicators.
- Like other questions on risk appetite, risk levels were seen as (very) important by 85% of respondents (89% of women and 81% of men). With the exception of 18- to 24-year group, where no one said that the risk level was not important, there were no clear age effects.
- The source and availability of information about investment was considered (very) important by 80% of respondents, 85% of women and 77% of men. No clear age effects were recognisable.
- 78% of respondents said that regular return was (very) important to them, men slightly more so (79%) than women (77%).
- With regards to the size of investments, 79% said it was a (very) important factor – a higher share of women (86%) than men (74%). The degree of importance seemed to decrease with age, with the exception of the highest age group (80+) where this aspect took on increased importance again.
- The length of the investment or premature withdrawal possibility was considered (very) important by 76% of respondents, 82% women and 71% men. It appeared to be less

important for people in the age groups 80+ (36%) and 18 to 24 years (54%), compared to the other age groups.

- Costs was a (very) important factor for 76% of respondents, especially for women (85%) compared with men (69%).
- Finally, the quality of advice was ranked (very) important by 84% of respondents, 90% of women and 79% of men.

The figure below shows the overall responses provided to the level of importance across different factors at the time of making an investment decision.

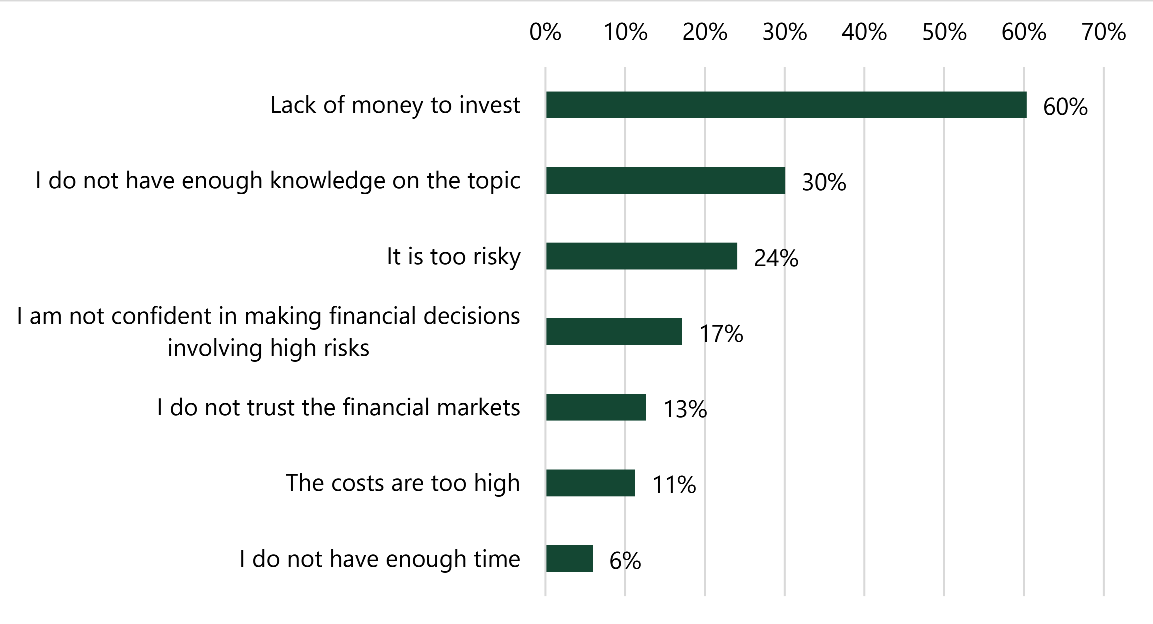
Figure 35: How important did you consider the following factors at the time of making an investment decision?



N=111; “no answer” and “don’t know” are omitted from the figure

Looking to the persons that had never made any securities investment, the survey asked the reasons why not. Most said that they lack the money to do so (60%), with no big difference between women (61%) and men (59%). This was followed by not having enough knowledge in the topic (30%), whereby women seemed more insecure (33%) than men (27%). With regards to age groups, in particular the youngest age group of 18-24 year olds indicated that they do not have enough knowledge on the topic (43%), compared to the other age groups.

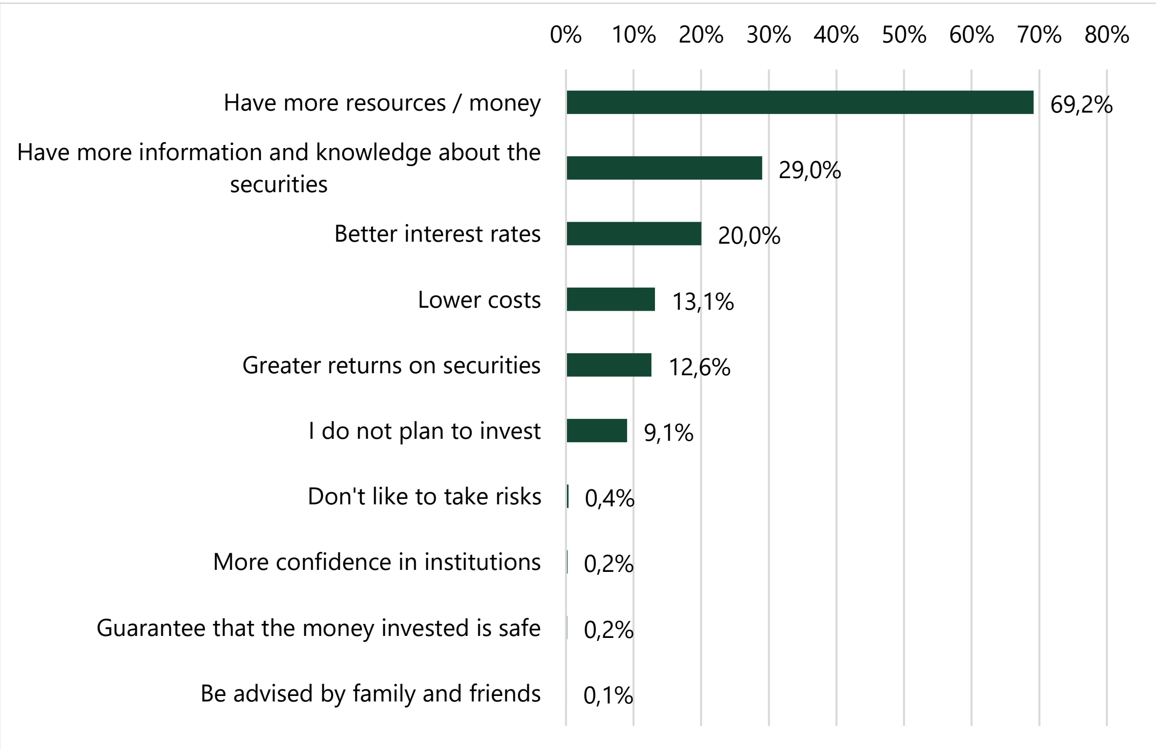
Figure 36: Reason for not investing



N=1,390; multiple responses possible; "no answer" has been omitted from the figure

Similar to past investors, those who had never invested were also asked what would be needed for them to start investing in securities. The responses given were also similar to past investors, with slightly more respondents indicating they would require more money (69%), followed by more knowledge and information (29%). In particular the youngest age group said that they would require more money to invest (80%), as well as more information and knowledge (43%), compared to the other age groups.

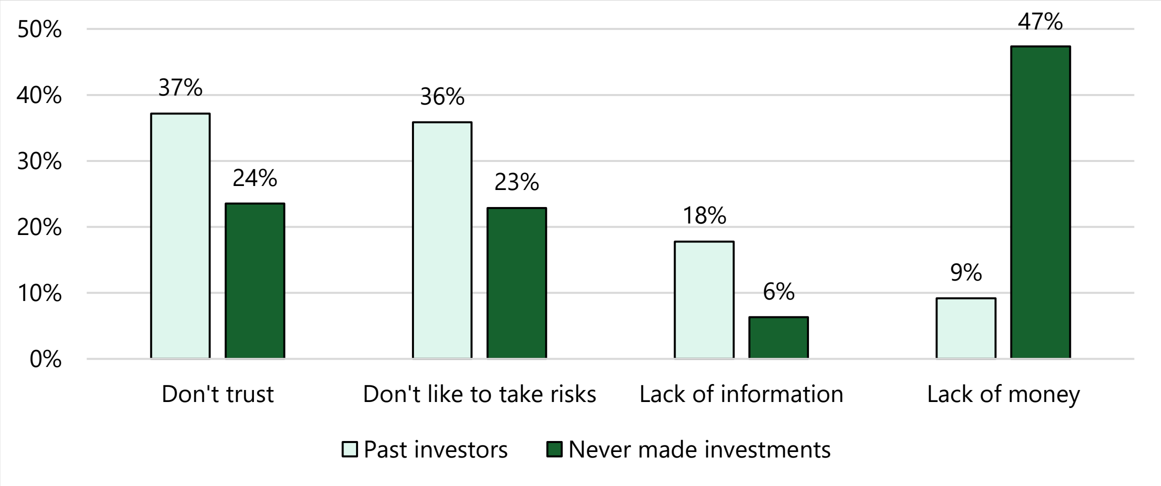
Figure 37: What would be needed for you to invest in securities?



N=1,390; multiple answers possible; "no answer" and "don't know" are omitted from the figure

Non-investors who indicated that they do not plan to invest were asked the reasons for it, similarly to past investors. 47% said that the main reason was a lack of resources, followed by a lack of trust (24%) and that they do not like the risks (23%). The figure below shows the reasons for why past investors and non-investors do not plan to invest in securities (again).

Figure 38: Reasons why respondents were not planning on investing in securities (again)

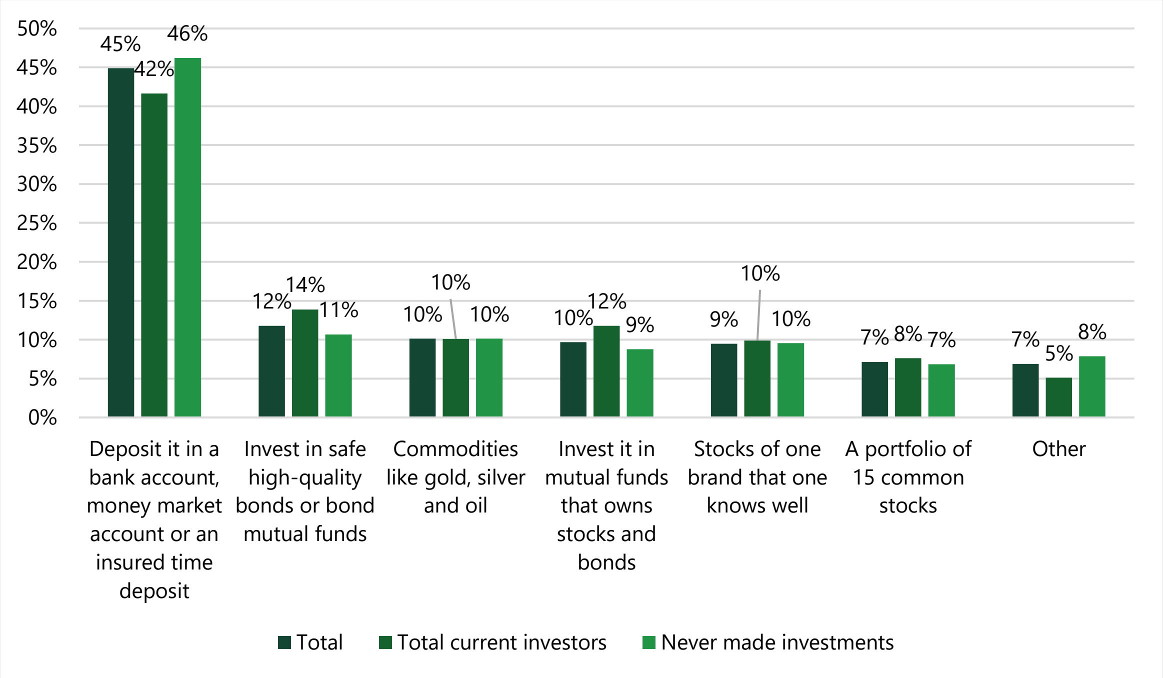


N=137

Both current investors and non-investors were asked about the way they would distribute EUR 100,000 to invest across selected products. To facilitate understanding of the results, the figure below shows the mean of share of these EUR 100,000 per product group.

The results were very similar across current and non-investors. On average, around 45% of the funds would be deposited in a bank account, money market account or an insured time deposit. Current investors would, on average, invest somewhat more of the money in safe high-quality bonds or bond mutual funds, as well as mutual funds that own stocks and bonds, compared to those that have never invested.

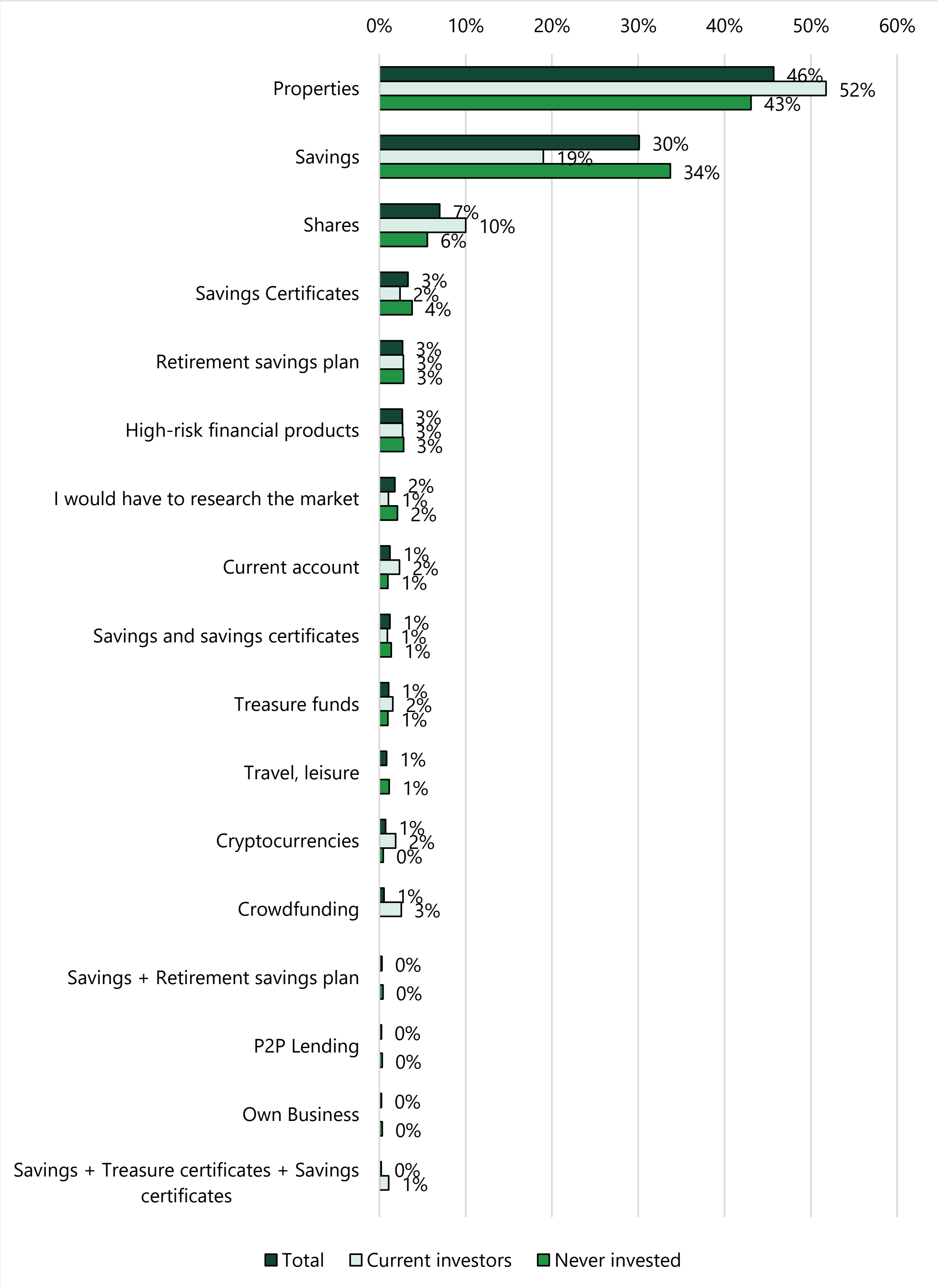
Figure 39: If you unexpectedly received 100,000 Euros to invest, stipulating that you invest in the following choices, how would you distribute the money across the following options?



N=2,207

Looking into the “other” category of products, the following responses were given.

Figure 40: Other investment products that would be invested in



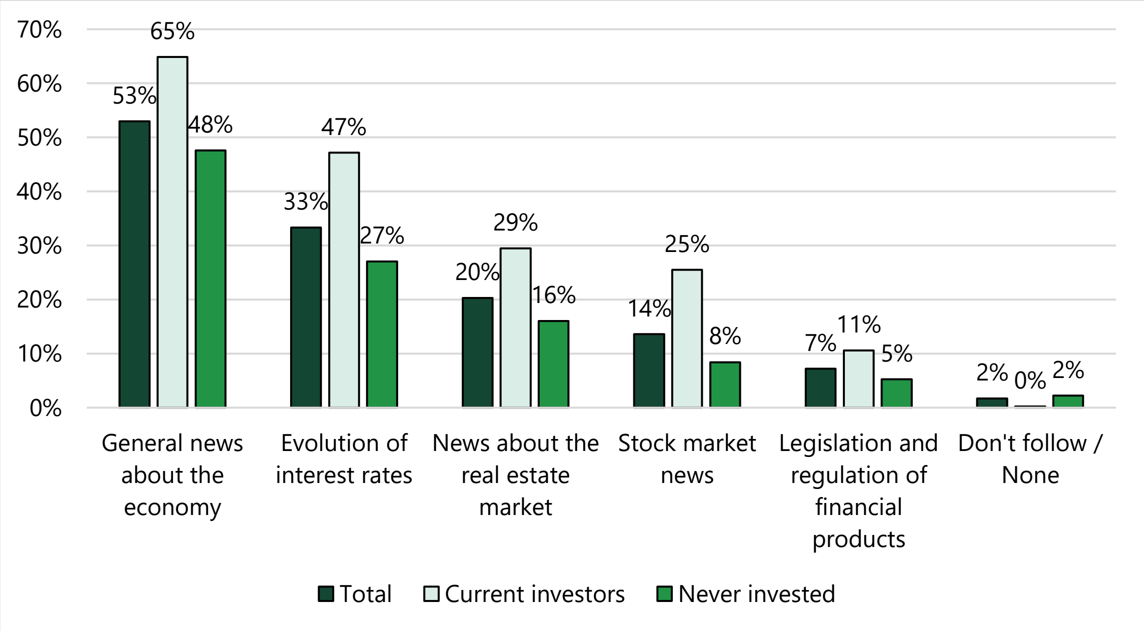
N=334; multiple responses possible

3.2.4 Information and awareness

A core aspect of this study is understanding how financial knowledge and information could be improved in Portugal.

First, the respondents were asked which kind of information channels they follow regularly. More than half of the respondents indicated to follow general news about the economy (53%). This share has slightly increased since 2010 (51%) and 2015 (52%). The second most common type of information mentioned is the evolution of interest rates (33%). With regards to the latter, the main driving group are current investors checking the interest rates (47%) rather than those that have never invested (27%). Overall, the search for information across types has increased since 2010 and 2015, except for information on legislation and regulation of financial products. Here, the share of people following the information decreased from 18% in 2010 (19% in 2015) to 7% in 2020.

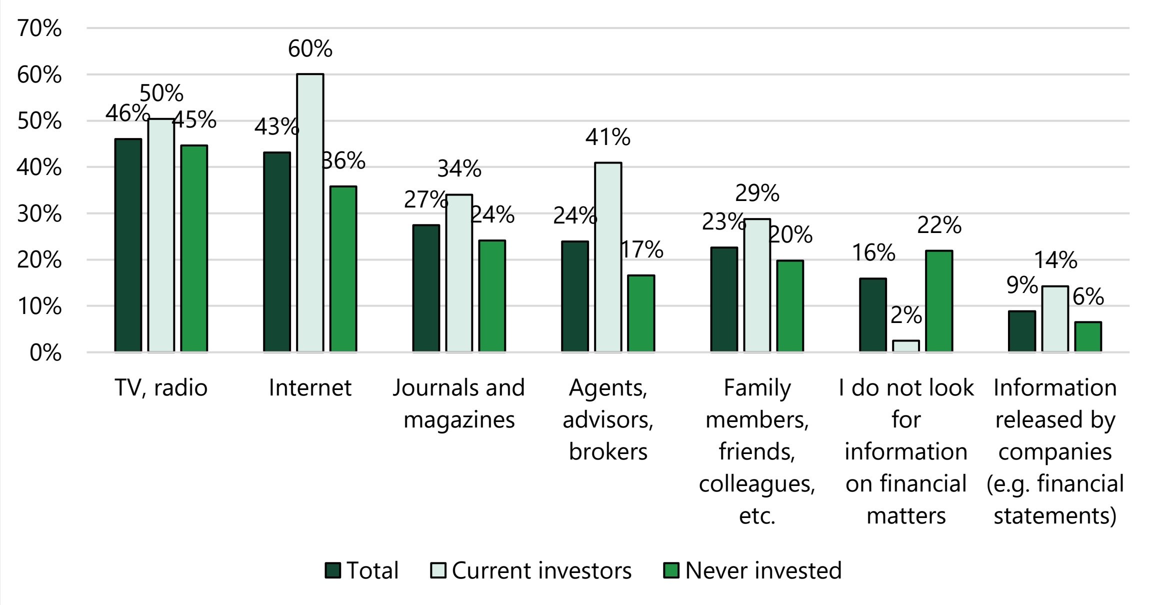
Figure 41: Which kind of the following information channels do you follow regularly?



N=2,207; multiple responses possible; "don't know" and "no answer" are omitted from the figure

Respondents were also asked where they tend to get information on financial matters. Many indicated that they use TV or radio (46%), followed by the internet (43%). Investors used more the internet (60%) than "offline tools" such as TV or radio (50%). Many people that have never invested also indicated that they do not look for information on financial matters (22%), compared to those that are investors (2%). Men relied more on reading journals/magazines (31%) and the internet (48%) than women (24% and 39% respectively). The use of the internet to gather information about financial matters is highest amongst the youngest age group (18-24 years), with 60% and decreases with age to 27% of the age group 80+.

Figure 42: Where do you get information on financial matters?



N=2,207; multiple responses possible; "don't know" and "no answer" are omitted from this figure

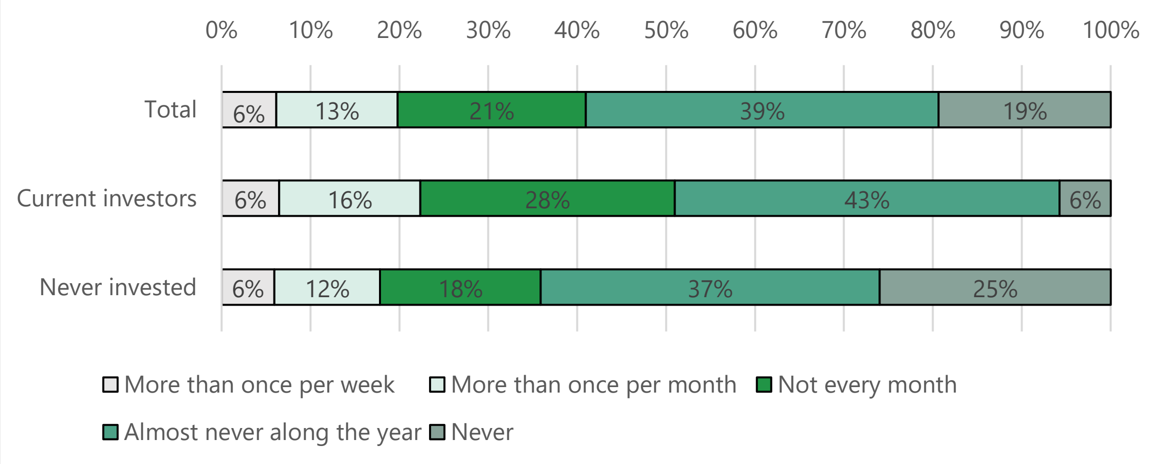
When looking into the specific aspects, a further analysis is conducted for some sub-categories. First, those of the general respondents that use the internet, most commonly mention to check legislation and regulation of financial products, as well as stock market news (81% each). This is followed by news on the real estate market (78%). Those that indicated they look for information on the internet, most say they look for stock market news (69%), followed by news about the real estate market (68%).

Of those using the TV and radio, 52.5% are women. There is a slight age effect in the use of TV and radio, with the share of respondents indicating they use this medium increasing with age, increasing from 41% in the 18–24-years category to 50% in the 80+ age category. Comparing the group of people who said they use the TV, the biggest share of respondents is located in more rural areas (26% of respondents live in places with up to 4,999 inhabitants), decreasing with growing population size (20% of respondents live in places with 100,000 inhabitants or more).

In comparison to TV and radio, 54% of the respondents indicating they use journals and magazines are men. However, there does not appear to be an age or urbanisation effect.

More than half of the respondents, however, do not often look for information on financial matters. The frequency of looking for information decreases with age, with 30% of the youngest age group (18-24 years) indicating they get information more than once per week or per month, compared to 13% of the respondents aged 70-79.

Figure 43: How often do you look for information on financial matters?



N=2,150; "don't know" and "no answer" are omitted from this figure

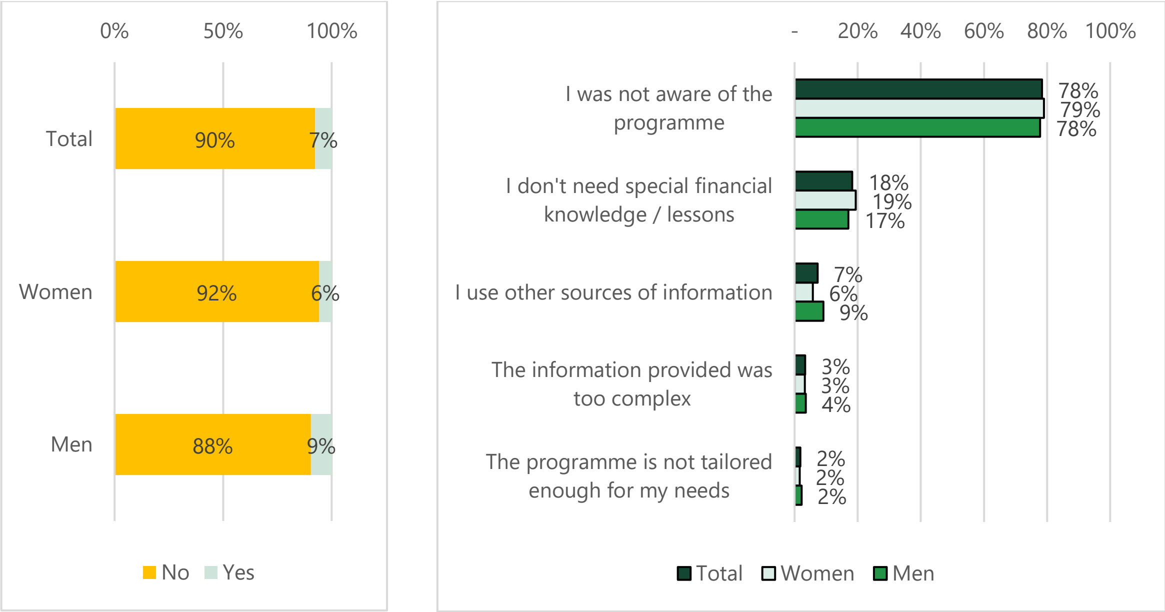
When it comes to awareness and education material, investors were asked what initiatives they would recommend in order to create awareness for other Portuguese citizens about investments. Training programmes were mentioned often (49%), followed by workshops and seminars (35%). Training programmes and workshops were particularly preferred by the youngest age group (62% and 50% respectively), compared to the other age groups.

Figure 44: Initiatives to raise awareness about investments

Type of initiative	Training programmes	Advertisements	Workshops and seminars	Social welfare / government programmes	Investors' meets	Other
Total	**49.08%**	**34.34%**	**35.02%**	**30.39%**	**16.56%**	**0.56%**
Women	50.55%	33.79%	33.18%	34.02%	15.21%	0.50%
Men	47.97%	34.76%	36.40%	27.65%	17.58%	0.62%
Investors (of which investors in past)	46.91%	34.98%	33.82%	33.03%	17.52%	0.66%
Investors (non-investors in the past)	53.21%	33.12%	37.30%	25.38%	14.74%	0.38%
18 to 24 years	62.15%	36.92%	50.24%	34.36%	26.06%	4.09%
25 to 39 years	49.83%	37.45%	39.18%	29.44%	19.67%	1.13%
40 to 54 years	53.00%	31.90%	40.25%	32.66%	13.71%	0.38%
55 to 69 years	47.05%	35.79%	29.40%	28.89%	15.16%	-
70 to 79 years	41.76%	37.14%	29.63%	30.86%	15.91%	-
80 years or more	45.90%	21.08%	24.03%	26.81%	16.14%	-

To take the opportunity of understanding the reach of one of the main existing financial knowledge programmes, "Todos Contam", respondents were asked whether they had used the information or measures offered. When the respondent said they had not, they were asked for the main reasons why not. The results show that most respondents have not used Todos Contam (90%) because of a lack of awareness (78%).

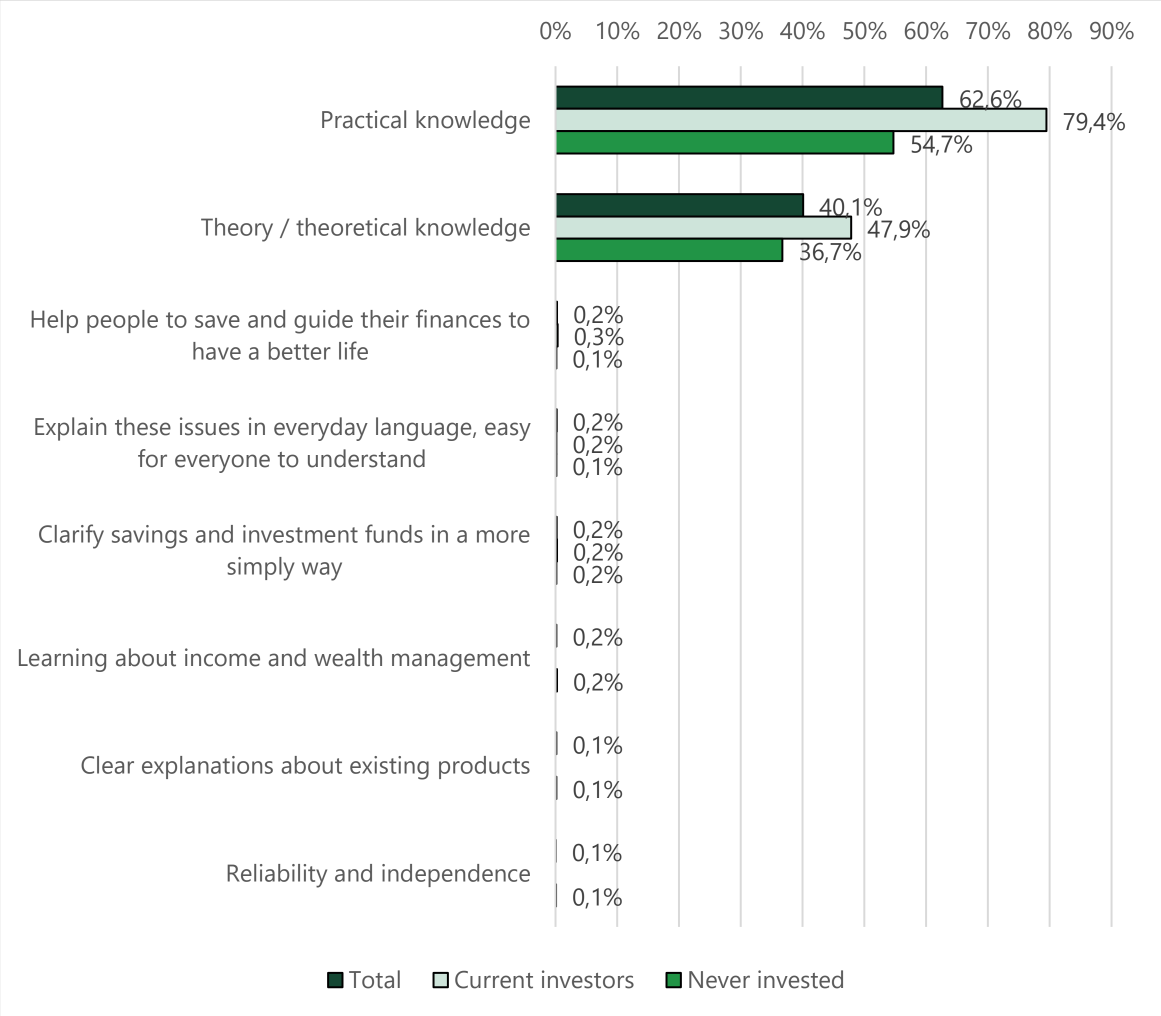
Figure 45: Have you used the information and measures offered by the national plan for financial education "Todos Contam" and if not, why not?



N=2,207 and 1,980

Looking into what the respondent would expect from a finance lesson or a course on financial matters, most said "practical knowledge" (63%), followed by theory or theoretical knowledge (40%).

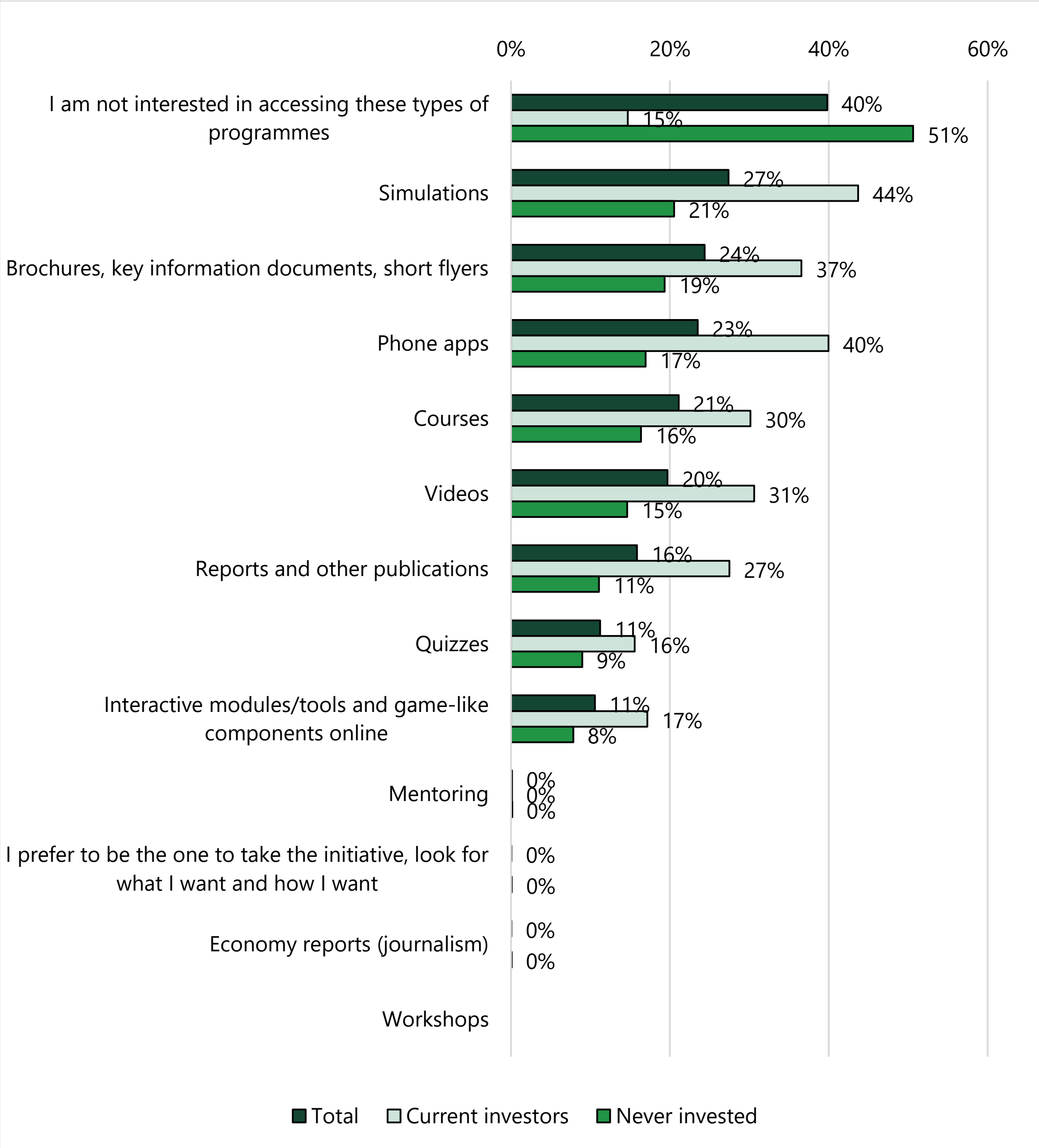
Figure 46: What would you expect from a finance lesson or a course on financial matters?



N=2,207

A final question for respondents was the aspects they would welcome in a course or other educational material on financial matters online. Many indicated that they are not interested in accessing these types of programmes (40%), in particular those that have never invested (51%). Current investors are rather interested in simulations (44%), followed by phone apps (40%).

Figure 47: In which way would you like to learn more about financial matters online?



N=2,207; multiple responses possible; “no answer” and “don’t know” are omitted from the figure

4 Conclusion

This report has presented the results of a representative survey of the Portuguese population to understand the share of investors among them, their characteristics, financial and investment behaviour, as well as preferences towards receiving financial information or education.

From a methodological point of view, the main approach followed was:

- Sample design: The sample was based on the 2011 Census of Portugal;
- Step 1 of the survey: A representative sample of 15,173 Portuguese citizens were interviewed through Computer Assisted Telephone Interviews (CATI), to identify the share of investors amongst the population and their characteristics; and
- Step 2 of the survey: A representative sample of 2,207 Portuguese citizens were surveyed in-depth on aspects related to financial behaviour, their financial knowledge; investment behaviour and information sources.

The results of the survey are summarised in this Research Report, with a focus on the most important aspects. Detailed results in form of statistical tables are appended to this report in separate documents, including Excel and SPSS files. The main conclusions are shown below.

The Portuguese population

- Gender: 53% women, 47% men
- Share of investors: About 30% of the Portuguese adult population are investors
- Connectivity: About 70% of Portuguese use the internet

Characteristics of investors in Portugal

- Investors live in urban places: the share of investors was higher in more densely populated areas in Portugal
- Women are underrepresented amongst investors: Another key outcome that indicates a need for improvement is the gender distribution among investors. Women are underrepresented as investors and an additional effort could be made to achieve a better gender balance in investment behaviour. An underlying factor for female under-representation among investors could be a lower level of risk appetite among women, or a lower level of confidence in their knowledge – with one perhaps reinforcing the other. Given that in comparison to men, fewer women answered financial literacy questions correctly, however, this could mean that they tend to assess their level of knowledge more realistically, rather than having low confidence in general. Nevertheless, targeted material or potential mentoring programmes could be an option to address this issue. Other aspects that could be covered is that women tend to trust people to their proximity more with decision-making and information, including bank staff or family and friends. They also trade less frequently than men and check the value of their portfolio less often.
- Investors have a higher level of education: the share of investors increased with the level of education completed.
- Investors are found in the higher income brackets: When comparing the income groups, the higher the income the higher share of respondents that are investors.
- Investors are more connected: 83% of investors use the internet, compared to 65% of non-investors.

Financial situation and behaviour

- More and more Portuguese indicate that they save money: comparing to past financial literacy survey results, the share of those that did not save decreased continuously from 48% in 2010 to 41% in 2015 and 38% in 2020. When comparing with the overall EU and the savings rate, however, according to Eurostat the annual household savings rate in the EU-27 was 11.96% in 2019[12] having increased for the past years, with a peak to 24.6% in the beginning of 2020 and a sharp drop to 16.1% in the third quarter. In comparison to the EU-27, the savings rate in Portugal was at 7% in 2019, remaining a lower rate than the highest share of 9.36% in 2013. This suggests that while more Portuguese might be saving, the amount saved is lower than the EU average, though remained somewhat stable since its drop after 2013.
- Investors show a higher financial resilience: If they would lose their main source of income, 48% of investors said they could cover expenses for a longer time (six months or more), compared to 23% of non-investors. This could be related to the income effect and investing shown above.
- Financial purchase decisions are mainly influenced by third persons: When asked what the main source of information was that influenced the purchase of the last financial product bought, 46% said it was bank staff, followed by friends and family (38%). Especially investors trusted those sources (54% bank staff and 41% friends and family). Awareness of the existence and importance of independent information sources could be raised to balance the source of information used. Furthermore, 42% of investors indicated that the reason that they invested in the securities market was due to the advice received by the bank or account manager.
- Decisions are based on few comparisons of options: Over one third of respondents indicated that they had not consider any other (product) option before purchase (39%). More investors (40%) considered various options within one company. Of these investors that considered various options, 64% indicated bank staff as source of product choice.
- While the majority of people read contracts before purchasing the product, a remaining substantive share of respondents do not read them and the share of those who do has decreased: Back in 2015, 81% of the survey respondents said they read the contracts when closing a contract, in 2020 this rate had decreased to 75%. Many of those who did not read contracts indicated that this is either because they trust what the financial advisor or employee shares with them (13%) or because they do not consider them to be very important (11%).
- There is often a focus on profit over other aspects: Looking at a series of statements, 54% of investors preferred investing in a company that is making a profit rather than those that are minimising their impact on the environment. This share is comparably higher than that of non-investors (32%) and those that have never invested (31%). Considering the developments on sustainable finance, as well as the growing importance of the green transition, awareness on the environmental impact could be raised within the programme.

Financial knowledge

- General findings - Financial knowledge is increasing over time: Overall, there is an improvement in financial knowledge since the last survey in 2015, including the general numerical questions and investment knowledge. A few differences persisted between those

[12] https://ec.europa.eu/eurostat/databrowser/view/nasa_10_ki/default/table?lang=en

that were investors and those that had never invested. Here again, women answered to fewer questions correctly than men. These results suggest that investors have a higher understanding of financial matters, which could be because they are more exposed to the financial market as well as general economic news and information.

- Numerical knowledge: This part aimed at assessing the level of numerical skills of the respondents. The question was answered correctly by almost all respondents and very few differences were spotted between investors and those who never invested or between men and women. Therefore, no further recommendations for the programme are put forward in this regard, as numerical skills would be better addressed on a general education level, rather than within a financial literacy programme.
- Understanding of inflation and interest rate(s): A few questions were posed to understand the level of knowledge of respondents with regards to inflation and interest rates.
    - When it comes to the understanding of inflation's effect on affordability, more than half of the respondents answered correctly. In particular investors understood the relationship between spending and interest rates (67%) than people who have never invested (48%). A higher share of men answered correctly (73%) than women (66%).
    - When it comes to calculating the effect of interest rates in a savings account, a significant share of respondents calculated the amount correctly (68%). Here again, investors gave the right answer more often (82%) than those who had never invested (61) and men answered more often correctly (73%) than women (62%).
    - When it comes to the question on compounded interest in a savings account (the amount in the account after a few years with an annual interest rate), less than half of the respondents estimated the amount correctly (45%). In this case, investors answered more often wrong than right and slightly less often correctly than those who had never invested. The difference of correct responses between men (47%) and women (43%) was lower in this case than compared to the other questions on interest rates. This question received one of the lowest correct response rates, topics of compounded interest rates could therefore be covered in a financial literacy programme.
    - Looking at the interest rates on a 'loan', or rather the lack of an interest rate on money lent to a friend, most respondents answered correctly (84%). The difference between investors (87%) and those who never invested (82%) was lower than for other questions. In contrast to the other questions in this category, more women answered correctly (85%) than men (82%).
- Another question related to financial knowledge was whether the respondent knew what Euribor was. Not many respondents knew the answer (18%), though the share of correct answers had increased from 10.5% in 2015.
- Knowledge on risk and investing: A few questions were asked to the survey participants with regards to their knowledge of risks in investments.
    - Most respondents (86%) knew that investments with a higher return tend to be of high risk. While the difference between investors and those who never invested was small (6%-age point difference), the share of men who answered correctly (62%) was higher than that of women (53%).
    - The share of respondents that correctly answered that diversification can reduce the level of risk was lower than in the previous question, albeit above half of the

respondents gave the right answer (58%). Here, more investors answered correctly (64%) than those who never invested (54%).

  - When it comes to understanding risk, or rather the impossibility to completely reduce a residual risk in investments, a question on the respondents' understanding of guaranteed capital was asked. Only a minority of respondents answered this question correctly (18%), with very little difference between investors and those who have never invested (18%). While the knowledge increased since 2015 (4% correct responses), there is still a low understanding of residual risk. This could be addressed within a financial literacy programme. Nevertheless, aspects with regards to risk could be addressed in a way that it acknowledges the overall higher level of risk-aversion of the Portuguese population.

- Another question about investment was targeted to understand the level of knowledge of investment value following a price drop and an increase. Only one third of the respondents answered correctly to the question "What is the value of a 1,000€ investment if the price drops 50% in the first six months and then increases 80% after those six months?". Even a lower share of investors answered correctly (25%) than wrongly (60%).

Investment behaviour

- Investors tend to check the value of their investment sometimes: 29% said they would check it sometimes, while women rather checked it very rarely to never (36%), compared to men (24%). Most 80+ year old respondents check the value of their investors rarely to almost never (52%).
- Past investors that had lost money see the reason in the markets: 62% of those that had lost money said that it was due to a change in the market, followed by bad advice (26%) or bad luck (13%).
- Over one third of non-investors that had been investors in the past indicate that the reason for them not investing in securities is that they do not trust securities investments (37%) and do not like to take risks (36%), about one third does not have enough knowledge on the topic (30%).
- The main need for those that never invested to start investing would be higher amount of resources (69%), especially younger people (80%), followed by requiring more knowledge (43%).
- The non-investors that do not want to invest name a lack of resources as main reason (47%), followed by a lack of trust (24%) and risk aversion (23%).

Information and (financial) knowledge sources

Awareness of entities that persons can reach out to in case of conflicts or issues regarding investments has increased since 2015, with 54% of respondents indicating they would resort to a supervisory entity in case of issues in 2020, compared to 47% in 2015. Another aspect that resulted from the survey was that many investors look at general news about the economy (65%) than specialised stock market news (25%). Awareness on more specialised information and news could be raised.

While showing a lower share of correct responses, non-investors did not seem to be very interested in receiving more information, financial education or training programmes. Thus, particular financial or investment knowledge efforts could be concentrated on investors, while the efforts for non-investors could focus rather on awareness about investing in general. Given the low risk appetite among the Portuguese population, targeted information could further present the variety of products and the relationship between risk and reward.

Finally, awareness of the programme Todos Contam was also very low amongst the general Portuguese population. Thus, further visibility efforts are needed to ensure such programmes can achieve maximum impact. On the other hand, financial knowledge training, if concentrated on investors, could take the form of simulations and phone apps, which seemed to be the preferred tools among the respondents. Finally, following the knowledge questions, these tools could also focus on aspects related to value development of investments and interest rates.

Main takeaways for a financial literacy programme

These results or main conclusions listed above serve at guiding the next part of the project on supporting the development of a draft financial literacy programme for investors and non-investors. Among the key recommendations or takeaways for such a draft programme are the ones listed below. These are intended as key guidance points rather than detailed actions recommended, which are covered in Deliverable 4 – Draft Programme Report of this project.

- The programme could target the improvement of knowledge of the securities markets, such as through updating and adapting existing education material on financial market, targeting the improving of financial literacy levels. The aspect of risk appears to be an important factor for the Portuguese population. Acknowledging the general level of risk-aversion while improving the understanding of opportunities through diversification and other benefits of investing could be included in a programme.
- The programme could target to increase the general awareness and behaviour of the securities market as opportunity for conscious savings opportunity, but also covering aspects like sustainable finance. increasing awareness of investment as a conscious savings opportunity.
- Specific actions or aspects could be covered for different target groups, beyond the efforts provided to address the general population with a financial literacy programme on investment. This could, for instance, include to create a special focus area for women and younger age groups.
- The programme could be tied in (stronger) cooperation with other organisations, both on national level but also other institutions such as universities. Dissemination of existing financial information could be improved, considering for example the low level of awareness of the programme "Todos Contam".

ANNEX 1 Sample design

Sample%20design_final.xlsx

ANNEX 2 Questionnaires

1. Step 1 questionnaires

English	Portuguese
PORTUGALSECURITIES_Financial%20liter	PORTUGALSECURITIES_Financial%20liter

2. Step 2 questionnaires

English		Portuguese	
Investors	Non-investors	Investors	Non-investors
PORTUGALSECURITIES_Financial%20liter	PORTUGALSECURITIES_Financial%20liter	PORTUGALSECURITIES_Financial%20liter	PORTUGALSECURITIES_Financial%20liter

ANNEX 3 Minutes of interviews and meetings for Phase 2

Financial Literacy Meeting with the National Council of Financial Supervisors (CNSF)

September 10, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários.

1. Implemented Initiatives / actions

1.1 What initiatives did you participate in?

- Report on the Financial Literacy Survey of the Portuguese population;
- Online Investor Profile Survey;
- Protocols with Universities;
- Investor Area Portal;
- Portal "Todos Contam";
- Open Day na Banca;
- Training session for students;
- World Investor Week;
- Financial Education Week;
- Global Money Week;
- Promoting financial education in schools (including training course for teachers);
- Financial training for micro, small and medium-sized companies;
- Financial training in terms of attitudes and behaviors;
- Financial literacy of football players;
- Northern Region Financial Training;
- Financial Education Seniors;
- Financial training of IEFP trainers.

1.2 How do you characterize (not exhaustively) the implementation of the initiatives in the following indicators: i) target group, ii) timeframe, iii) material/methodology, iv) impact/efficacy, v) messages, vi) internal resources usage and vii) channels available/used?

Results presented on tables on Chapter 2.3 of the Assessment Report.

1.3 How do you evaluate (not exhaustively) the implementation of the initiatives in the following indicators: : i) target group correctness, ii) timeframe correctness, iii) material/methodology adequacy, iv) impact/efficacy qualitative level, v) exhaustiveness of the messages, vi) efficiency of internal resources usage, and vii) adequacy of channels available/used?

Results presented on tables on Chapter 2.4 of the Assessment Report.

1.4 What changes for upcoming editions do you think would improve the initiatives?

(i) Consider using social networks (Facebook and LinkedIn) and multimedia channels (e.g. TV, webinars, conferences and podcasts), for dissemination of conclusions/ results;

(ii) Evaluate the regulatory needs according to financial literacy results (e.g. review regulatory description of products not understood by the population), as well as a better communication of concepts and products characteristics;

(iii) Define a plan to broaden the scope of involved Universities (e.g. Law and Social Sciences as a first group, Engineering and Technology as a second group);

(iv) Characterize the partnership with Universities for the next financial literacy programme (calendar, methodology and use of materials);

(v) Reformulate the investor area portal to be more accessible and oriented to improvement points identified in the survey;

(vi) Adapt the content shown by "Todos Contam" portal to the viewer (e.g. create a box to the viewer so that s/he can identify him/herself as a working adult, student, etc.);

(vii) Extend the World Investor Week participants to corporate associations and to companies interested in meeting possible investors (e.g. startups and fintechs);

(viii) Consider using multimedia channels to live stream and promote the events (e.g. TV, webinars, conferences and podcasts), and dissemination in social networks (Facebook and LinkedIn); and

(ix) Create systems for evaluating initiatives, in order to analyze their effectiveness.

2. Planned and unsuccessful initiatives / actions

2.1 Taking into account the indicators mentioned above, what assessment was made in terms of applicability / feasibility for the unsuccessful initiatives?

No survey or evaluation work was carried out on unsuccessful initiatives.

2.2 What different approaches could have been applied?

Creation of mechanisms for evaluation and feedback of initiatives, in order to be able to improve them in future editions.

3. Other types of initiatives / actions

3.1 Taking into account the initiatives carried out to date, what other types of initiatives could have added value? Areas not yet reached by previous initiatives?

The participation of entities belonging to CNSF, Banco de Portugal and ASF, should continue to address a role in the national financial education plan. Entities such as APB, APS and Euronext may see a more participatory role, since these entities have appropriate mechanisms to reach target audiences for the dissemination of financial literacy issues among the Portuguese population and can create new contents and educational materials. The Universities are another stakeholder that can have more relevance in the future by leveraging data provided by other stakeholders to develop relevant research about financial literacy that can be then used to better target the educational initiatives.

3.2 Do you have considered new partnerships with different stakeholders that could add value?

Entities such as APB, APS and Euronext may see a more participatory role, since these entities have appropriate mechanisms to reach target audiences for the dissemination of financial literacy issues among the Portuguese population and can create new contents and educational materials, considering an efficient allocation of costs and people, in order to promote efficient initiatives for the promotion of financial literacy, ensuring supervision and quality control. Additionally, these entities should have systems for evaluating its track and outcomes, since some entities, such as the Associations (APB, APS and APFIPP), lack control over the efficiency of the initiatives due their small human resources' scale. The Universities are another stakeholder that can have more relevance in the future by leveraging data provided by other stakeholders to develop relevant research about financial literacy that can be then used to better target the educational initiatives.

Self-Evaluation Meeting with CMVM

September 23, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários.

1. Project presentation

1.1 Introduction and Objectives

1.2 Project Framework

2. Initiatives presentation

2.1 Illustration of initiatives and respective characterization

- Report on the Financial Literacy Survey of the Portuguese population;
- Online Investor Profile Survey;
- Protocols with Universities;
- Investor Area Portal;
- Portal "Todos Contam";
- Open Day *na Banca*;
- Training session for students;
- World Investor Week;
- Financial Education Week;
- Global Money Week;
- Promoting financial education in schools (including training course for teachers);
- Financial training for micro, small and medium-sized companies;
- Financial training in terms of attitudes and behaviors;
- Financial literacy of football players;
- Northern Region Financial Training;
- Financial Education Seniors;
- Financial training of IEFP trainers

Characterization presented on tables on Chapter 2.3 of the Assessment Report.

3. Presentation and possible adjustment of evaluation scales

3.1 Presentation of the scale proposal, prepared by KPMG

Following the identification and characterization (along seven dimensions) of the initiatives taken to date, this chapter presents an assessment framework, using a three-point scale:

- Very suitable;
- Suitable; and
- Unsuitable.

3.2 Discussion and possible adjustment of the evaluation scale

Results presented on tables on Chapter 2.4 of the Assessment Report.

4. Execution of the assessment (in coordination with CMVM)

4.1 Evaluation of each initiative raised, taking into account the scale presented

In coordination with the CMVM, an evaluation of previous financial literacy initiatives was carried out to identify recommendations to improve the initiatives' efficiency and enhancing their future development.

The participation of entities belonging to CNSF, Banco de Portugal and ASF, should continue to be active and relevant in future financial literacy projects since they play a leading role in the national financial education plan.

The self-assessment identified several opportunities for improvement and enhancement of the CMVM's resources and the stakeholders involved. The key areas for improvement are:

(i) Better dissemination of the initiatives;

(ii) Better preparation of the materials used; and

(iii) Greater adaptation to the target audience.

Financial Literacy Meeting with Financial Services Industry Associations

September 15, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários;
- APB - Associação Portuguesa de Bancos;
- APS - Associação Portuguesa de Seguradores.

1. Project presentation

1.1 Introduction and Objectives

1.2 Project Framework

2. Implemented Initiatives / actions

2.1 What initiatives did you participate in?

- World Investor Week;

- European Money Week;

- Open Day *na Banca*;

- Promoting financial education in schools.

2.2 How do you characterize (not exhaustively) the implementation of the initiatives in the following indicators: i) target group, ii) timeframe, iii) material/methodology, iv) impact/efficacy, v) messages, vi) internal resources usage and vii) channels available/used?

Results presented on Chapter 2.3 of the Assessment Report.

2.3 How do you evaluate (not exhaustively) the implementation of the initiatives in the following indicators: : i) target group correctness, ii) timeframe correctness, iii) material/methodology adequacy, iv) impact/efficacy qualitative level, v) exhaustiveness of the messages, vi) efficiency of internal resources usage, and vii) adequacy of channels available/used?

Results presented on Chapter 2.4 of the Assessment Report.

2.4 What changes for upcoming editions do you think would improve the initiatives?

- Conduct impact studies of the initiatives in order to understand what improvements can be made.
- Conduct more sessions in online and digital formats (in the context of Covid-19 pandemic).
- Develop trainings for students that include more citizenship issues, for example opening bank accounts, conducting the IRS, etc.

- Include more topics on insurance products and work on insurance simplification of technical language, namely regarding the retirement protection and risk analysis.

3. Planned and unsuccessful initiatives / actions

3.1 Taking into account the indicators mentioned above, what assessment was made in terms of applicability / feasibility for the unsuccessful initiatives?

No survey or evaluation work was carried out on unsuccessful initiatives.

3.2 What different approaches could have been applied?

No survey or evaluation work was carried out on unsuccessful initiatives.

4. Other types of initiatives / actions

4.1 Taking into account the initiatives carried out to date, what other types of initiatives could have added value? Areas not yet reached by previous initiatives?

In the case of the Word Investor Week initiative, the target group could be more efficient if broaden to more public, including corporate association and FinTech's and the sessions should be more adapted to the target audiences, with well-defined themes and invited guests in order to make the initiative more exhaustive but at the same time more efficient, regarding internal resources usage. The same applies for the channels used, where including more channels, other than the website and social media could improve the adherence to the events, conferences and workshops scheduled, resulting as well in more promotion. Finally, the impact/ efficacy could get more adequate if the scope gets broaden to the public sectors and other entities.

In the case of the Open Day na Banca initiative, the target group could be more efficient if broaden to include more public from the general population.

4.2 Do you have considered new partnerships with different stakeholders that could add value?

- Enhance more work with schools and universities, considering the financial literacy program as mandatory included in the curriculum plan essential.
- Enhance articulation with other associations in the area in order to standardize the program and increase the link between associations.

Financial Literacy Meeting with Financial Services Industry Associations

September 23, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários;
- APFIPP - Associação Portuguesa de Fundos de Investimento, Pensões e Patrimónios;.

1. Project presentation

1.1 Introduction and Objectives

1.2 Project Framework

2. Implemented Initiatives / actions

2.1 What initiatives did you participate in?

- Training session for students;
- World Investor Week;
- Financial Education Week.

2.2 How do you characterize (not exhaustively) the implementation of the initiatives in the following indicators: i) target group, ii) timeframe, iii) material/methodology, iv) impact/efficacy, v) messages, vi) internal resources usage and vii) channels available/used?

Results presented on tables on Chapter 2.3 of the Assessment Report.

2.3 How do you evaluate (not exhaustively) the implementation of the initiatives in the following indicators: : i) target group correctness, ii) timeframe correctness, iii) material/methodology adequacy, iv) impact/efficacy qualitative level, v) exhaustiveness of the messages, vi) efficiency of internal resources usage, and vii) adequacy of channels available/used?

Results presented on tables on Chapter 2.4 of the Assessment Report.

2.4 What changes for upcoming editions do you think would improve the initiatives?

- Increase the production of content (including digital).
- Conduct impact studies of the initiatives, in order to understand what improvements can be made.
- Carry out evaluations of the initiatives and obtain more feedback, in order to improve them.

3. Planned and unsuccessful initiatives / actions

3.1 Taking into account the indicators mentioned above, what assessment was made in terms of applicability / feasibility for the unsuccessful initiatives?

No survey or evaluation work was carried out on unsuccessful initiatives.

3.2 What different approaches could have been applied?

No survey or evaluation work was carried out on unsuccessful initiatives.

4. Other types of initiatives / actions

4.1 Taking into account the initiatives carried out to date, what other types of initiatives could have added value? Areas not yet reached by previous initiatives?

In the case of the Word Investor Week initiative, the target group could be more efficient if broaden to more public and sessions should be more adapted to the target audiences, with well-defined themes and invited guests in order to make the initiative more exhaustive but at the same time more efficient, regarding internal resources usage.

4.2 Do you have considered new partnerships with different stakeholders that could add value?

Nothing indicated.

Financial Literacy Meeting with Securities Market Stakeholders

September 22, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários;
- Euronext Lisbon.

1. Project presentation

1.1 Introduction and Objectives

1.2 Project Framework

2. Implemented Initiatives / actions

2.1 What initiatives did you participate in?

- World Investor Week;
- Global Money Week;
- Financial Education Week.

2.2 How do you characterize (not exhaustively) the implementation of the initiatives in the following indicators: i) target group, ii) timeframe, iii) material/methodology, iv) impact/efficacy, v) messages, vi) internal resources usage and vii) channels available/used?

Results presented on Chapter 2.3 of the Assessment Report.

2.3 How do you evaluate (not exhaustively) the implementation of the initiatives in the following indicators: : i) target group correctness, ii) timeframe correctness, iii) material/methodology adequacy, iv) impact/efficacy qualitative level, v) exhaustiveness of the messages, vi) efficiency of internal resources usage, and vii) adequacy of channels available/used?

Results presented on Chapter 2.4 of the Assessment Report.

2.4 What changes for upcoming editions do you think would improve the initiatives?

- Improve content posted on LinkedIn, including making it available in Portuguese;
- Rethinking the initiative promoted with family-owned companies (family-share).

3. Planned and unsuccessful initiatives / actions

3.1 Taking into account the indicators mentioned above, what assessment was made in terms of applicability / feasibility for the unsuccessful initiatives?

Every year, evaluations are made of the initiatives carried out.

3.2 What different approaches could have been applied?

- Difficulty reaching individual investors.
- Promote more sessions with journalists in order to increase the dissemination of financial literacy topics.

4. Other types of initiatives / actions

4.1 Taking into account the initiatives carried out to date, what other types of initiatives could have added value? Areas not yet reached by previous initiatives?

In the case of the Word Investor Week initiative, the target group could be more efficient if broaden to more public and sessions should be more adapted to the target audiences, with well-defined themes and invited guests in order to make the initiative more exhaustive but at the same time more efficient, regarding internal resources usage.

The Global Money Week initiative is also worth of being mentioned since it could benefit from improving its channels and increasing the promotion of its events, conferences and workshops.

4.2 Do you have considered new partnerships with different stakeholders that could add value?

Nothing indicated.

Financial Literacy Meeting with Public Educational Stakeholders

September 15, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários;
- Ministry of Education.

1. Project presentation

1.1 Introduction and Objectives

1.2 Project Framework

2. Implemented Initiatives / actions

2.1 What initiatives did you participate in?

- Promoting financial education in schools (including training course for teachers);
- World Investor Week;
- Others (to be consulted at the Assessment Report).

2.2 How do you characterize (not exhaustively) the implementation of the initiatives in the following indicators: i) target group, ii) timeframe, iii) material/methodology, iv) impact/efficacy, v) messages, vi) internal resources usage and vii) channels available/used?

Results presented on Chapter 2.3 of the Assessment Report.

2.3 How do you evaluate (not exhaustively) the implementation of the initiatives in the following indicators: : i) target group correctness, ii) timeframe correctness, iii) material/methodology adequacy, iv) impact/efficacy qualitative level, v) exhaustiveness of the messages, vi) efficiency of internal resources usage, and vii) adequacy of channels available/used?

Results presented on Chapter 2.4 of the Assessment Report.

2.4 What changes for upcoming editions do you think would improve the initiatives?

- Extend initiatives to more schools, more students and more teachers;
- Extend scope of action to areas other than the ones related with economics and management.
- Leverage initiatives with online and more digital capabilities.

3. Planned and unsuccessful initiatives / actions

3.1 Taking into account the indicators mentioned above, what assessment was made in terms of applicability / feasibility for the unsuccessful initiatives?

No survey or evaluation work was carried out on unsuccessful initiatives.

3.2 What different approaches could have been applied?

No survey or evaluation work was carried out on unsuccessful initiatives.

4. Other types of initiatives / actions

4.1 Taking into account the initiatives carried out to date, what other types of initiatives could have added value? Areas not yet reached by previous initiatives?

In the case of the Word Investor Week initiative, the target group could be more efficient if broaden to more public and sessions should be more adapted to the target audiences, with well-defined themes and invited guests in order to make the initiative more exhaustive but at the same time more efficient, regarding internal resources usage. Finally, the impact/ efficacy could get more adequate if the scope gets broaden to the public sectors and other entities.

Additionally, it can be concluded that the target group/ methodology used could be broadened and include other areas of expertise (Law, Engineering, Technology or Sociology, …), as well as high school students, other than just students in the fields of Economics and Management.

4.2 Do you have considered new partnerships with different stakeholders that could add value?

Increase and enhance agreements with Universities, in order to increase the dissemination of financial literacy issues among students.

Financial Literacy Meeting with Public Educational Stakeholders

September 15, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários;
- OPP - Ordem dos Psicólogos Portugueses;

1. Project presentation

1.1 Introduction and Objectives

1.2 Project Framework

2. Implemented Initiatives / actions

2.1 What initiatives did you participate in?

- Financial training in terms of attitudes and behaviors;

- Financial Education Week.

2.2 How do you characterize (not exhaustively) the implementation of the initiatives in the following indicators: i) target group, ii) timeframe, iii) material/methodology, iv) impact/efficacy, v) messages, vi) internal resources usage and vii) channels available/used?

Results presented on Chapter 2.3 of the Assessment Report.

2.3 How do you evaluate (not exhaustively) the implementation of the initiatives in the following indicators: : i) target group correctness, ii) timeframe correctness, iii) material/methodology adequacy, iv) impact/efficacy qualitative level, v) exhaustiveness of the messages, vi) efficiency of internal resources usage, and vii) adequacy of channels available/used?

Results presented on Chapter 2.4 of the Assessment Report.

2.4 **What changes for upcoming editions do you think would improve the initiatives?**

- Increase the production of content (including digital).
- Create a more detailed plan of the initiatives and specific activities to be carried out by the OPP.
- Conduct impact studies of the initiatives in order to understand what improvements can be made.
- Carry out evaluations of the initiatives and obtain more feedback, in order to improve them.

3. Planned and unsuccessful initiatives / actions

3.1 Taking into account the indicators mentioned above, what assessment was made in terms of applicability / feasibility for the unsuccessful initiatives?

No survey or evaluation work was carried out on unsuccessful initiatives.

3.2 What different approaches could have been applied?

- Implement training actions in schools and for the older population.
- Develop and implement actions to help people to handle anxiety caused by financial problems.

4. Other types of initiatives / actions

4.1 Taking into account the initiatives carried out to date, what other types of initiatives could have added value? Areas not yet reached by previous initiatives?

- Implement training actions in schools and for the older population.
- Actions to analyze and influence informed decision-taking on consumption behaviors.

4.2 Do you have considered new partnerships with different stakeholders that could add value?

Nothing indicated.

Financial Literacy Meeting with Public Educational Stakeholders

September 16, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários;
- Universities (FEP, ISEG, Universidade de Aveiro, Universidade Católica do Porto – Economia e Direito);

1. Project presentation

1.1 Introduction and Objectives

1.2 Project Framework

2. Implemented Initiatives / actions

2.1 What initiatives did you participate in?

- Protocols with Universities;

- World Investor Week;

2.2 How do you characterize (not exhaustively) the implementation of the initiatives in the following indicators: i) target group, ii) timeframe, iii) material/methodology, iv) impact/efficacy, v) messages, vi) internal resources usage and vii) channels available/used?

Results presented on Chapter 2.3 of the Assessment Report.

2.3 How do you evaluate (not exhaustively) the implementation of the initiatives in the following indicators: : i) target group correctness, ii) timeframe correctness, iii) material/methodology adequacy, iv) impact/efficacy qualitative level, v) exhaustiveness of the messages, vi) efficiency of internal resources usage, and vii) adequacy of channels available/used?

Results presented on Chapter 2.4 of the Assessment Report.

2.4 What changes for upcoming editions do you think would improve the initiatives?

- Greater data sharing with Universities to carry out research exercises that could be helpful for initiatives definition to improve financial literacy.
- Improve the analysis of the difference between the acts/ consumer habits and the knowledge of the population regarding financial products.
- Analyze the criteria behind the major financial decisions of the population.

3. Planned and unsuccessful initiatives / actions

3.1 Taking into account the indicators mentioned above, what assessment was made in terms of applicability / feasibility for the unsuccessful initiatives?

No survey or evaluation work was carried out on unsuccessful initiatives.

3.2 What different approaches could have been applied?

No survey or evaluation work was carried out on unsuccessful initiatives.

4. Other types of initiatives / actions

4.1 Taking into account the initiatives carried out to date, what other types of initiatives could have added value? Areas not yet reached by previous initiatives?

In the case of the Word Investor Week initiative, the target group could be more efficient if broaden to more public and sessions should be more adapted to the target audiences, with well-defined themes and invited guests in order to make the initiative more exhaustive but at the same time more efficient, regarding internal resources usage. Finally, the impact/ efficacy could get more adequate if the scope gets broaden to the public sectors and other entities.

In the case of the Protocols with Universities initiative, there is still a space for improvement, more precisely when it comes to the target group, the timeframe, the material/methodology, the impact/efficiency and the channels used.

Evaluating each dimension individually, it can be concluded that the target group/ methodology used could be broadened and include other areas of expertise (Law, Engineering, Technology or Sociology, …), as well as high school students, other than just University students in the fields of Economics and Management. The expansion of the target audience, together with a more defined calendar for the activities planned in the Protocols with Universities and an effort to gather more data to provide to the Universities to pursue relevant analysis, could provide further improvements in this type of initiatives.

4.2 Do you have considered new partnerships with different stakeholders that could add value?

Ministry of Employment, Solidarity and Social Security, as well as other financial literacy associations, are expected to disseminate more data and information so that Universities can work and develop investigations.

Financial Literacy Meeting with Stakeholders in Business Development and Innovation

September 16, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários;
- CCDR-N - Comissão de Coordenação e Desenvolvimento Regional do Norte.

1. Project presentation

1.1 Introduction and Objectives

1.2 Project Framework

2. Implemented Initiatives / actions

2.1 What initiatives did you participate in? How was the expected results versus the achieved results, in initiatives like (examples):

- Northern Region Financial Training;

2.2 How do you characterize (not exhaustively) the implementation of the initiatives in the following indicators: i) target group, ii) timeframe, iii) material/methodology, iv) impact/efficacy, v) messages, vi) internal resources usage and vii) channels available/used?

Results presented on Chapter 2.3 of the Assessment Report.

2.3 How do you evaluate (not exhaustively) the implementation of the initiatives in the following indicators: : i) target group correctness, ii) timeframe correctness, iii) material/methodology adequacy, iv) impact/efficacy qualitative level, v) exhaustiveness of the messages, vi) efficiency of internal resources usage, and vii) adequacy of channels available/used?

Results presented on Chapter 2.4 of the Assessment Report.

2.4 What changes for upcoming editions do you think would improve the initiatives?

- Better training of trainers for municipalities, since they were always in need of more information and training.
- Create content more targeted and adapted to the target audience, since many educated audiences have low academic qualifications.
- Creation of mechanisms for evaluation and feedback of initiatives in order to be able to improve them in future editions.

3. Planned and unsuccessful initiatives / actions

3.1 Taking into account the indicators mentioned above, what assessment was made in terms of applicability / feasibility for the unsuccessful initiatives?

No survey or evaluation work was carried out on unsuccessful initiatives.

3.2 What different approaches could have been applied?

Creation of mechanisms for evaluation and feedback of initiatives, in order to be able to improve them in future editions.

4. Other types of initiatives / actions

4.1 Taking into account the initiatives carried out to date, what other types of initiatives could have added value? Areas not yet reached by previous initiatives?

In the case of the Northern Region Financial Training initiative, it foresees the usage of external resources. The external resources usage impacts CMVM's control over outcomes, reducing their overall monitoring levels. Therefore, in order to achieve the initiative's objectives and expected outcomes, it might be necessary to increase the participation of internal resources in the quality evaluation and control of the outcomes of the initiatives, assuring that they are fitted to the CMVM objectives of promoting financial education in vocational training and the adoption of appropriate financial attitudes

4.2 Do you have considered new partnerships with different stakeholders that could add value?

Greater coordination with the PNFF in order to provide more resources (trainers and materials) for the initiatives developed in the northern region of the country.

Financial Literacy Meeting with Stakeholders in Business Development and Innovation

September 18, 2020

Stakeholders:

- CMVM - Comissão do Mercado de Valores Mobiliários;
- IAPMEI - Agência para a Competitividade e Inovação;
- IEFP - Instituto do Emprego e Formação Profissional.

1. Project presentation

1.1 Introduction and Objectives

1.2 Project Framework

2. Implemented Initiatives / actions

2.1 What initiatives did you participate in?

- Financial training for micro, small and medium-sized companies;

- World Investor Week;

- Financial Training for IEFP trainers.

2.2 How do you characterize (not exhaustively) the implementation of the initiatives in the following indicators: i) target group, ii) timeframe, iii) material/methodology, iv) impact/efficacy, v) messages, vi) internal resources usage and vii) channels available/used?

Results presented on Chapter 2.3 of the Assessment Report.

2.3 How do you evaluate (not exhaustively) the implementation of the initiatives in the following indicators: : i) target group correctness, ii) timeframe correctness, iii) material/methodology adequacy, iv) impact/efficacy qualitative level, v) exhaustiveness of the messages, vi) efficiency of internal resources usage, and vii) adequacy of channels available/used?

Results presented on Chapter 2.4 of the Assessment Report.

2.4 What changes for upcoming editions do you think would improve the initiatives?

- Enhance the mechanisms of analysis of the financial situation for greater dissemination of financial literacy issues, as well as providing training actions (IAPMEI);
- Strengthen digital mechanisms for the promotion and implementation of initiatives;
- Extend trainers' numbers in order to have more sessions;

- Content more targeted and adapted to the target audience, adapting the content for each company;
- Limit, as much as possible and aligned with specific health circumstances, the online training sessions since it is not efficient for financial topics where the trainer must be analyzing the students' reaction to the materials;
- Creation of mechanisms for evaluation and feedback of initiatives, in order to be able to improve them in future editions.

3. Planned and unsuccessful initiatives / actions

3.1 Taking into account the indicators mentioned above, what assessment was made in terms of applicability / feasibility for the unsuccessful initiatives?

No survey or evaluation work was carried out on unsuccessful initiatives.

3.2 What different approaches could have been applied?

Creation of mechanisms for evaluation and feedback of initiatives, in order to be able to improve them in future editions.

4. Other types of initiatives / actions

4.1 Taking into account the initiatives carried out to date, what other types of initiatives could have added value? Areas not yet reached by previous initiatives?

In the case of the Financial Training for micro, small and medium-sized companies initiative, focusing the information on each target group's needs and making sure tools have a larger applicability to the initiative purposes, is the solution to increase the impact/ efficacy and consequently improve the dimension suitability.

When it comes to the financial training of IEFP trainers' initiative, it foresees the usage of external resources. The external resources usage impacts CMVM's control over outcomes, reducing their overall monitoring levels. Therefore, in order to achieve the initiative's objectives and expected outcomes, it might be necessary to increase the participation of internal resources in the quality evaluation and control of the outcomes of the initiatives, assuring that they are fitted to the CMVM objectives of promoting financial education in vocational training and the adoption of appropriate financial attitudes.

It is also important to mention, regarding the financial training of IEFP trainers' initiative, that the impact might be affected by the levelled hierarchy in the PNFF which can jeopardise the process of reviewing the changes in the program. Additionally, it might be necessary to adjust the structure and the complexity of the concepts used to be more adapted and directed to the audience needs.

4.2 Do you have considered new partnerships with different stakeholders that could add value?

Not mentioned.