

Statistics and analyses

Report on financial investments of Italian households

Behavioural attitudes and approaches

2019

Survey



CONSOB

COMMISSIONE NAZIONALE
PER LE SOCIETÀ E LA BORSA

The Report presents evidence on the investment choices of Italian households with the aim of gaining insights as to how they manage investment decisions and the main risks they may take.

The Report is based on the Survey 'The approach to finance and investment of Italian households' administered by GfK Italia to a representative sample of Italian retail financial decision-makers.

For more information about the data, please see the Methodological notes at the end of this Report.

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Principali evidenze e tendenze

Nel 2018 la ricchezza finanziaria delle famiglie italiane è diminuita, mentre il tasso di risparmio è lievemente cresciuto.

Nel corso del 2018, le attività finanziarie lorde delle famiglie italiane hanno registrato una contrazione del 3,1% (-0,5% nell'area euro), a fronte di una crescita delle attività reali del 2,7% e una diminuzione delle passività pari allo 0,7% (rispettivamente, +1,3% e +3,6% nell'area euro; Fig. 1.1). Nel complesso, la ricchezza netta delle famiglie italiane in rapporto al reddito disponibile rimane superiore al dato dell'Eurozona (rispettivamente, 8,2 e 7,7 a fine 2018), mentre il tasso di risparmio lordo domestico, pari al 10% circa e in lieve crescita per la prima volta dal 2014, continua a essere inferiore al valore registrato nell'area euro (anch'esso in lieve aumento; Fig. 1.2). Il tradizionale divario nella composizione delle attività finanziarie delle famiglie in Italia e nell'Eurozona continua ad assottigliarsi, anche per effetto della riduzione del peso dei titoli obbligazionari nei portafogli dei risparmiatori italiani e del contestuale aumento delle attività assicurative e previdenziali e della liquidità (Fig. 1.3). Per contro, si conferma la distanza tra il nostro Paese e l'Eurozona con riguardo all'incidenza del debito delle famiglie sul Pil (a fine 2018 pari rispettivamente al 40% e al 60%; Fig. 1.4).

I cambiamenti demografici e la trasformazione digitale vedono l'Italia in una posizione di svantaggio rispetto ai Paesi europei.

L'Unione Europea (UE-28) sperimenta da tempo un progressivo invecchiamento della popolazione: l'età mediana, infatti, è passata da 40 anni nel 2007 a circa 43 anni nel 2017, mentre si stima che la percentuale di individui di età pari o superiore a 65 anni raggiungerà il 22% nel 2025. L'Italia si caratterizza per una struttura della popolazione relativamente più anziana: nel 2017 l'età mediana si è attestata a circa 46 anni, mentre la quota di persone oltre i 65 anni dovrebbe toccare, nel 2025, il 25% del totale (Fig. 1.5). In linea con queste dinamiche demografiche, a fine 2018 il tasso di dipendenza degli individui di età pari o superiore a 65 anni dalla popolazione in età lavorativa (15 - 64 anni) ha raggiunto il 35%, circa quattro punti percentuali in più del valore nell'Eurozona, mentre il reddito mediano dei più anziani continua a risultare inferiore a quello degli altri Paesi europei (Fig. 1.6 - Fig. 1.8).

Nel confronto internazionale, infine, l'Italia continua a registrare un divario negativo anche in termini di competenze digitali della popolazione, connotandosi al contempo per un più contenuto utilizzo di internet e dell'e-commerce (Fig. 1.9 - Fig. 1.11).

Secondo l'Osservatorio CONSOB per il 2019, i decisori finanziari condividono le proprie scelte in oltre l'80% dei casi, sono prevalentemente avversi al rischio e alle perdite e si riconoscono capacità elevate nella gestione delle finanze personali in più del 40% dei casi.

L'Osservatorio CONSOB per il 2019 su 'L'approccio alla finanza e agli investimenti delle famiglie italiane' raccoglie i dati relativi a un campione di 3.058 individui, rappresentativo dei decisori finanziari italiani, di cui 1.311 intervistati anche nel 2018 (Fig. 2.1).

In linea con le rilevazioni precedenti, circa i tre quarti dei decisori finanziari sono uomini. Le scelte economico-finanziarie risultano tuttavia condivise con il partner in oltre il 60% dei casi, mentre il dato sale all'80% se si considerano anche altri membri del nucleo familiare. Oltre ai consueti profili socio-demografici e alla propensione al rischio, l'indagine censisce alcune attitudini psicologiche che possono orientare la percezione e l'assunzione di rischio finanziario da parte degli individui: la tendenza a rimandare le decisioni (procrastinazione); la capacità di risolvere efficacemente problemi di carattere economico-finanziario (*financial self-efficacy*); la propensione a provare disagio nella gestione delle finanze personali (ansia finanziaria); l'ottimismo; la fiducia verso gli

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intermediari finanziari; l'attitudine a organizzare le proprie scelte secondo l'approccio della contabilità mentale (ossia l'attitudine a suddividere gli impieghi delle risorse disponibili in conti mentali diversi, ad esempio in funzione della fonte delle risorse stesse); l'esposizione a errori di ragionamento sulle probabilità (*gambler fallacy*, ossia l'errata convinzione che il passato condizioni il futuro anche nel caso di una sequenza di eventi casuali). Secondo gli indicatori attitudinali elaborati sulla base dell'auto-valutazione individuale, la maggioranza degli italiani si conferma avversa al rischio e avversa alle perdite (Fig. 2.3): con particolare riferimento a quest'ultimo aspetto, circa due terzi degli intervistati affermano di non essere disposti a investire in un prodotto che presenti una sia pur ridotta possibilità di perdita del capitale, mentre il restante 37% si dichiara tollerante verso piccole perdite (permanenti o recuperabili nel lungo termine). La tendenza alla procrastinazione risulta poco diffusa (vi si dichiara esposto in modo elevato meno del 10% degli individui; Fig. 2.4). Più del 40% si riconosce elevate capacità di gestire le proprie finanze (Fig. 2.5) e circa la metà riporta un livello di disagio o ansia finanziaria basso o molto basso (Fig. 2.6). Il 30% degli individui dichiara di essere molto ottimista (Fig. 2.7), mentre la fiducia negli operatori finanziari risulta poco diffusa (Fig. 2.8). La quasi totalità del campione, infine, sembra incline a seguire l'approccio tipico della contabilità mentale nella gestione dei propri investimenti (Fig. 2.9), mentre un quarto degli intervistati sembra esposto a errori riconducibili alla *gambler fallacy* (Fig. 2.10). L'analisi univariata mostra che avversione al rischio e avversione alle perdite si associano in modo significativo a fattori come età, stato civile, condizione professionale, situazione finanziaria e, tra i tratti individuali, propensione verso l'ansia finanziaria, ottimismo, fiducia nel settore finanziario e attitudine alla contabilità mentale (Fig. 2.11). La tendenza a riconoscersi efficace in ambito finanziario risulta positivamente associata a ottimismo, fiducia negli intermediari e attitudine alla contabilità mentale, mentre è meno frequente tra coloro che sono più propensi alla procrastinazione e all'ansia finanziaria (Fig. 2.12).

Rimangono molto contenute le conoscenze delle nozioni finanziarie più semplici, le abilità di calcolo e...

In linea con le rilevazioni degli anni precedenti, la cultura finanziaria delle famiglie italiane si conferma molto contenuta. Il 21% degli intervistati non conosce nessuna delle nozioni di base (inflazione, relazione rischio/rendimento, diversificazione, caratteristiche dei mutui, interesse composto) e delle nozioni avanzate (riferite ai titoli obbligazionari) proposte nella *Survey* (Fig. 3.1); solo il 12% mostra padronanza di quattro dei sette concetti presentati; solo il 2% definisce correttamente tutte le nozioni (Fig. 3.2). Con riferimento alla consapevolezza del proprio livello di conoscenze finanziarie, in media il 34% del campione mostra un disallineamento (*mismatch*) fra conoscenze reali e conoscenze percepite *ex ante* (ossia prima della verifica puntuale delle nozioni prima menzionate), che si traduce in una sovrastima (*upward mismatch*) nel 14% dei casi e in una sottostima (*downward mismatch*) nel rimanente 20% (Fig. 3.3 - Fig. 3.4). Il divario tra conoscenze reali e valutazione *ex post* (ossia successiva alla verifica puntuale delle nozioni prima menzionate) mostra invece una sovrastima della propria cultura finanziaria nel 28% dei casi (Fig. 3.5 - Fig. 3.6). Gli intervistati si connotano anche per un basso livello di *numeracy*, come si evince dal fatto che il 54% del campione non è in grado di eseguire un semplice calcolo percentuale (Fig. 3.7).

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... le conoscenze dei prodotti finanziari in astratto più noti.

La cultura finanziaria degli italiani è stata valutata anche con riferimento alla conoscenza di alcune attività finanziarie scelte tra le categorie che, sulla base delle rilevazioni degli anni precedenti nonché per grado di diffusione o copertura mediatica, possono considerarsi tra le più note al pubblico indistinto: conto corrente; azioni; obbligazioni; fondi comuni; Bitcoin. Oltre il 30% del campione non conosce nessuno dei prodotti proposti; solo il 20% risponde correttamente a tre domande su cinque; solo il 4% ottiene il punteggio massimo (Fig. 3.8 - Fig. 3.10). La conoscenza dei prodotti risulta più elevata tra gli intervistati più abbienti, residenti nelle regioni centro-settentrionali, con un livello maggiore di istruzione e maggiori abilità di calcolo; emerge, inoltre, una correlazione positiva con l'auto-efficacia e la propensione a essere ottimisti e una correlazione negativa con la tendenza alla procrastinazione e all'ansia finanziaria. Con riferimento alla cosiddetta *risk literacy*, ossia la capacità di riconoscere in astratto il livello di rischio associato ai prodotti finanziari, il 50% degli individui indica le azioni come il prodotto più rischioso, associandovi una maggiore volatilità, un maggior rischio di liquidità e un maggior rischio di perdita del capitale e, nel 70% dei casi circa, la possibilità che tale forma di investimento alimenti disagio e preoccupazione (Fig. 3.12 - Fig. 3.14). Con riferimento a un'ipotetica scelta di investimento, le attività immobiliari sono spesso preferite a impieghi di natura finanziaria, a prescindere dall'orizzonte temporale e dagli obiettivi di rendimento; il 40% degli intervistati inoltre non è in grado di individuare un'opzione di investimento adeguata a nessuno degli scenari proposti (Fig. 3.15).

L'educazione finanziaria ricevuta in famiglia si associa a comportamenti economico-finanziari corretti.

Come evidenziato dalle *Survey* precedenti, gli intervistati indicano l'educazione familiare come una delle principali fonti della propria cultura finanziaria, insieme a fattori quali interesse personale ed esperienza. L'Osservatorio 2019 approfondisce questo aspetto indagando se, durante l'adolescenza, i partecipanti alla *Survey* sono stati stimolati dai propri genitori a tenere comportamenti oculati in tema di risparmio e controllo delle spese. La stragrande maggioranza riferisce di essere stato incoraggiato a risparmiare e a gestire il *budget* in modo attento, anche se tale incoraggiamento viene qualificato come elevato solo nel 20% dei casi; lo stimolo della famiglia inoltre è più frequente tra gli intervistati che giudicano elevata la cultura finanziaria dei propri genitori (Fig. 3.16). L'educazione familiare appare significativamente e positivamente correlata con le conoscenze finanziarie degli intervistati e, come dettagliato nelle sezioni successive, con attitudini corrette in tema di pianificazione, *budgeting*, risparmio, indebitamento e investimento.

La pianificazione finanziaria è ancora poco diffusa: gli obiettivi di spesa vengono identificati in modo sequenziale uno per volta e la motivazione al risparmio prevalente è quella precauzionale.

Pianificazione e controllo delle scelte finanziarie (cosiddetto *financial control*) rimangono comportamenti poco diffusi presso le famiglie italiane. Nella gestione delle finanze personali, il 60% non segue una regola precisa mentre la quasi totalità del restante 40% decide definendo in modo sequenziale un obiettivo di spesa alla volta. Solo un terzo degli intervistati ha un piano finanziario e di questi poco meno del 40% ne monitora l'avanzamento in modo dettagliato, annotando le spese (Fig. 4.1 - Fig. 4.2). Tra coloro che non pianificano, il 42% ritiene che sia inutile avere un piano, o perché manca la capacità di risparmio o perché è sufficiente controllare le spese, mentre il 20%, pur riconoscendone l'utilità, non è comunque intenzionato a modificare le sue abitudini nell'immediato (Fig. 4.3).

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Circa la metà del campione ha un *budget* familiare, che rispetta sempre nel 26% dei casi e che controlla in modo accurato nel 30% dei casi (Fig. 4.4). L'attitudine al *financial control* si associa positivamente a livello di istruzione, conoscenze finanziarie e abilità di calcolo; come anticipato, è altresì significativa la correlazione con l'educazione finanziaria ricevuta dai genitori. I comportamenti virtuosi sono inoltre più frequenti tra coloro che dichiarano livelli più elevati di auto-efficacia e ottimismo, mentre appaiono meno diffusi tra gli individui inclini all'ansia finanziaria e alla procrastinazione (Fig. 4.7).

Gli intervistati risparmiano in modo regolare (soprattutto per motivi precauzionali) nel 31% dei casi (in lieve calo rispetto all'anno precedente quando il dato si attestava al 33%) e in modo occasionale nel 37% dei casi; il 26% non accantona nulla, soprattutto perché le spese assorbono tutte le entrate familiari (Fig. 4.5). Il 43% delle famiglie ha contratto un prestito, prevalentemente con istituzioni finanziarie, sia per l'acquisto della prima casa (posseduta dal 72% del campione) sia per finanziare le spese correnti (Fig. 4.6). In generale, il risparmio è più frequente tra i soggetti più abbienti, con maggiori conoscenze finanziarie, abituati a pianificare e inclini verso l'auto-efficacia, l'ottimismo e la contabilità mentale; viceversa, esso è correlato negativamente con ansia finanziaria, procrastinazione, avversione alle perdite e al rischio (Fig. 4.8).

Il 30% delle famiglie italiane dichiara di possedere almeno un'attività finanziaria, rappresentata da fondi comuni e titoli di Stato italiani, rispettivamente nel 26% e nel 18% dei casi.

A fine 2018, il 30% delle famiglie italiane dichiara di possedere almeno un'attività finanziaria, rappresentata da fondi comuni e titoli di Stato italiani, rispettivamente nel 26% e nel 18% dei casi (il dato risulta stabile rispetto al 2018; Fig. 5.1). La percentuale di investitori che risponde correttamente alle domande di cultura finanziaria riferibili ai prodotti posseduti oscilla tra il 15% (relazione prezzo - tasso di interesse di un'obbligazione) e l'83% (caratteristiche delle azioni); il dato si colloca tra il 50% e il 70% circa per le nozioni relative alla cosiddetta *risk literacy* (Fig. 5.2). La mancanza di risparmi rappresenta il maggior deterrente all'investimento, seguito dalla mancanza di fiducia nel sistema finanziario (Fig. 5.3). Queste indicazioni vengono confermate dall'analisi univariata, che evidenzia inoltre una associazione negativa con alcuni tratti personali, quali l'avversione al rischio e alle perdite, la tendenza a procrastinare e la propensione a provare disagio rispetto alla gestione delle questioni economiche. Viceversa, la partecipazione ai mercati finanziari risulta più frequente tra gli individui con maggiori livelli di istruzione, conoscenze finanziarie e abilità di calcolo, nonché tra gli intervistati tolleranti verso perdite di piccola entità o circoscritte al breve termine, propensi all'ottimismo e che si percepiscono efficaci nel perseguimento di obiettivi economico-finanziari (Fig. 5.4).

La maggior parte degli intervistati prende le decisioni di investimento in autonomia o con il supporto di familiari e conoscenti.

Un investitore su due utilizza una sola fonte informativa per prendere decisioni di investimento, preferendo di gran lunga il supporto di un esperto (consulente finanziario o funzionario della banca) alla consultazione in autonomia di documenti informativi sui prodotti come il prospetto (Fig. 5.5). Nelle scelte di investimento, il 20% degli individui si affida a un consulente finanziario o a un gestore che consulta anche in fase di monitoraggio del proprio portafoglio: la propensione a domandare consulenza si associa positivamente a età, ricchezza e fiducia negli intermediari finanziari. Il 40% degli investitori ricorre alla cosiddetta consulenza informale, ossia ai consigli di amici e parenti (talvolta attivi nel settore finanziario), e altrettanti decidono in autonomia (Fig. 5.6 - Fig. 5.8).

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Gli investitori assegnano un ruolo chiave alle competenze del consulente sia nella fase di avvio sia nel corso della relazione.

La maggior parte degli investitori tende a seguire sempre il consiglio ricevuto. Nel caso in cui il consiglio non fosse compreso, tuttavia, la maggioranza degli intervistati cercherebbe di approfondire rivolgendosi anzitutto allo stesso consulente.

Più del 50% degli investitori non è in grado di identificare i tratti distintivi del servizio di consulenza in materia di investimenti (Fig. 5.9). La scelta del consulente è guidata prevalentemente dalle competenze del professionista, seguita dalla fiducia che questi riesce a ispirare nel cliente e dalla segnalazione proveniente da un soggetto ritenuto affidabile (famigliari, amici, istituto bancario di riferimento). La sfiducia, inoltre, è il disincentivo principale alla domanda di consulenza (Fig. 5.10). In linea con i *driver* che guidano la scelta del professionista, le aspettative degli investitori nei confronti del consulente riguardano soprattutto le sue competenze, l'assenza di conflitto di interessi e il supporto a decisioni informate (Fig. 5.11). La remunerazione della consulenza rimane un elemento poco considerato, sia perché la maggioranza degli individui ritiene che il servizio sia prestato a titolo gratuito sia perché la disponibilità a pagare è molto bassa anche tra gli investitori assistiti da un esperto (Fig. 5.12). La relazione con il consulente è prevalentemente di medio-lungo periodo, come attesta il fatto che il 50% degli investitori assistiti non ha mai cambiato il professionista, mentre il 18% lo ha fatto perché insoddisfatto del servizio ricevuto (Fig. 5.13). Gli intervistati quasi sempre riconoscono l'importanza dello scambio informativo con il consulente, anche se in maniera non omogenea rispetto alla tipologia di informazioni da condividere. Se più dei due terzi dei clienti assistiti ritiene rilevante indicare la propria capacità di rischio, i rendimenti attesi, il fabbisogno di liquidità e l'orizzonte temporale di investimento, gli obiettivi di vita sono segnalati da poco più del 60%, seguiti da conoscenza finanziaria (50%) ed esperienza di investimento (44%). Inoltre, solo il 30% degli investitori dichiara di comunicare al consulente variazioni rilevanti della propria situazione personale (Fig. 5.14). Nell'ambito della relazione con il consulente, prevale la propensione a seguire sempre la raccomandazione ricevuta in circa il 60% dei casi; meno del 20% si documenta sempre, consultando fonti informative alternative; meno del 5% chiede sempre una *second opinion*. Tuttavia, solo il 17% sarebbe disposto a seguire un consiglio che non ha compreso senza documentarsi, mentre la maggioranza degli intervistati cercherebbe di approfondire rivolgendosi anzitutto allo stesso consulente, consultando i siti delle Autorità di vigilanza, persone vicine e *social network* (Fig. 5.15). Nel corso della relazione i contatti con il professionista sono saltuari o assenti nel 26% dei casi, mentre nel 70% circa ricorrono con frequenza annuale su iniziativa del cliente o del consulente. Nel caso di turbolenze sui mercati finanziari, il 25% degli investitori assistiti cerca sempre conforto nel consulente e altrettanti vengono contattati dal professionista; nel 30% dei casi, infine, gli intervistati dichiarano di essere raggiunti tramite *e-mail* o *newsletter* (Fig. 5.16).

FOCUS

Gli investimenti sostenibili e socialmente responsabili sono ancora poco conosciuti dagli investitori italiani che dichiarano di avere prodotti SRI nel proprio portafoglio solo nel 5% dei casi.

Gli investimenti sostenibili e socialmente responsabili (SRI) sono ancora poco noti. Se il 40% degli intervistati dichiara di averne almeno sentito parlare, solo il 5% si ritiene bene informato; il dato aumenta, tuttavia, nel sottogruppo degli investitori che riferiscono di averne una conoscenza sia pure approssimativa nel 60% dei casi. Le fonti informative prevalenti sono i media e il web, mentre il ruolo dei consulenti finanziari resta secondario anche nel sottogruppo degli investitori (Fig. 6.2). Nel complesso, solo il 5% degli investitori dichiara di avere prodotti SRI nel proprio portafoglio (18% nel sottocampione di coloro che si dichiarano informati e che sono seguiti da un consulente; Fig. 6.3).

Il potenziale interesse negli SRI dipende anche dalla importanza riconosciuta ai cosiddetti fattori ESG (*environmental, social and governance*) e, nell'ambito di questi, ai cambiamenti climatici più frequentemente all'attenzione dell'opinione pubblica.

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Il 40% degli intervistati non è in grado di esprimere un'opinione sulla rilevanza dei fattori ESG; tra i restanti la tutela dell'ambiente è il tema più sentito, seguito dal supporto alle persone svantaggiate e alle comunità locali (Fig. 6.4). Oltre un terzo degli intervistati inoltre dichiara un'elevata propensione a spendersi per una buona causa senza attendersi nulla in cambio, rivelando così una spiccata sensibilità verso le tematiche che investono la collettività (cosiddette *social preferences*; Fig. 6.5).

L'interesse potenziale negli SRI sfiora il 40% del campione, nella maggior parte dei casi attento ai profili finanziari dell'investimento. Per contro, la mancanza di interesse viene ricondotta alla carenza di risparmi da investire, al fatto di non aver mai ricevuto proposte d'investimento riferite a prodotti SRI o alla diffidenza nei confronti di questi prodotti.

L'interesse potenziale negli SRI sfiora il 40% del campione, che nella maggior parte dei casi si dichiara attento ai profili finanziari dell'investimento; un quarto del campione non è interessato in alcun caso, mentre più di un terzo non è in grado di esprimere un'opinione (Fig. 6.6). Il 66% degli intervistati non conosce le *performance* passate di questa categoria di investimenti; il dato, tuttavia, diminuisce significativamente tra gli investitori informati in materia di finanza sostenibile e coloro che detengono prodotti SRI (Fig. 6.7).

La mancanza di interesse nei prodotti SRI viene ricondotta all'assenza di risparmi da investire nel 47% dei casi (28% per il sottocampione degli investitori, che paiono dunque percepire questa tipologia di prodotti come non fungibile rispetto agli investimenti 'tradizionali'), seguita dal fatto di non aver mai ricevuto proposte di investimenti in tal senso e dalla mancanza di fiducia (Fig. 6.8).

La domanda potenziale ed effettiva di SRI sembra essere più accentuata tra i soggetti più abbienti e con un livello più elevato di istruzione e di conoscenze finanziarie; tra i tratti individuali rilevano la sensibilità verso le tematiche sociali e un maggior orientamento alle *performance* di lungo periodo, segnalato da una più alta tolleranza verso le perdite di breve periodo e di piccola entità (Fig. 6.9).

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Highlights and trends

In 2018 Italian household financial wealth declined, whilst the saving rate headed to 10%.

In 2018, household financial wealth decreased in the Eurozone and more markedly in Italy, where the decline was compensated by a slight reduction in financial liabilities and an increase in real assets. The ratio between household net wealth and gross disposable income remains higher in Italy, where the gross saving rate has headed towards 10% (Fig. 1.1 – Fig. 1.4).

Ageing population and digitalisation will significantly impact the economic landscape.

Ageing population and digital transformation pose significant challenges to European economies and more so in Italy. In our country the percentage of the population aged 65 and older is projected to increase up to 25% in 2025, at a pace steadily higher than the average European growth rate. Apart from Germany, Italy is already the country with the oldest population, with a median age of about 46 years and the highest old-age dependency ratio (Fig. 1.5 – Fig. 1.8).

As for digitalisation, Italy is still lagging behind in terms of connectivity tools, human digital skills and the use of the Internet (Fig. 1.9 – Fig. 1.11).

According to the 2019 CONSOB Observatory, men remain the lead financial decision-makers, although in the vast majority of the cases they share their choices with either the partner or other relatives. Among the observed personal traits, risk aversion and loss aversion are very widespread, while 40% of individuals perceive to be highly financially self-effective.

The 2019 Observatory on 'The approach to finance and investment of Italian households' collects data on financial knowledge, behavioural attitudes, financial choices and investment habits of 3,058 respondents, of whom 1,311 individuals interviewed also in 2018. The sample is representative of the population of Italian financial decision-makers, defined as the primary family income earner, aged between 18 and 74. Men remain the lead financial decision-makers (74%), although in the vast majority of the cases they share their choices either with the partner or with relatives (reported to work in the financial sector in 14% of the cases). More than half of the sample accesses online banking, whilst the use of the digital channel for investment purposes is still far from becoming mainstream, as shown by the low proportion of individuals reporting to have joined a crowdfunding campaign or a robo advice platform (3% and 2% respectively). 76% of interviewees are 'cautious in finance', as they are more oriented towards investments with a low/moderate risk-return profile, whilst 63% declare to be totally loss averse. In addition, the Survey gathers evidence about some psychological traits that may affect financial behaviour, such as procrastination, financial self-efficacy, financial anxiety, optimism, trust, attitude towards mental accounting and towards gambler fallacy. Barely 10% of respondents report to be prone to procrastination; almost half reports a high level of financial self-efficacy; about a half declare a low level of financial anxiety; almost one-third of the sample is optimistic; more than 60% of respondents do not trust financial intermediaries; almost all are prone to mental accounting; about one-fourth displays a tendency towards gambler fallacy (Fig. 2.1 – Fig. 2.12).

The financial knowledge of Italian households remains low. In addition, numeracy as well as...

The financial knowledge of Italian households remains low: in 2019, the proportion of correct answers to financial literacy questions ranges from 41% to 57% for basic concepts such as inflation, risk-return trade-off and portfolio diversification, substantially in line with the evidence gathered in previous Surveys, and falls to 20% or lower for advanced notions. Overall, 34% of the sample exhibits some misalignment between ex-ante perceived financial knowledge (i.e., before answering to the quiz questions) and actual knowledge, which in 14% of the cases translates into an 'upward mismatch' (i.e. an over-estimation of one's own literacy) and in the remaining 20% into a 'downward mismatch'

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(i.e. an under-estimation of one's own knowledge). In addition, based on ex-post self-assessment of financial knowledge (i.e. after answering to the quiz questions), 28% of respondents turn out to be prone to over-evaluate their financial literacy. Overconfidence seems to be more frequent among individuals making financial decisions alone, whilst underconfidence is more likely among those sharing choices with the partner.

Both the 2018 and 2019 Observatory explored people's numeracy, a precondition and a complement of financial literacy. The widespread failure to answer to simple questions on percentages and probabilities (i.e., gambler fallacy) clearly shows the need to improve individuals' numerical skills (Fig. 3.1 - Fig. 3.7).

... knowledge of the most common financial assets show significant gaps.

The vast majority of the interviewees are not aware of the main features of the most common financial assets (such as current accounts, stocks, bonds, mutual funds). 30% of the interviewees do not know any of the financial assets recalled in the quiz questions, while the sample average proportion of right answers is equal to 25%. Apart from current account, self-assessed knowledge of financial assets seems to be broadly accurate for the vast majority of the individuals, as the upward mismatch between perceived and actual knowledge shows up in less than 20% of the cases. As for risk literacy, most respondents consider stocks as a high-risk asset (exposed to high risk of capital losses, volatility of returns and liquidity risk) and, not surprisingly, as the investment that more than others can spark anxiety. Only 25% of individuals are able to correctly rank current accounts, bonds and stocks by their overall risk level and only 4% correctly performs rankings over four risk dimensions (capital losses, volatility, liquidity and inflation risk). When asked to pick the asset that could in principle best fit a specified investment goal within a specified frame, about 40% of respondents are not able to make any choice whilst the remaining are predominantly oriented towards real estate (Fig. 3.8 - Fig. 3.15).

The role of parental education in strengthening individuals' background in financial matters seems to be confirmed by the positive correlation with financial knowledge and financial control.

Previous waves of the CONSOB Observatory have highlighted the contribution of parental education to individuals' background in financial matters (considered by respondents as important as personal interest, household budgeting experience and professional experience). In addition, empirical research underlines the role of parental education in shaping individuals' financial behaviour over their lifetime. According to the 2019 wave, about 20% of respondents report to have been strongly encouraged by their parents to save and budgeting when they were teenagers. The role of parental education seems to be confirmed by the positive correlation with financial knowledge and financial control (Fig. 3.16; more on this in Section 4).

The vast majority of Italian households are not familiar with financial planning and budgeting, while saving is mainly driven by precautionary reasons.

When managing personal finances, 60% of respondents either do not follow any firm rule or are not able to identify a recurring habit. Only 18% states to be fully aware of the meaning of financial planning although, after having been given the definition of a financial plan, 30% of individuals acknowledges to have it and to monitor their financial programmes (predominantly without taking note of expenses). Low savings is the main deterrent from financial planning along with the belief that tracking income and expenses is enough. As for the management of income and expenses, less than half of the households report to have a budget, which is always respected in 26% of the cases and carefully overseen by 30% of the sample. More than 60% of respondents state to save (either regularly or occasionally), mainly for precautionary reasons, whilst 43% of households hold mortgage debt and consumer credit (Fig. 4.1 - Fig. 4.8).

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The participation rate in financial markets is equal to 30%, with mutual funds and Government bonds remaining the most significant holdings in household portfolios after bank and postal savings. Informal advice keeps being the most common investment habit among investors.

Advisors' competences are both the main driver of the choice of the expert and the main expectation investors have from financial advisors. Most investors are used to have long-standing relationship with their financial advisor and to follow the advice received without any double-check.

FOCUS
Apart from a small share of investors holding sustainable and responsible products, knowledge and interest in SRIs are still limited. Informed investors and holders of SRIs are on average more frequently willing to hold SRIs even if this entails forgoing financial performances. The main deterrents from SRIs are reported to be lack of savings and mistrust, the latter encompassing also 'greenwashing' concerns.

The participation rate in financial markets is equal to 30%, with mutual funds and Government bonds remaining the most significant holdings in household portfolios after bank and postal savings. Interestingly, the proportion of investors answering correctly to the quiz questions on the financial assets they hold, ranges from 15% (relation between interest rate and bond price) to 83% (features of stocks), while the proportion of stocks and bank bonds holders faring well on the risk literacy questions ranges between 50% and 69%. Lack of savings is the main deterrent to financial market participation, followed by lack of trust and low financial knowledge.

Half of investors use a single source of information when making investment decisions, preferring by far to rely on experts (advisor, portfolio manager, bank staff), compared to financial documents such as a prospectus. Informal advice (by relatives and friends) remains the most common investment habit among investors, followed by self-managed decisions and reliance on a professional support (Fig. 5.1 - Fig. 5.8).

Among investors, more than 40% are aware of the characteristics of financial advice whilst about half of them can correctly define the implications of a suitable recommendation: interestingly, slightly more than 20% believes that a suitable financial recommendation prevents from capital losses. Advisors' competences are both the main driver of the choice of the expert and the main expectation investors have from financial advisors. More than 80% of investors receiving financial advice keep ignoring that the service is remunerated and, in the vast majority of the cases, are not willing to pay for it. More than half of respondents have a long-standing relationship with their financial advisor, having experienced a switch (if any) predominantly because the professional was no longer available. The majority of the sample is not used to double-check the advisor's recommendation, while only 5% of the investors always ask for a second opinion. However, most respondents are not willing to follow a recommendation they do not understand, as they seek explanation from the consultant and/or to gather clarifying information from alternative sources. Over 70% of the investors relying on financial advice have met their advisor at least once in the last year, either following their own or their advisor's initiative (Fig. 5.9 - Fig. 5.16).

About 40% of respondents report to be somehow informed about SRIs (this share halves when excluding those who have just heard about it), mainly thanks to the media and the Internet. Only 5% of investors hold SRIs: the proportion rises to 18% among informed advised investors, who report to have been recommended such investments by their advisors in slightly more than 10% of the cases. About 40% of the interviewees are not able to express any opinion on the relevance of the ESG factors that can be associated to SRIs (this share drops to less than 10% among informed investors), while the remaining mainly point to environment protection and social goals. 60% of interviewees are highly concerned about climate changes, while 33% display high social preferences (as signalled by their high propensity to give to good causes without expecting anything in return). Potential interest in SRIs involves 40% of the interviewees, that are willing to forgo financial performance in 13% of the cases. These figures hit 80% and 40% respectively for the sub-sample of informed investors. Interestingly, 66% of respondents are unable to express a view about SRIs past financial performance, while the proportion of those reporting similar or better returns than alternative options rises substantially among informed investors and among holders of SRIs. The main deterrents from interest in SRIs seem to be lack of savings and mistrust, the latter entailing several dimensions as

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'greenwashing' concerns, ineffectiveness of SRIs and inclination towards keeping personal engagement separate from financial choices. Wealth, financial knowledge, social preferences, climate concerns and consideration of ESG factors as well as tolerance to short-term and tolerance to small losses are among the factors positively associated with familiarity and interest in SRIs, whilst risk aversion and loss aversion are among the variables showing a negative correlation (Fig. 6.1 - Fig. 6.9).

In conclusion...

Italian financial decision-makers keep showing a low level of financial knowledge and are far from being savvy investors, as highlighted by data on their risk literacy. As for financial control, the vast majority does not have either a financial plan or a budget, although saving (either on a regular or on an occasional basis) remains a common habit. Financial market participation is low while informal advice prevails among investors.

Financial knowledge and best practices are in general more likely among wealthy individuals, residents in the north of Italy as well as among the youngest, the highly educated and those with numerical skills. In addition, they are positively associated with behavioral traits such as financial self-efficacy, optimism, self-control (as opposed to procrastination), financial easiness (as opposed to financial anxiety) and tolerance to small/short-term losses (as opposed to total loss aversion and risk aversion). Trust in financial intermediaries confirms to be a key driver not only for market participation but also for demand for financial advice. Interestingly, also the attitude towards mental accounting turns out to be positively correlated with financial control and investing.

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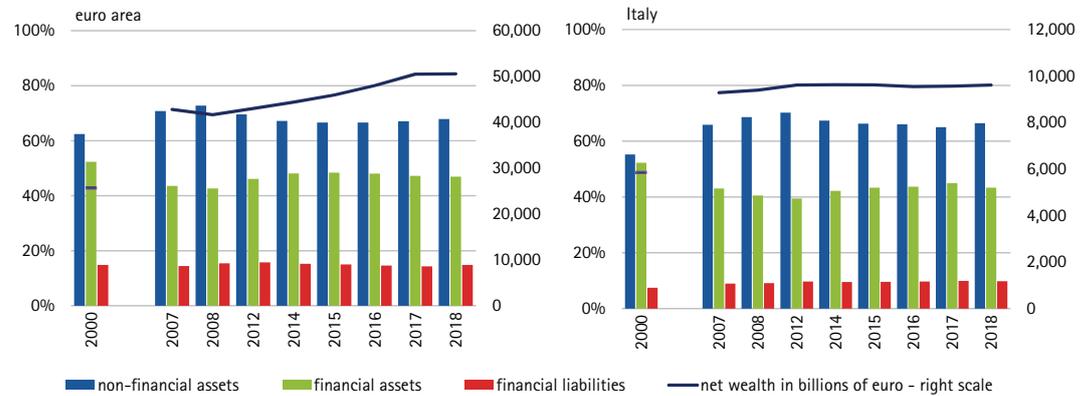
Trends in household wealth and savings

In 2018, household financial wealth decreased in the Eurozone and more markedly in Italy, where the decline was compensated by a slight reduction in financial liabilities and an increase in real assets.

Within the euro area, the ratio between household net wealth and gross disposable income remains higher in Italy, where the gross saving rate has headed towards 10% in 2018.

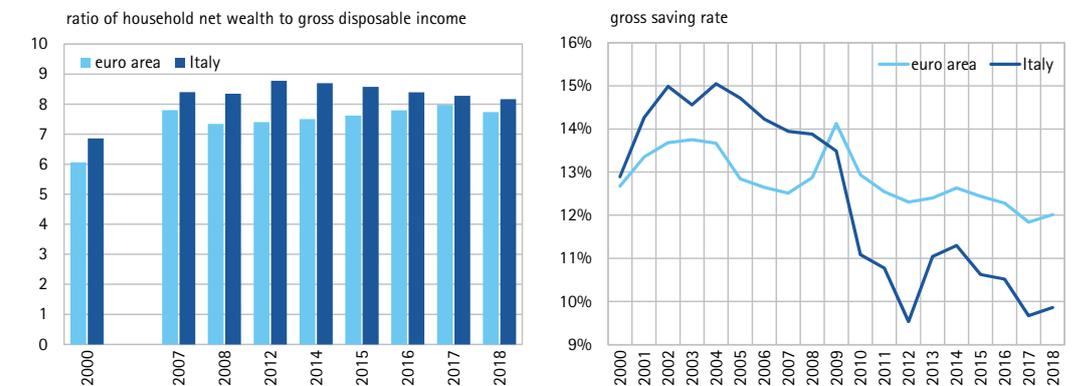
In line with the patterns recorded in the Eurozone, Italian household direct investment in equity keeps shrinking vis-à-vis a slight increase in holdings of insurance policies, cash and deposits.

Fig. 1.1 – Household net wealth: level and composition



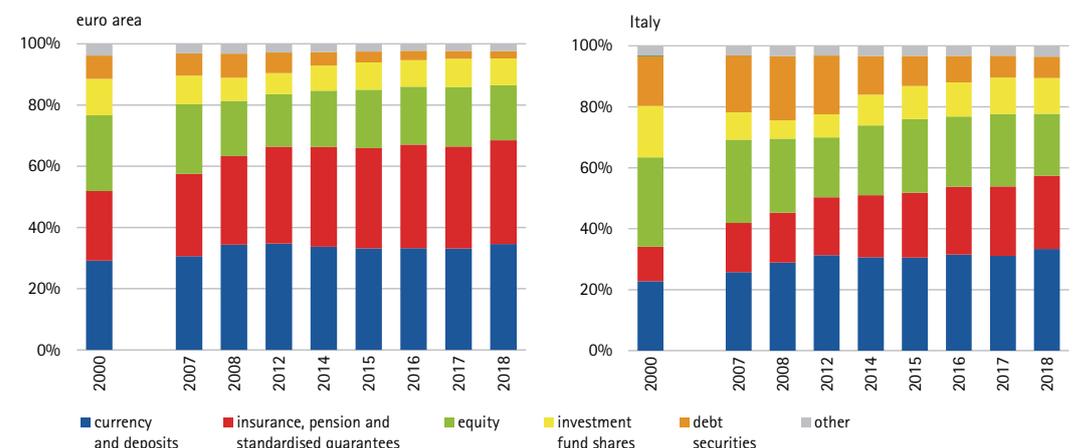
Figures refer to the reporting institutional sector 'Households and non-profit institutions serving households' (NPISH) in euro area 19 (fixed composition) as of 1 January 2015. 'Non-financial assets' includes: dwellings; buildings other than dwellings; machinery and equipment and weapon systems products; intellectual property; inventories by type of inventory; land under cultivation; consumer durable. 'Net wealth' is defined as the sum of real and financial assets net of financial liabilities. For Italy, 2018 net wealth is estimated on the basis of the quarterly variations published by the ECB. Source: Bank of Italy, ECB, Eurostat, Istat.

Fig. 1.2 – Household net wealth relative to income and gross saving rate



'Gross saving rate' of households (including non-profit institutions serving households) is defined as gross saving divided by gross disposable income. Source: Eurostat, European Commission.

Fig. 1.3 – Breakdown of household financial assets



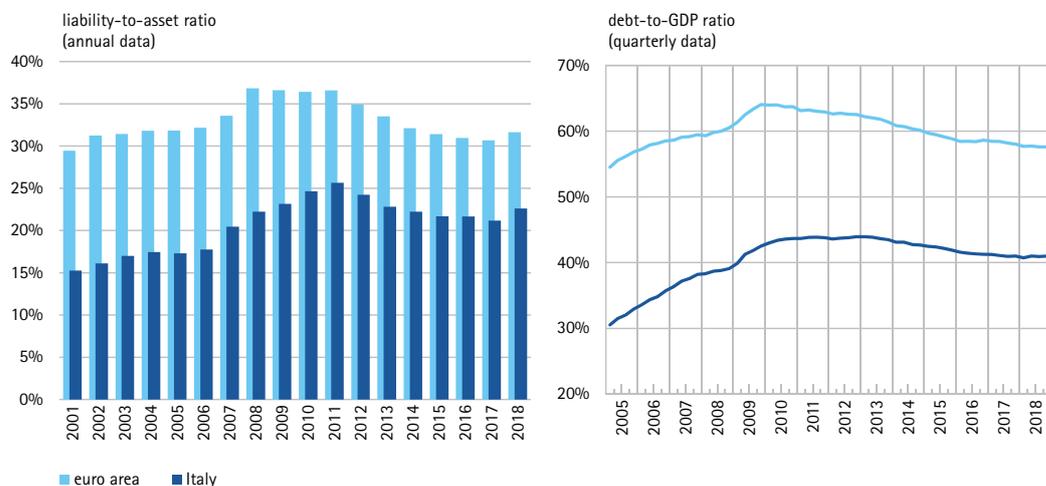
'Equity' includes listed and unlisted shares. 'Other' includes financial derivatives and loans. Source: Bank of Italy, Eurostat, Istat.

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Reverting a trend recorded since 2011, the liability-to-asset ratio has slightly increased in both the euro area and Italy, while the household debt-to-GDP ratio remains substantially constant. Italian indicators are persistently below the Eurozone level.

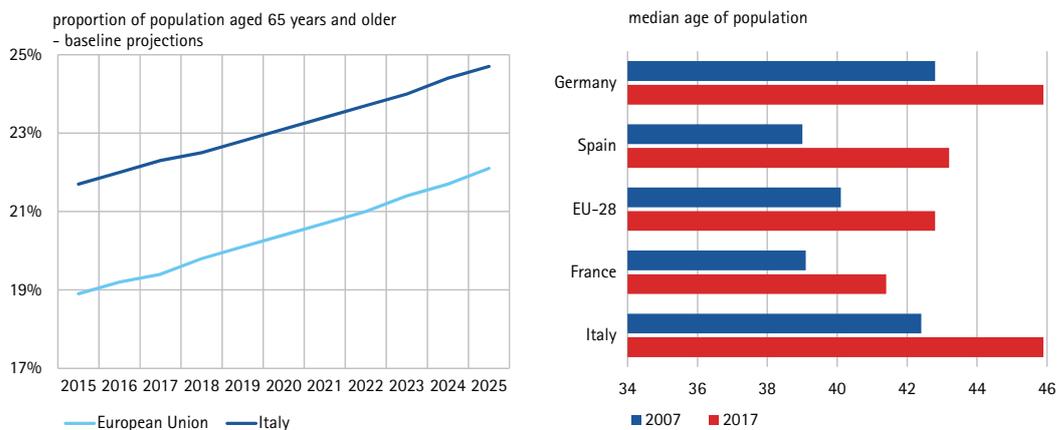
Fig. 1.4 – Household liabilities



Source: ECB, Refinitiv Datastream.

The percentage of the population aged 65 and older in Italy is projected to increase up to 25% in 2025, at a pace steadily higher than the average European growth rate. Apart from Germany, Italy is already the country with the oldest population, with a median age of about 46 years, and...

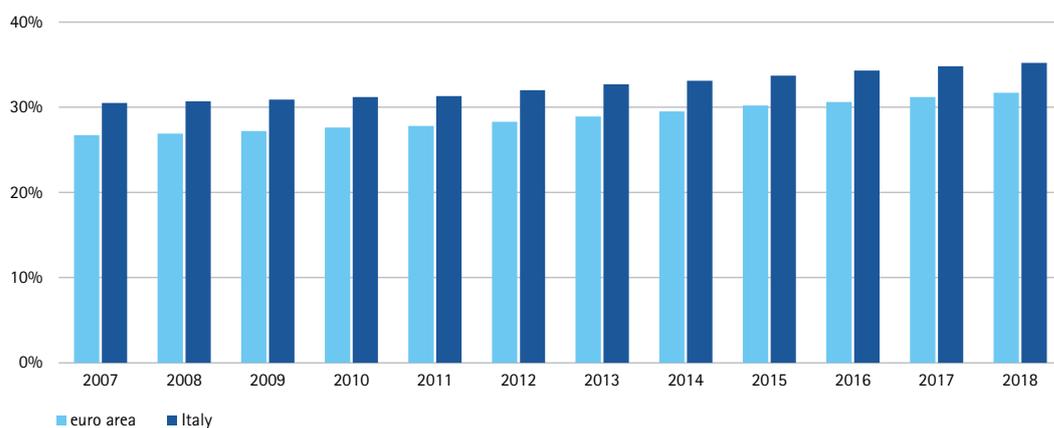
Fig. 1.5 – Ageing population



Source: Eurostat.

... the highest old-age dependency ratio.

Fig. 1.6 – Old-age dependency ratio



Source: Eurostat.

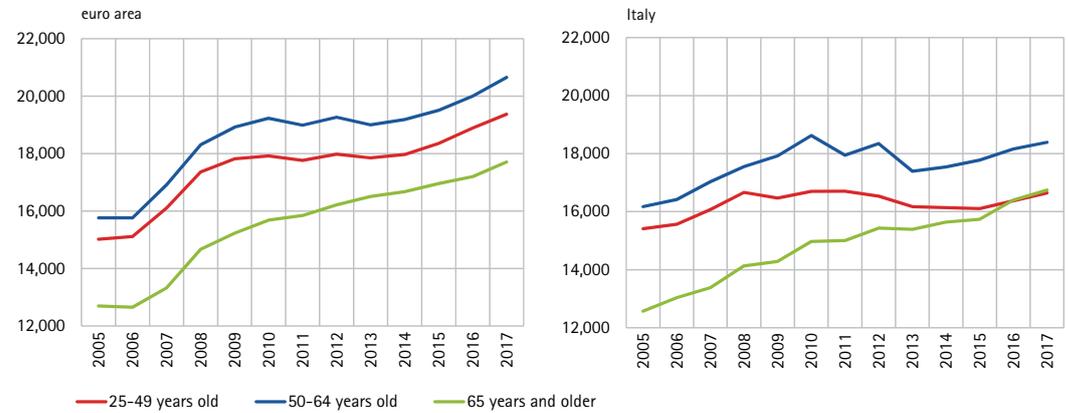
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In the euro area, median disposable income is constantly lower for people aged 65 and older, while in Italy the gap between oldest and youngest has gradually shrunk to zero. However...

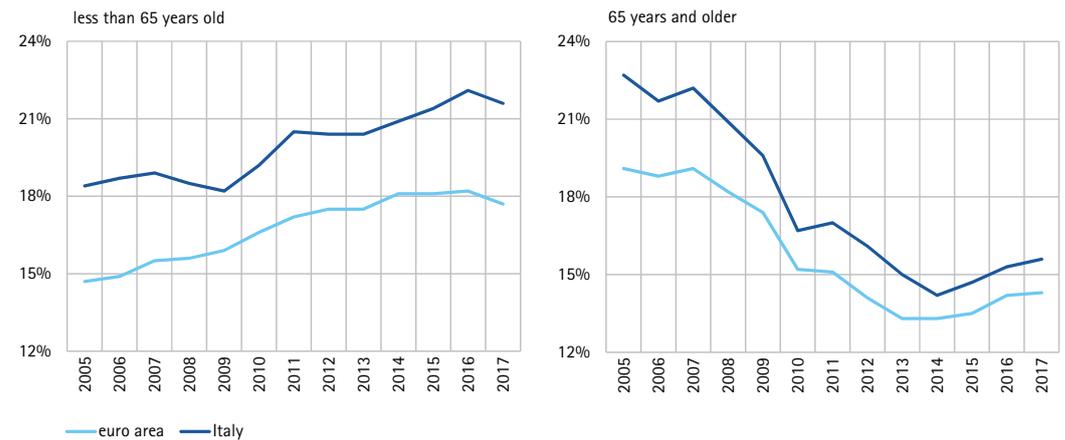
Fig. 1.7 – Median income by age classes
(income in euros)



Source: Eurostat.

... over time, the share of elderly population at risk of poverty has gradually declined both in the euro area and in Italy.

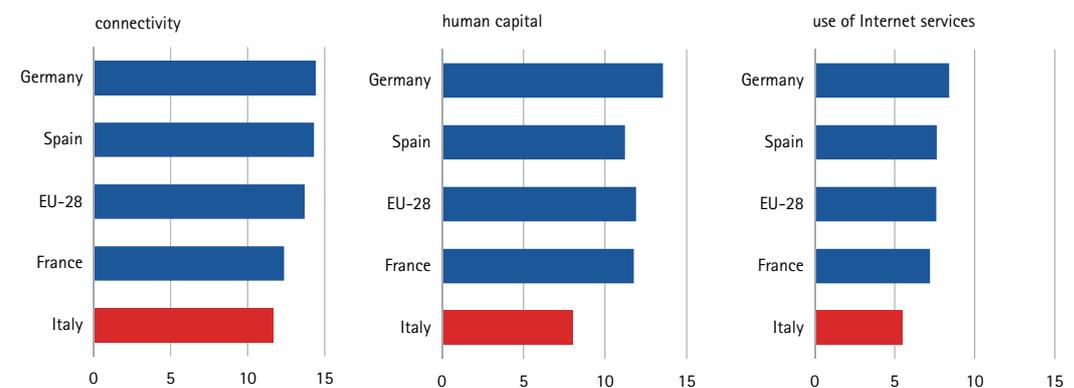
Fig. 1.8 – Percentage of individuals at risk of poverty



The indicator gauging the proportion of individuals at risk of poverty is the share of people with an equivalised disposable income (after social transfers) below the at-risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income after social transfers. Source: Eurostat.

As for digitalisation, Italy lags behind the main European countries in terms of connectivity tools, human digital skills and the use of the Internet. The latter...

Fig. 1.9 – Availability of connectivity instruments and household digital skills in 2018



Figures refer to three out of five dimensions of the Digital Economy and Society Index (DESI), which brings together a set of relevant indicators on European current digital policy mix. In particular, connectivity sub-index is based on nine indicators relative to fixed, mobile, fast and ultrafast broadband connection and prices; human capital sub-index includes four indicators relative to basic skills, Internet use, advanced skills and education; use of Internet services sub-index includes seven indicators relative to citizens' use of content, communication and online transactions. Source: European Commission.

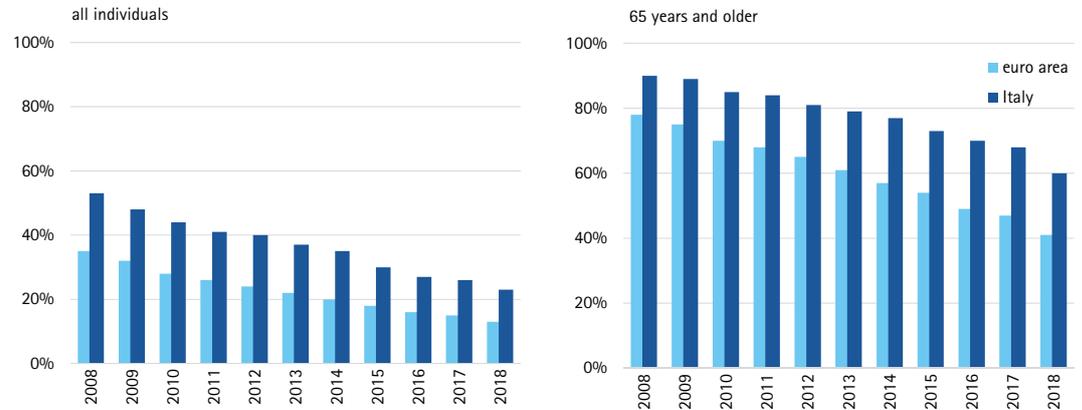
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... keeps growing over time, even though the digital divide between young and elderly people remains historically more pronounced in our country.

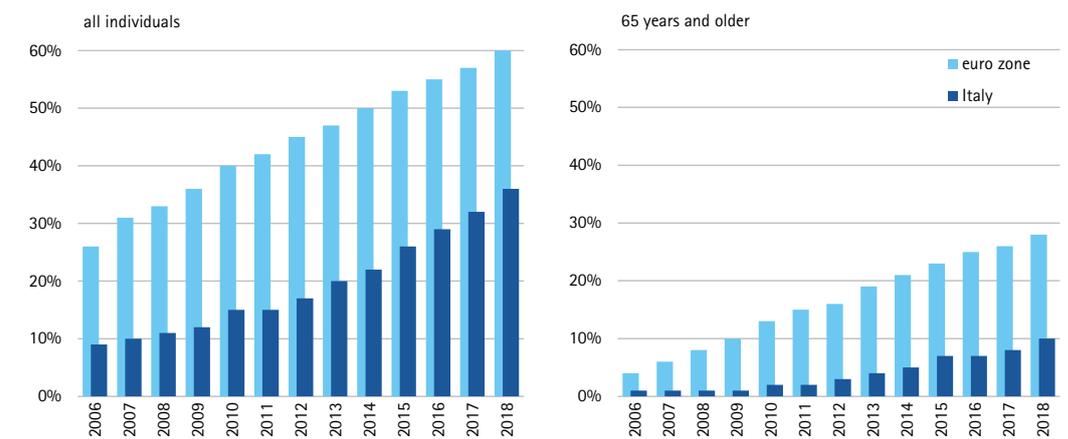
Also the diffusion of e-commerce is lower in Italy compared to that recorded in other euro area countries, although steadily rising over time.

Fig. 1.10 – Individuals not using the Internet for more than one year



Source: Eurostat.

Fig. 1.11 – E-commerce diffusion



Source: Eurostat.

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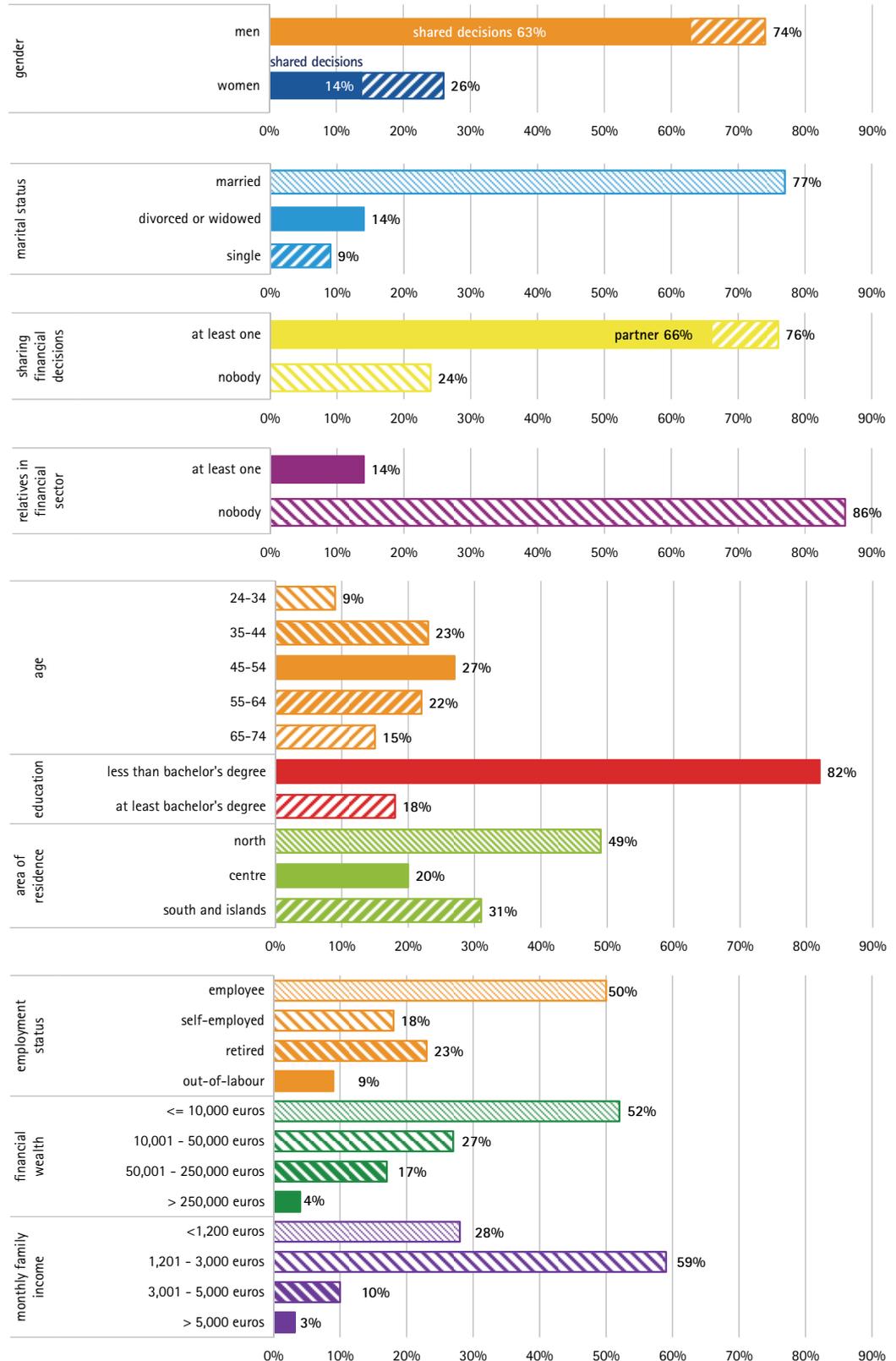
2. Socio-demographics and personal traits

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Socio-demographics and personal traits

The 2019 Observatory on 'The approach to finance and investment of Italian households' collects data on 3,058 respondents' financial knowledge, behavioural attitudes and investment choices. The survey is representative of the population of Italian financial decision-makers, defined as the primary family income earner (or the most senior man, when nobody works, or the most senior woman, when there are no man family members), aged between 18 and 74. Men remain the lead financial decision-makers (74%), although in most cases they share their choices either with the partner or with relatives (reported to work in the financial sector in 14% of the case). More than half of the sample accesses online banking, whilst the use of the digital channel for investment purposes is still far from becoming mainstream, as shown by the low proportion of individuals reporting to have joined a crowdfunding campaign (3% and 2% respectively).

Fig. 2.1 – The sample



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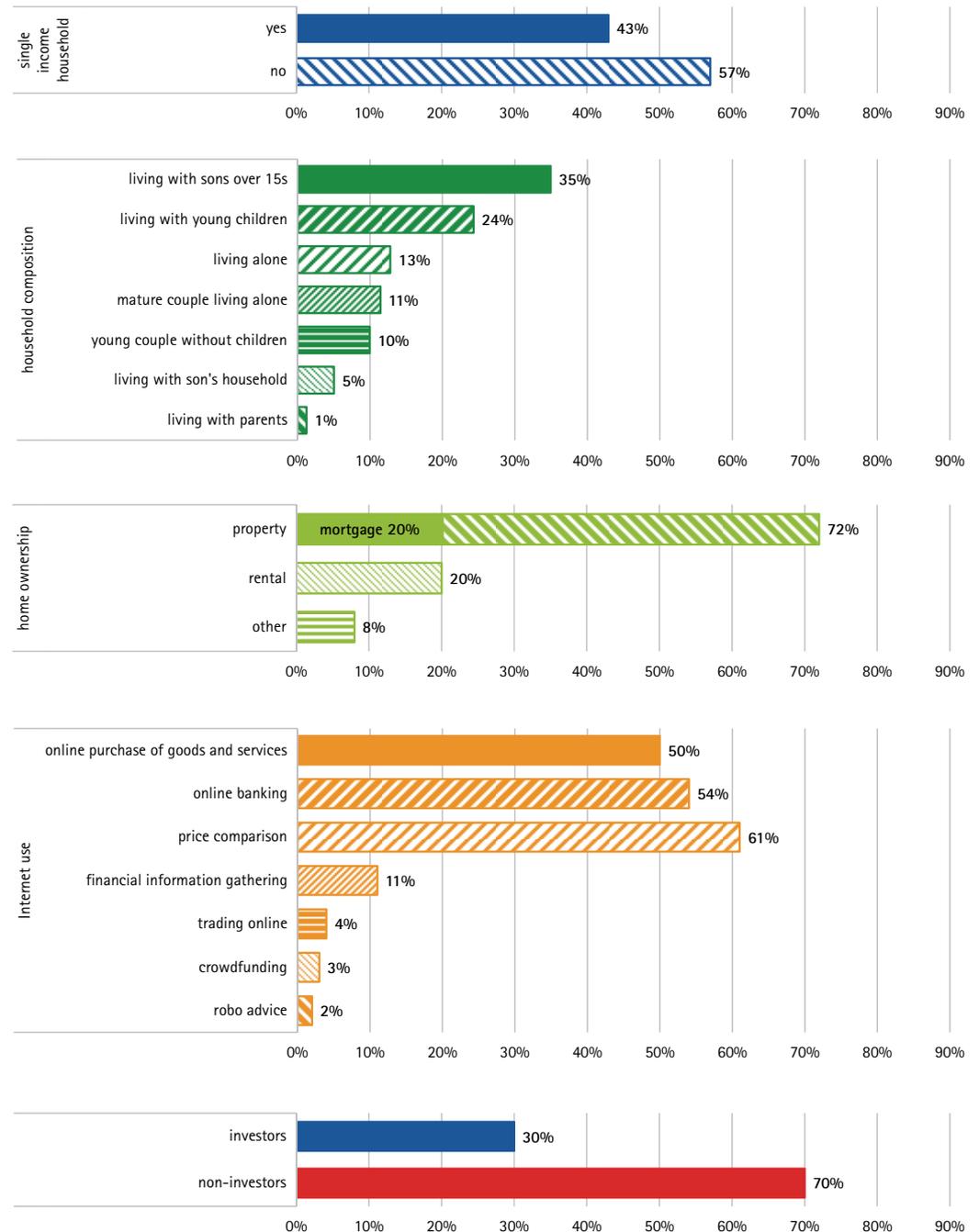
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Cont. Fig. 2.1 – The sample



The sample includes 1,311 individuals interviewed also in 2018. The sample does not include bank employees, insurance company employees and financial advisors. 'Married' includes both married respondents and respondents in domestic partnership. 'Out-of-labour' includes housewives, students and unemployed. The sample breakdown by the use of the Internet does not sum up to 100% because multiple answers are allowed. 'Investors' includes all the financial decision-makers that hold at least one financial asset without considering current account, insurance and pension products. Rounding may cause discrepancies in the figures. For details see Methodological notes.

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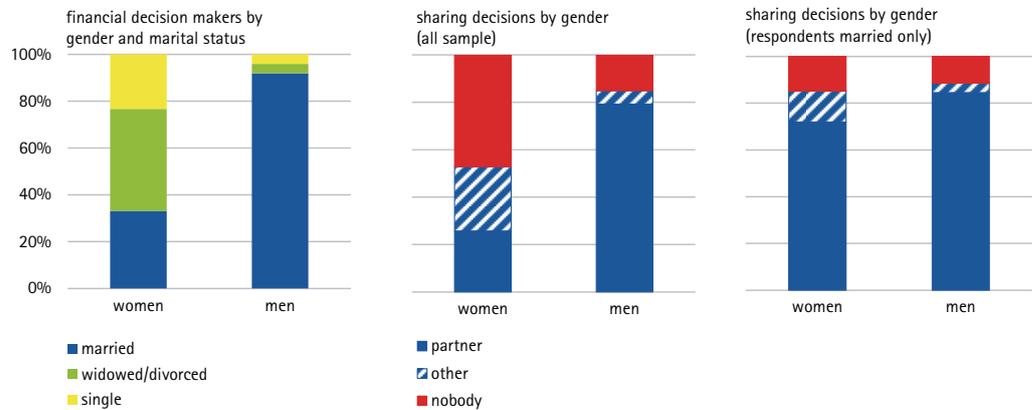
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As mentioned above, when married the vast majority of financial decision-makers share their choices with their partner.

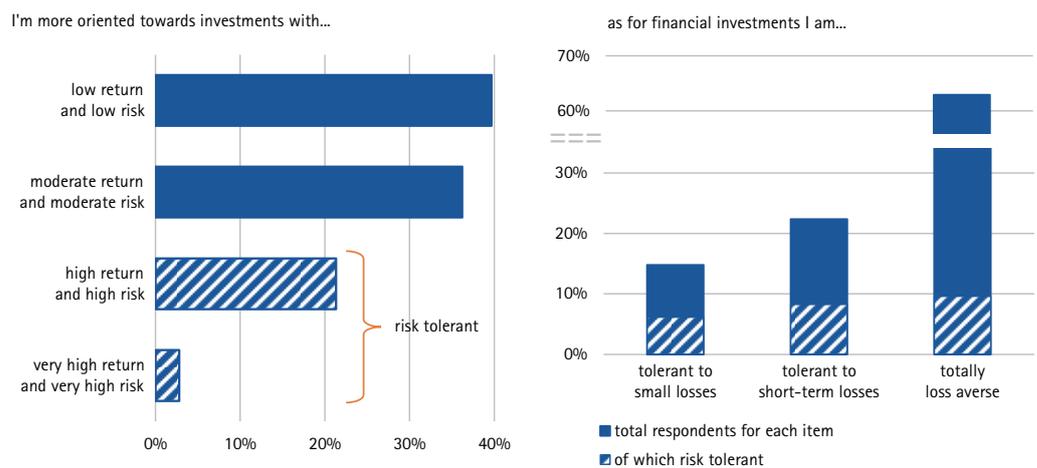
Fig. 2.2 – Shared financial decision making



'Partner' includes respondents sharing financial decisions with their partner; 'other' includes respondents sharing financial decisions with relatives other than the partner.

76% of interviewees are 'cautious in finance', as they are more oriented towards investments with a low/moderate risk-return profile. In addition, 63% declare to be totally loss averse, and among these 10% inconsistently report to be oriented towards high-risk investments.

Fig. 2.3 – Loss aversion and risk aversion



Several personal features and psychological traits may affect financial behaviour. Among these, procrastination may be a driver of a poor management of personal finances as it may hinder planning and retirement savings. According to self-reported data, barely 10% of respondents show a high or very high attitude towards procrastination.

Fig. 2.4 – Procrastination

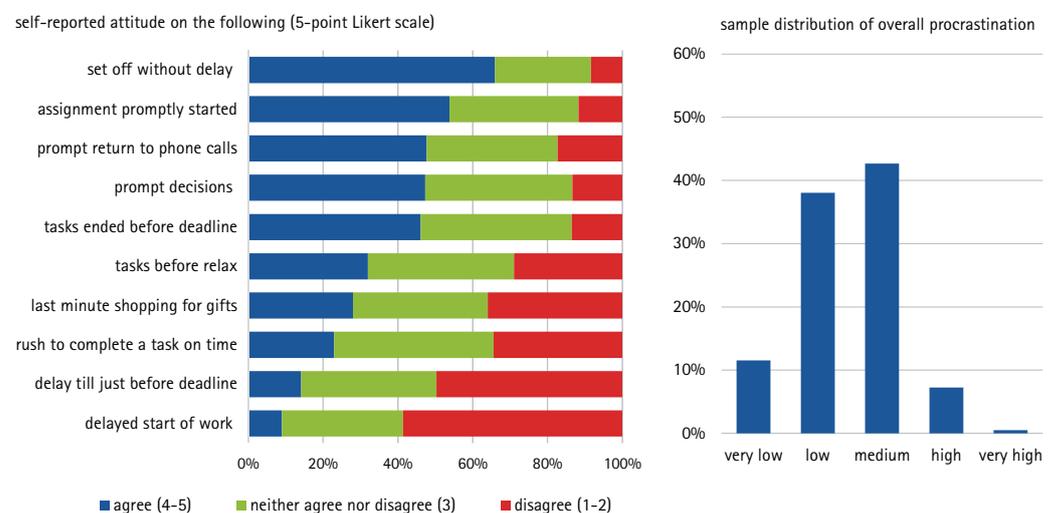


Figure on the right-hand side refers to the overall indicator of attitude towards procrastination (for details see Methodological notes).

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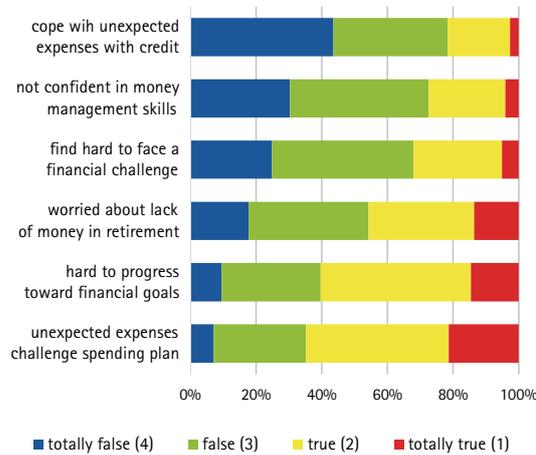
6. Focus SRIs: knowledge and attitudes

Almost half of the interviewees report a high level of financial self-efficacy, which may be a driver of interest and engagement in financial matters. On the contrary...

... inappropriate financial behaviours may be stirred by financial anxiety, which is reported to be high by 10% of respondents.

Fig. 2.5 – Financial self-efficacy

self-reported attitude on the following (4-point Likert scale)



sample distribution of overall self-efficacy

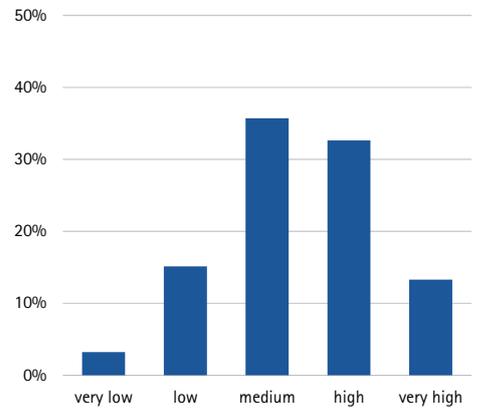
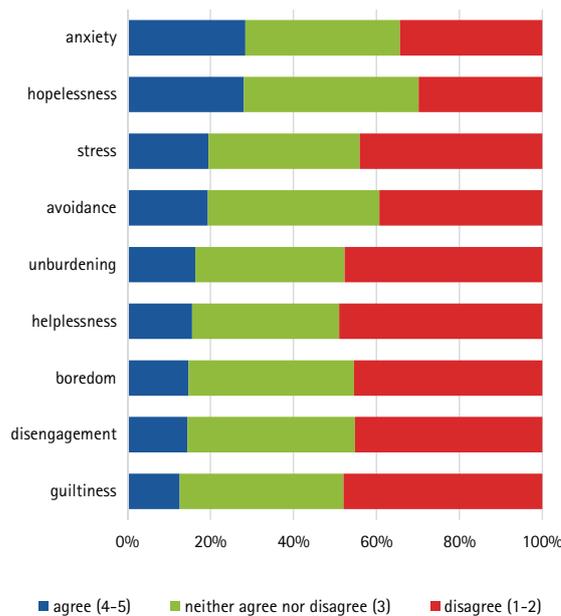


Figure on the right-hand side refers to the overall indicator of financial self-efficacy (for details see Methodological notes).

Fig. 2.6 – Financial anxiety

thinking about my personal finances makes me experience feelings of ... (5-point Likert scale)



sample distribution of overall financial anxiety

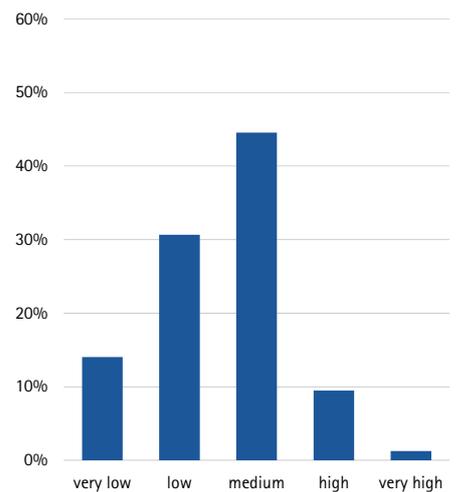


Figure on the right-hand side refers to the overall indicator of financial anxiety (for details see Methodological notes).

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Optimism may prompt excessive risk-taking, as it may induce upward-biased forecasts or the so-called illusion of control. Based on the survey evidence, one third of the individuals can be deemed as optimistic.

Fig. 2.7 – Optimism

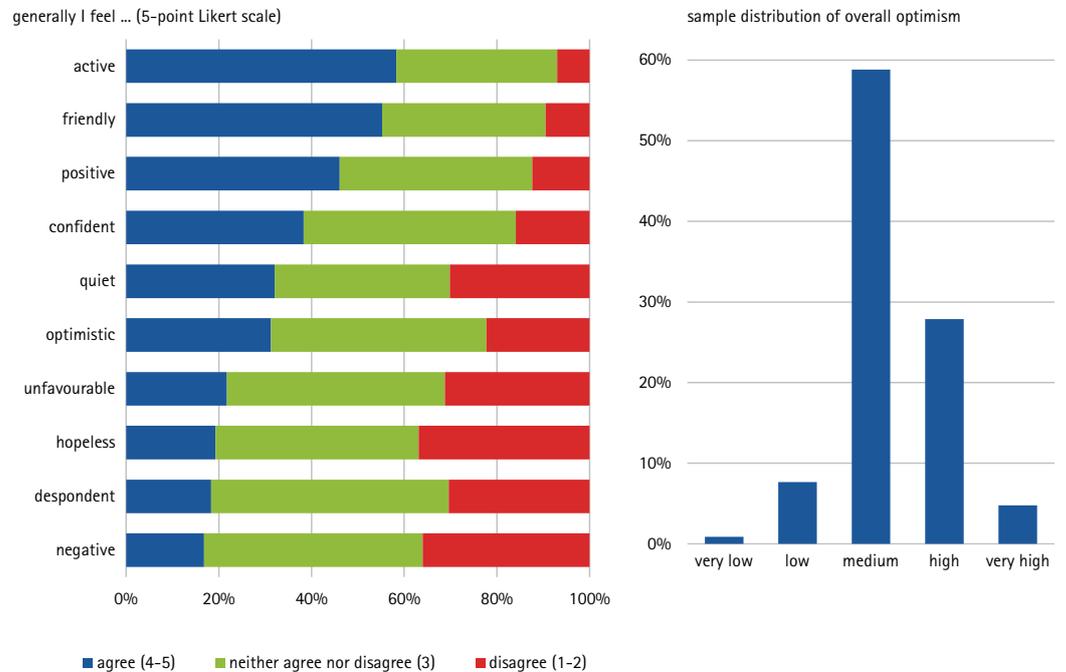
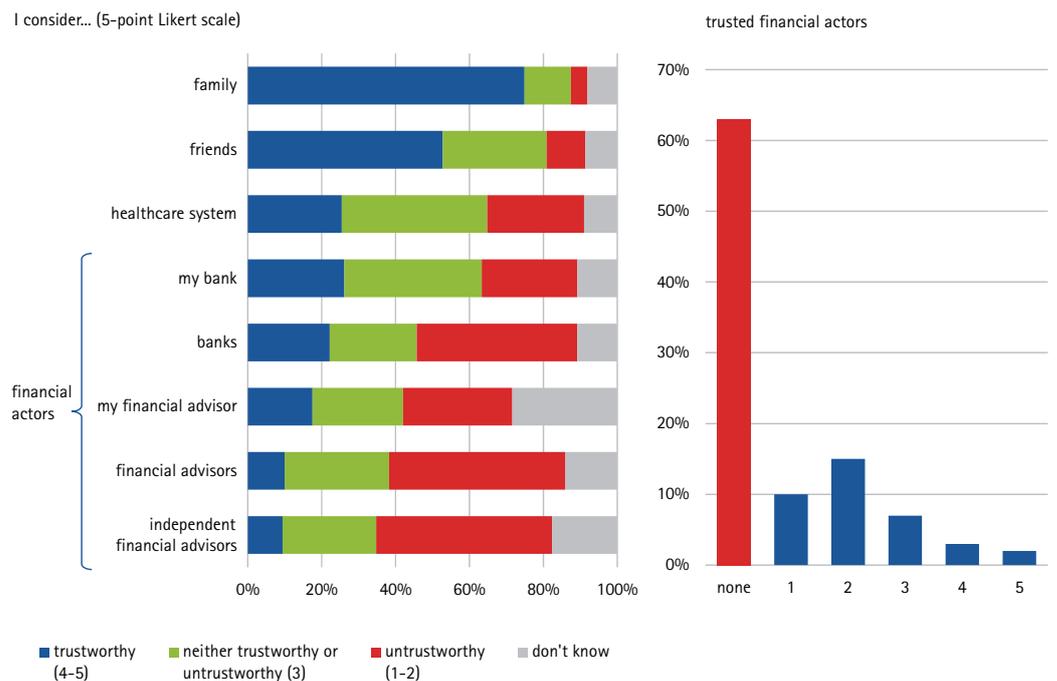


Figure on the right-hand side refers to the overall indicator of optimism (for details see Methodological notes).

Trust in financial actors, one of the main drivers of individuals' participation in financial markets, differs depending on whether it is referred to one's own bank/financial advisor or to the broad category they belong to. More than 60% of respondents do not trust any of the financial actors considered.

Fig. 2.8 – Trust



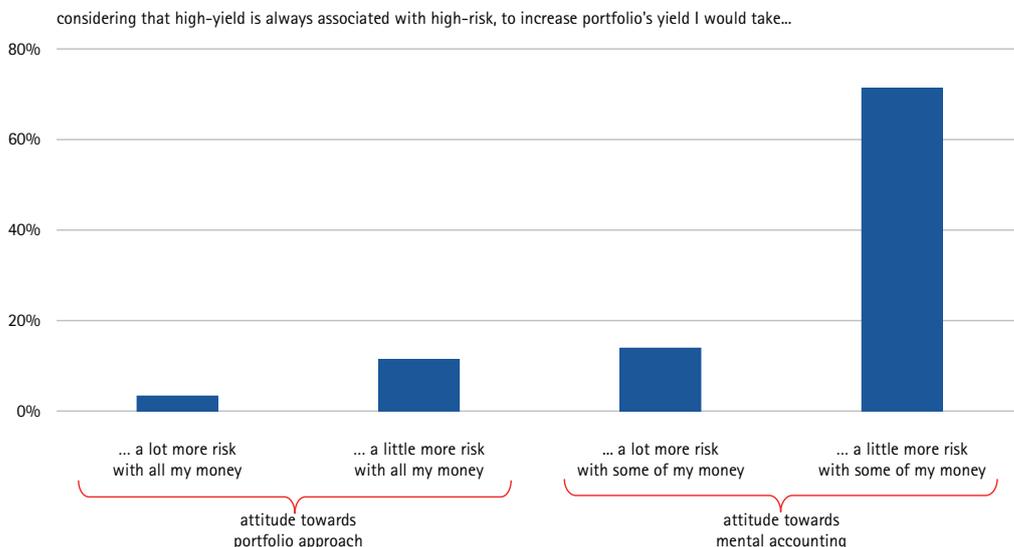
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Financial risk perception and financial choices may be affected by the so called mental accounting, i.e. the tendency to allocate money into separate accounts depending on its source or its use. The most part of individuals are prone to mental accounting, as they refer their willingness to take more risk to a fraction rather than to the whole (hypothetical) portfolio.

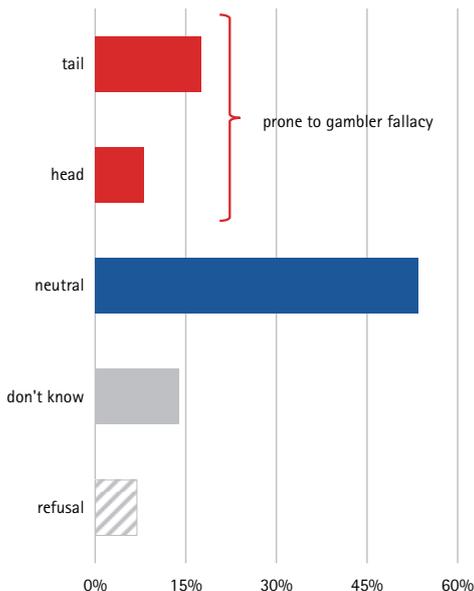
Fig. 2.9 – Attitude towards mental accounting



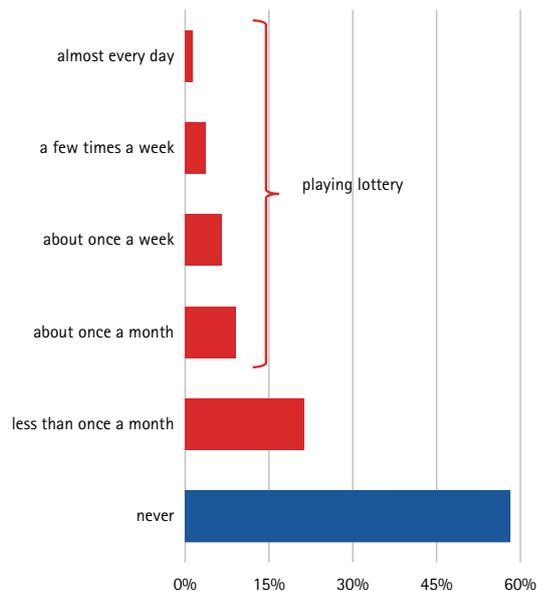
26% of respondents result to be prone to the gambler fallacy, i.e. the mistaken belief that the likelihood of a casual event increases if it has not occurred over a certain time. Respondents frequently playing the lottery account for 21% of the sample and belong mainly to the lowest income classes.

Fig. 2.10 – Attitude towards gambler fallacy and playing lottery

flipping a fair-coin you get 100 consecutive heads. At 101° flip, what would you take a gamble on?



over the past 12 months, approximately how often did you buy a lottery ticket?



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The attitude towards losses and risk aversion vary with age, gender and the level of formal education. In addition, they are both positively associated with financial anxiety and negatively correlated with optimism, financial self-efficacy and trust. On the other hand, these personal traits are more frequent among respondents describing themselves as tolerant to short-term losses and tolerant to small losses.

The tendency towards procrastination is more frequent among men and is positively correlated with financial anxiety, which in turn is more common among women and less wealthy interviewees. Both procrastination and anxiety are negatively associated with self-efficacy and optimism.

Fig. 2.11 – Correlations among loss aversion, risk aversion and selected socio-demographics and personal traits

(blue stands for positive correlations and red stands for negative correlations)

	LOSS AVERSION	TOLERANCE TO SHORT-TERM LOSSES	TOLERANCE TO SMALL LOSSES	RISK AVERSION
SOCIO-DEMOGRAPHICS	age**, south&islands, out-of-labour, retired**, widowed/divorced, single-income	man*, education, north, financial wealth, income, employee, relatives in financial sector, married*, home ownership	man, education, financial wealth, income, home ownership	age, retired, widowed/divorced, single-income
	man, education, north**, financial wealth, income, employee, relatives in financial sector**, married**, home ownership	age**, south&islands, out-of-labour, retired, widowed/divorced, single-income	out-of-labour**, widowed/divorced**	man**, education, financial wealth, income, self-employment, employee, relatives in financial sector, single*, married*
PERSONAL TRAITS	procrastination**, anxiety	self-efficacy, optimism, financial trust, gambler fallacy*, playing lottery*	self-efficacy, optimism, financial trust, mental accounting**, gambler fallacy**	anxiety, mental accounting
	self-efficacy, optimism, financial trust, gambler fallacy	anxiety, mental accounting**	procrastination, anxiety	procrastination**, optimism, financial trust, gambler fallacy, playing lottery

Pairwise correlations significant at 10%, except for the items marked ** (significant at 5%) and * (significant at 10%). As for 'loss aversion', 'tolerance to short-term losses', 'tolerance to small losses' and 'risk aversion' see Fig. 2.3.

Fig. 2.12 – Correlations among selected personal traits and socio-demographics

(blue stands for positive correlations and red stands for negative correlations)

	PROCASTINATION	FINANCIAL SELF-EFFICACY	FINANCIAL ANXIETY
SOCIO-DEMOGRAPHICS	man, south&islands**, self-employment, relatives in financial sector	education, north, financial wealth, income, retired*, home ownership	south&islands, self-employment*, out-of-labour, widowed/divorced**, single-income
	age**, north**, financial wealth, income, retired, shared decisions*, home ownership, single-income	south&islands, out-of-labour**, widowed/divorced*, single-income	man, education, north, financial wealth, income, employee, home ownership
PERSONAL TRAITS	anxiety, playing lottery	optimism, financial trust, mental accounting**	procrastination
	self-efficacy, optimism, financial trust, mental accounting, gambler fallacy	procrastination, anxiety, gambler fallacy*, playing lottery**	self-efficacy, optimism, financial trust, mental accounting

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Sharing financial decisions (with either the spouse or other relatives) may positively influence personal attitudes such as optimism and financial trust. The latter is higher among wealthier individuals and respondents whose relatives work in the financial sector, as well as among people reporting to be optimistic and financially self-effective.

Cont. Fig. 2.12 – Correlations among selected personal traits and socio-demographics
(blue stands for positive correlations and red stands for negative correlations)

	OPTIMISM	FINANCIAL TRUST	MENTAL ACCOUNTING	GAMBLER FALLACY
SOCIO-DEMOGRAPHICS	education, financial wealth, income, shared decisions*, home ownership	man*, financial wealth, income, shared decisions**, relatives in financial sector	age, north*, financial wealth**, income, retired, widowed/divorced*, home ownership, single-income**	financial wealth**, income*, shared decisions**, home ownership**
	south&islands**, out-of-labour*, relatives in financial sector		man**, employee**, relatives in financial sector, married**	age*, widowed/divorced**
PERSONAL TRAITS	self-efficacy, financial trust, mental accounting, gambler fallacy**	self-efficacy, optimism, gambler fallacy, playing lottery*	self-efficacy**, optimism, gambler fallacy	optimism**, financial trust, mental accounting
	procrastination, anxiety	procrastination, anxiety, mental accounting	procrastination, anxiety, financial trust, playing lottery	procrastination, self-efficacy*

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). As for 'optimism', 'financial trust', 'mental accounting' and 'gambler fallacy' see Fig. 2.7 – Fig. 2.10 and Methodological notes.

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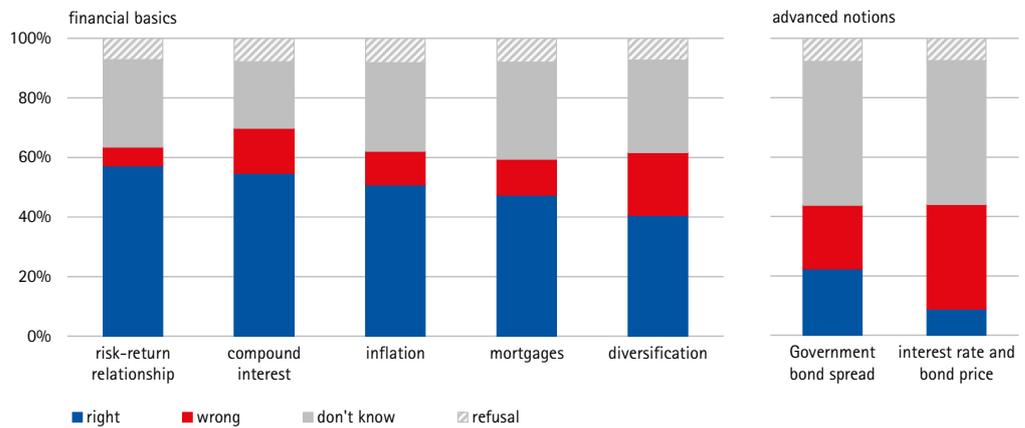
Financial knowledge

The proportion of correct answers to financial literacy questions ranges from 40% to almost 60% for basic concepts, and falls down to 20% or lower for advanced notions. The percentage of 'don't know' or 'refusal' remains steadily higher than that of wrong answers.

Slightly more than 20% of respondents fail to answer all the financial knowledge questions, while the sample average of correct answers is 40%.

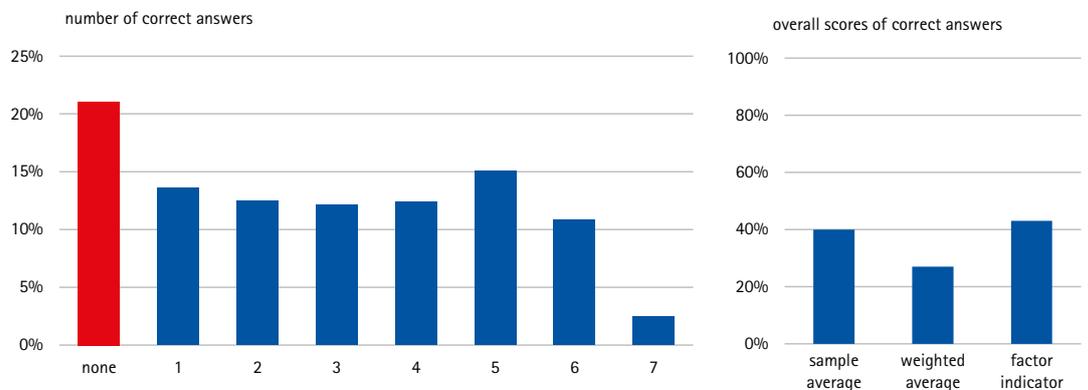
66% of respondents perceive a gap in their financial knowledge as they report to have either 'heard but not understood' or 'never heard' the financial notions recalled in the quiz questions in 38% and 28% of the cases respectively. Such a gap...

Fig. 3.1 – Actual financial knowledge



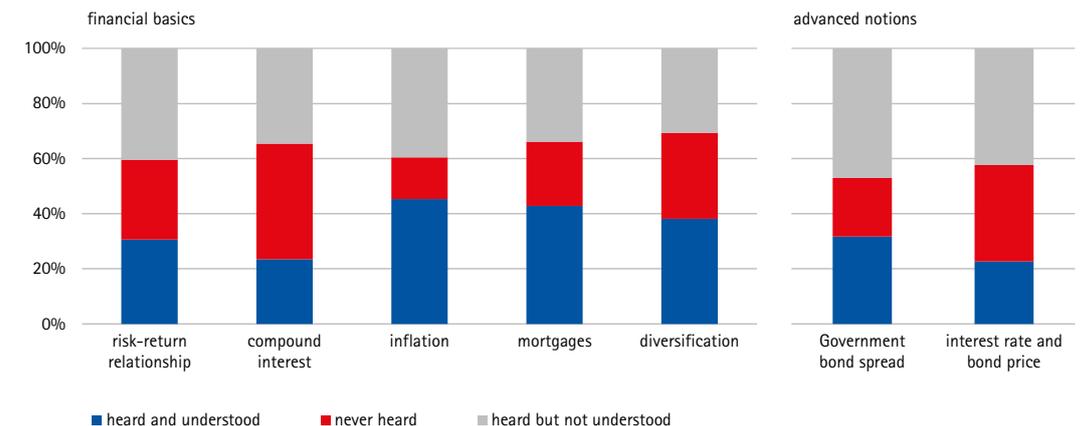
Figures report responses to the following notions: risk/return relationship (Q1); compound interest (Q2); inflation (Q3); mortgage characteristics (Q4); portfolio diversification (Q5); Government bonds spread (Q6); relationship between interest rate and bond price (Q7). For details see Methodological notes.

Fig. 3.2 – Scores of actual financial knowledge



For details about the overall scores see Methodological notes.

Fig. 3.3 – Ex-ante self-assessment of financial knowledge (perceived financial knowledge)



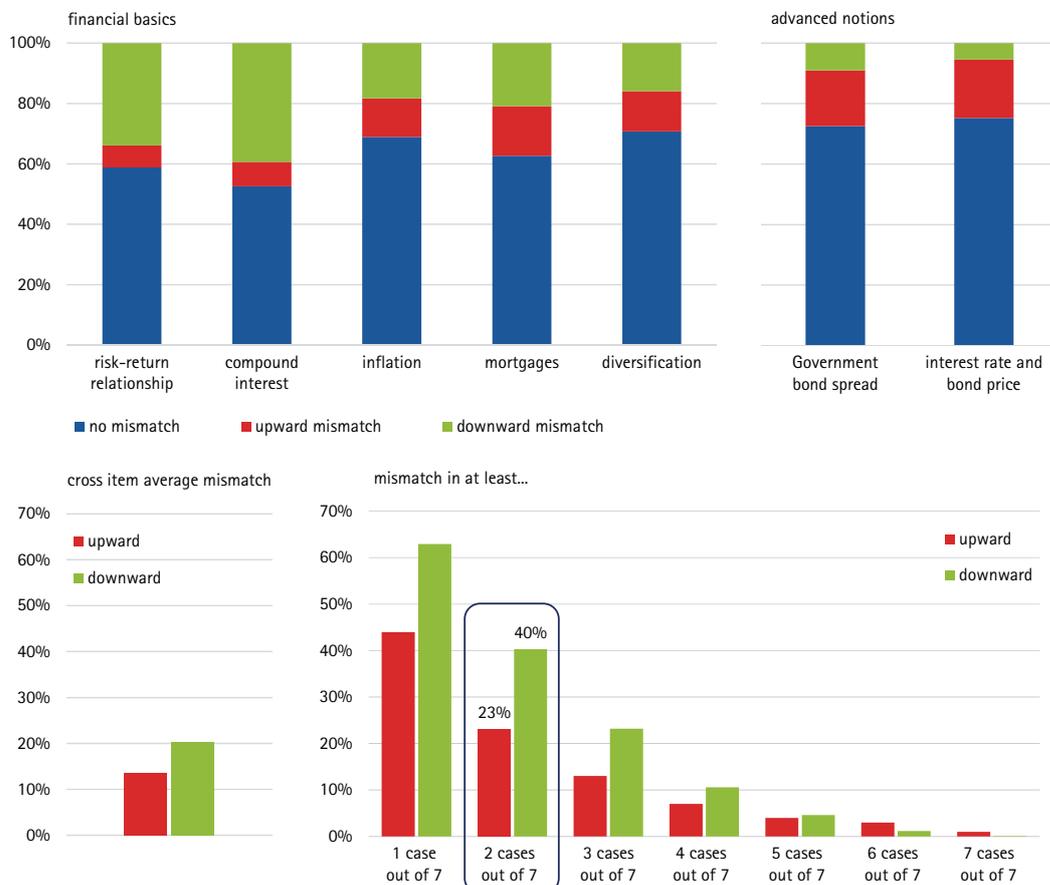
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... translates into a mismatch between perceived and actual financial knowledge varying from 25% for advanced concepts to 47% for compound interest. In particular, the overall attitude to over-estimate one's own literacy (upward mismatch), more frequently recorded for advanced notions, refers to 14% of respondents, whilst downward mismatch is shown by 20% of the interviewees.

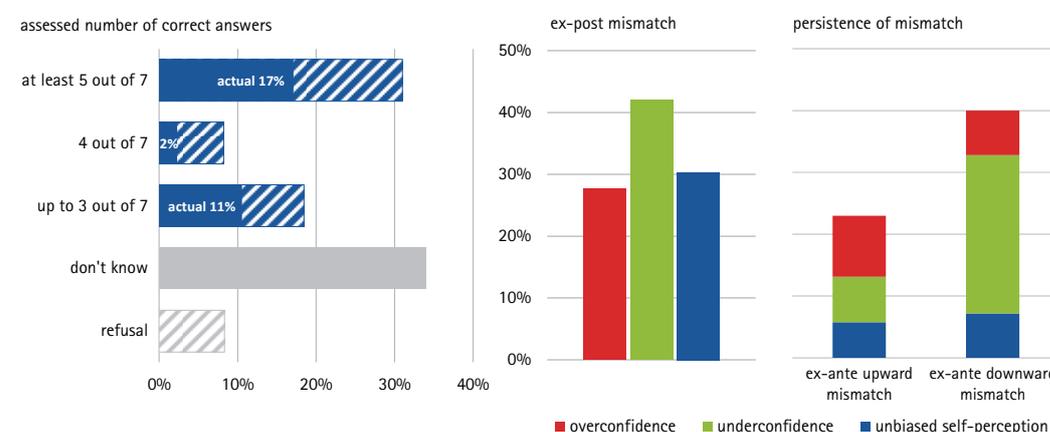
Fig. 3.4 – Mismatch between perceived and actual financial knowledge



Mismatch refers to inconsistencies between perceived and actual financial knowledge of the items reported in Fig. 3.1. 'No mismatch' means no inconsistency; 'upward mismatch' refers to individuals self-rating to be knowledgeable but answering wrongly; 'downward mismatch' refers to individuals self-rating to be not knowledgeable but answering correctly (for details, see Methodological notes).

As for ex-post self-assessment of financial knowledge, more than one-third of the sample is not able to evaluate how they fared in the quiz questions, while slightly more than 30% suppose they have given at least 5 right answers out of 7. Based on this self-assessment, 28% of respondents are prone to over-evaluate their financial literacy.

Fig. 3.5 – Ex-post self-assessment of financial knowledge



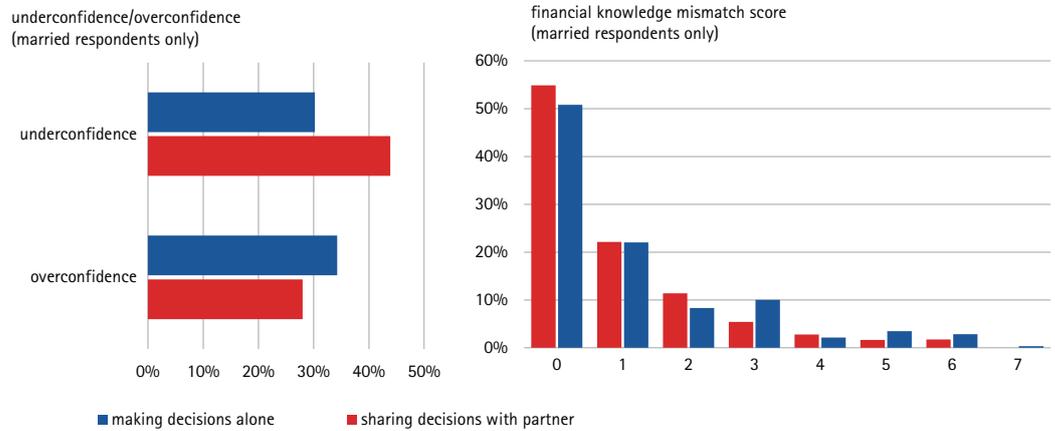
Figures refer to respondents' assessment of the number of correct answers given to financial knowledge questions shown in Fig. 3.1. As for the overconfidence indicator see Methodological notes.

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People's perception of their own financial knowledge varies across decision-making models. Focusing on the sub-sample of married or cohabiting respondents, underconfidence seems to be less frequent among individuals making decisions alone, whilst the opposite holds true with respect to overconfidence.

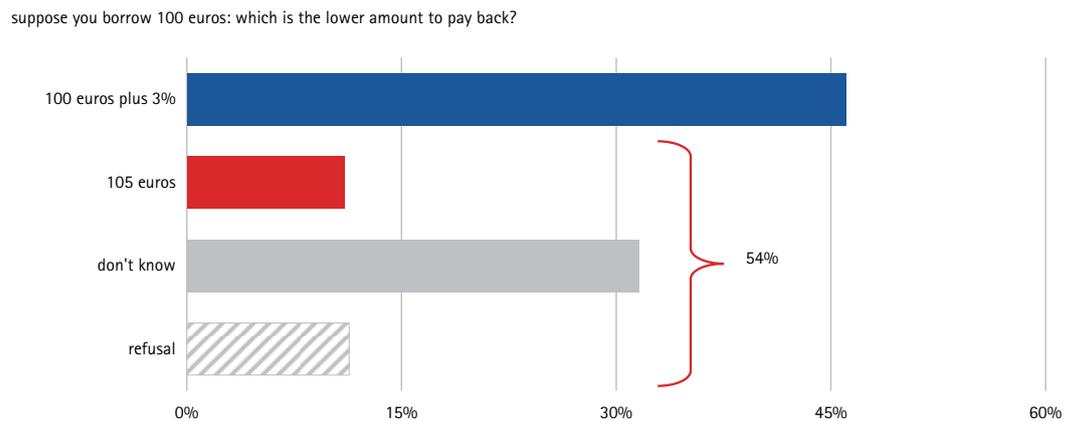
Fig. 3.6 – Self-assessment of financial knowledge and shared financial decision making



Figures refer to respondents' assessment of the number of correct answers given to financial knowledge questions shown in Fig. 3.1. As for the overconfidence indicator and the mismatch indicator see Methodological notes.

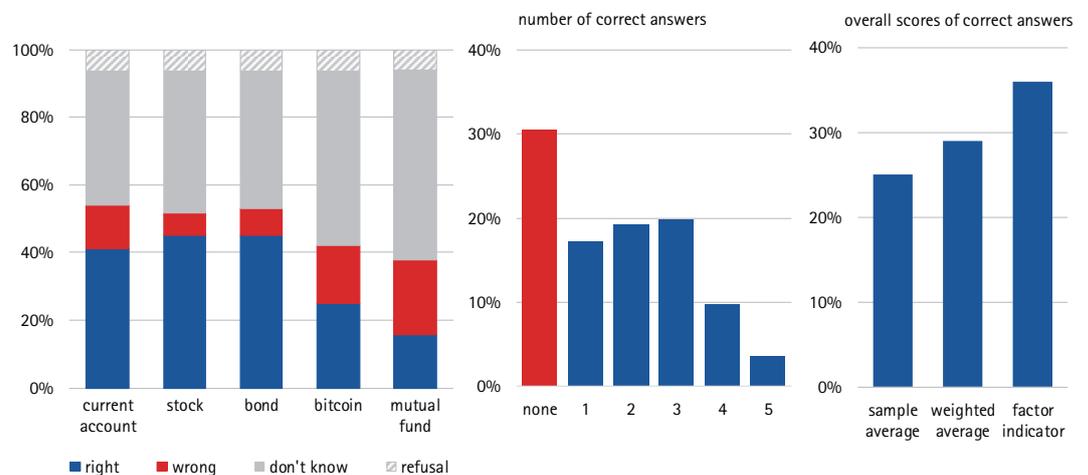
More than half of the interviewees either fail or prefer not to answer a simple test of percentages understanding, highlighting the need to strengthen numerical reasoning.

Fig. 3.7 – Percentages understanding (numeracy)



30% of the interviewees do not know any of the financial assets recalled in the quiz questions, while the sample average proportion of right answers is equal to 25%.

Fig. 3.8 – Actual knowledge of financial assets



Figures refer to responses to the following notions: current account (Q8); stock (Q9); bond (Q10); bitcoin (Q11); mutual fund (Q12). For details on the questions see Methodological notes.

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However, apart from current account, self-assessed knowledge of financial assets seems to be broadly accurate ...

... for the vast majority of the sample, as the upward mismatch between perceived and actual knowledge shows up in less than 20% of the cases.

Fig. 3.9 – Ex-ante self-assessment of knowledge of financial assets (perceived knowledge)

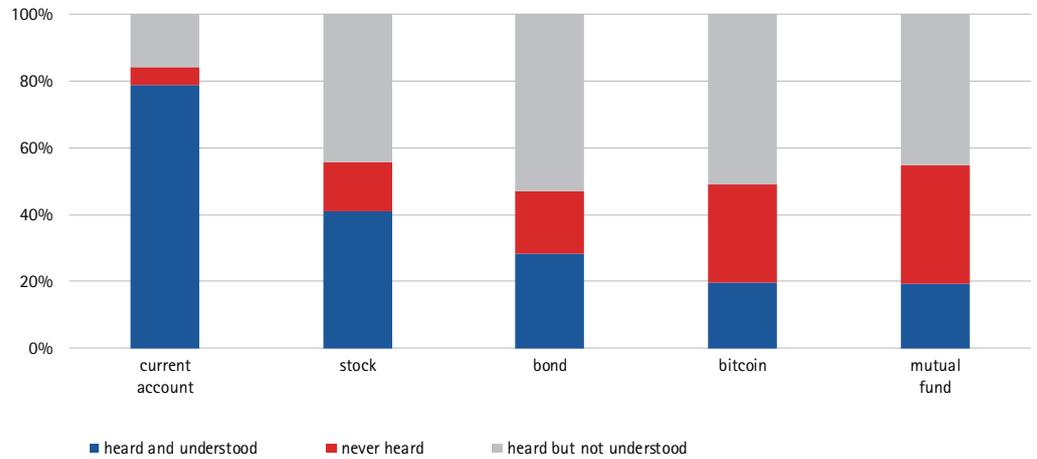
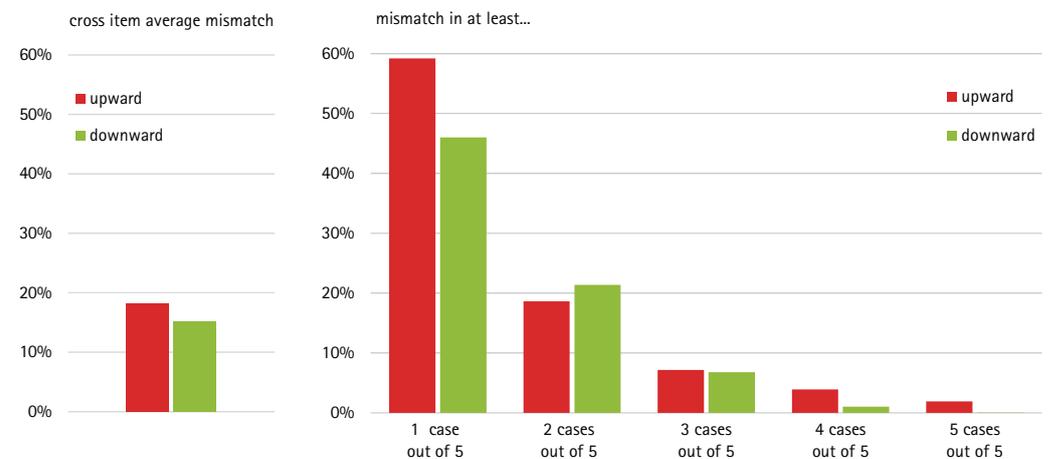
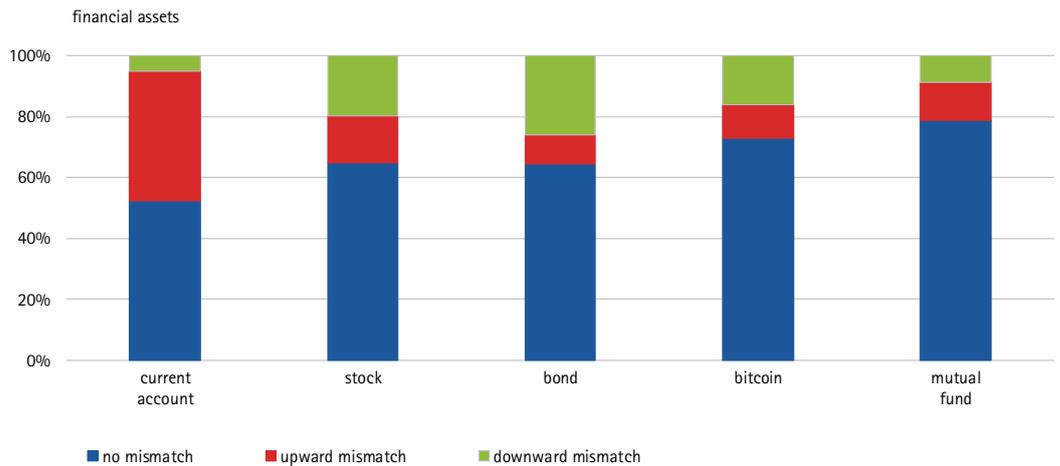


Fig. 3.10 – Mismatch between perceived and actual knowledge of financial assets



Mismatch refers to inconsistencies between perceived and actual financial knowledge of the financial products (Fig. 3.8 - Fig. 3.9). 'No mismatch' means no inconsistency; 'upward mismatch' refers to individuals self-rating to be knowledgeable but answering wrongly; 'downward mismatch' refers to individuals self-rating to be not knowledgeable but answering correctly (for details, see Methodological notes).

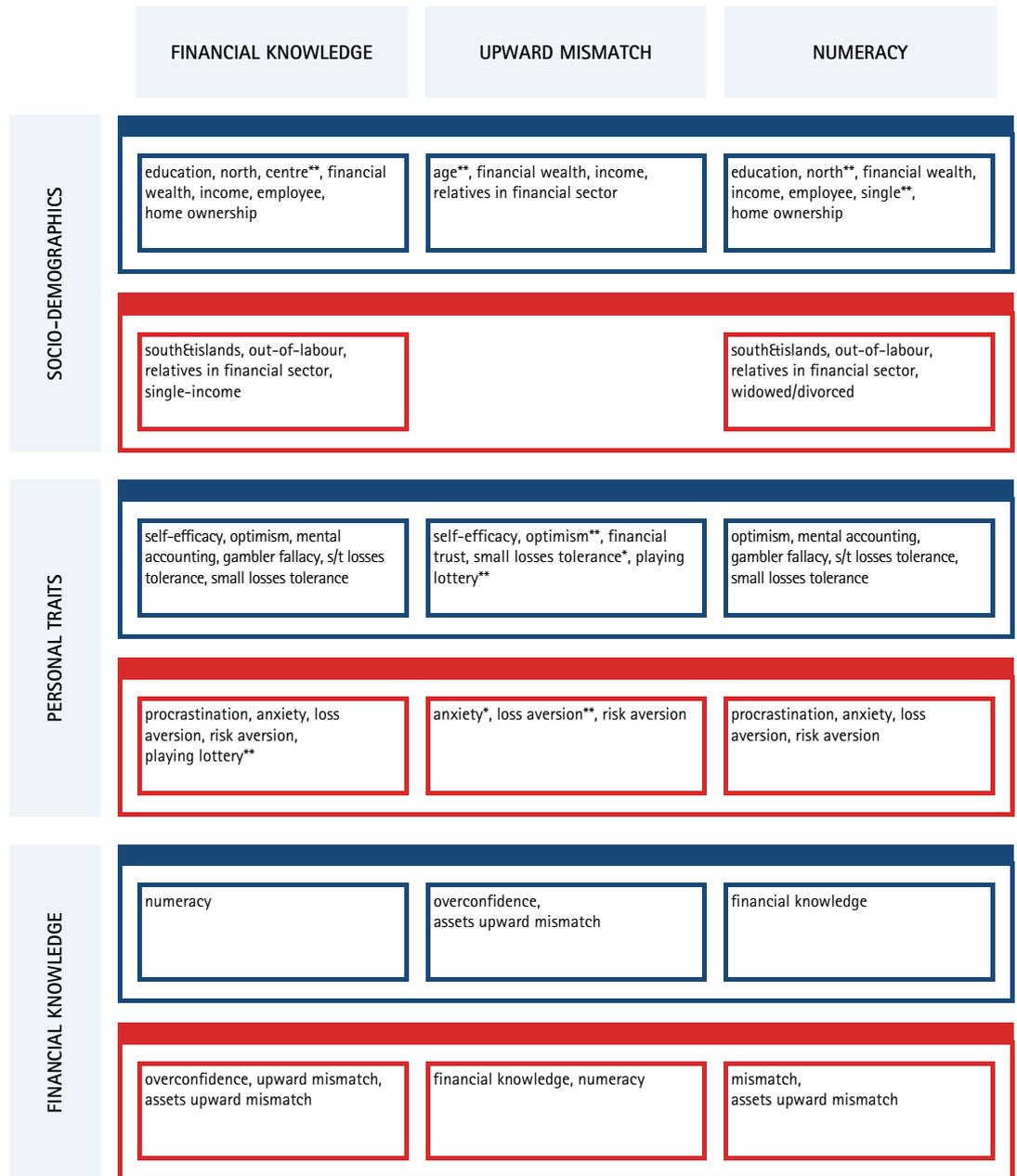
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Financial knowledge is higher among individuals with higher formal education, higher numeracy, wealthier and residents in the North and the Centre of Italy. Correlation is positive also with financial self-efficacy and optimism, whilst turning negative with the tendency towards procrastination and financial anxiety. Interestingly, the level of financial knowledge seems to be lower among risk averse and loss averse respondents.

Fig. 3.11 – Correlations among financial knowledge, numeracy and selected socio-demographics and personal traits

(blue stands for positive correlations and red stands for negative correlations)



Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). As for the indicators of 'financial knowledge', 'upward mismatch' and 'numeracy' see respectively Fig. 3.1, Fig. 3.4 and Fig. 3.7 and Methodological notes. Financial knowledge and numeracy are also found to be positively associated with parental financial education as defined in Fig. 3.16 (pairwise correlation available upon request).

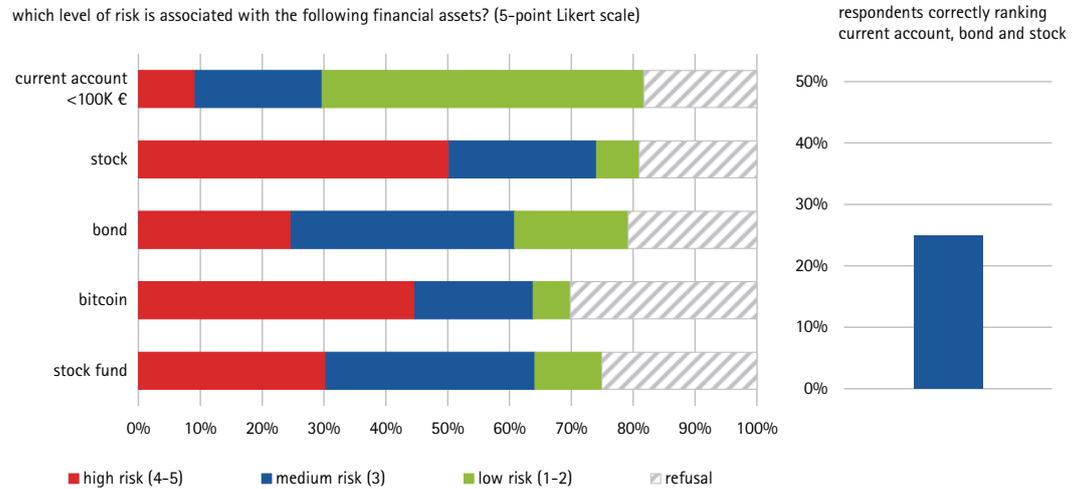
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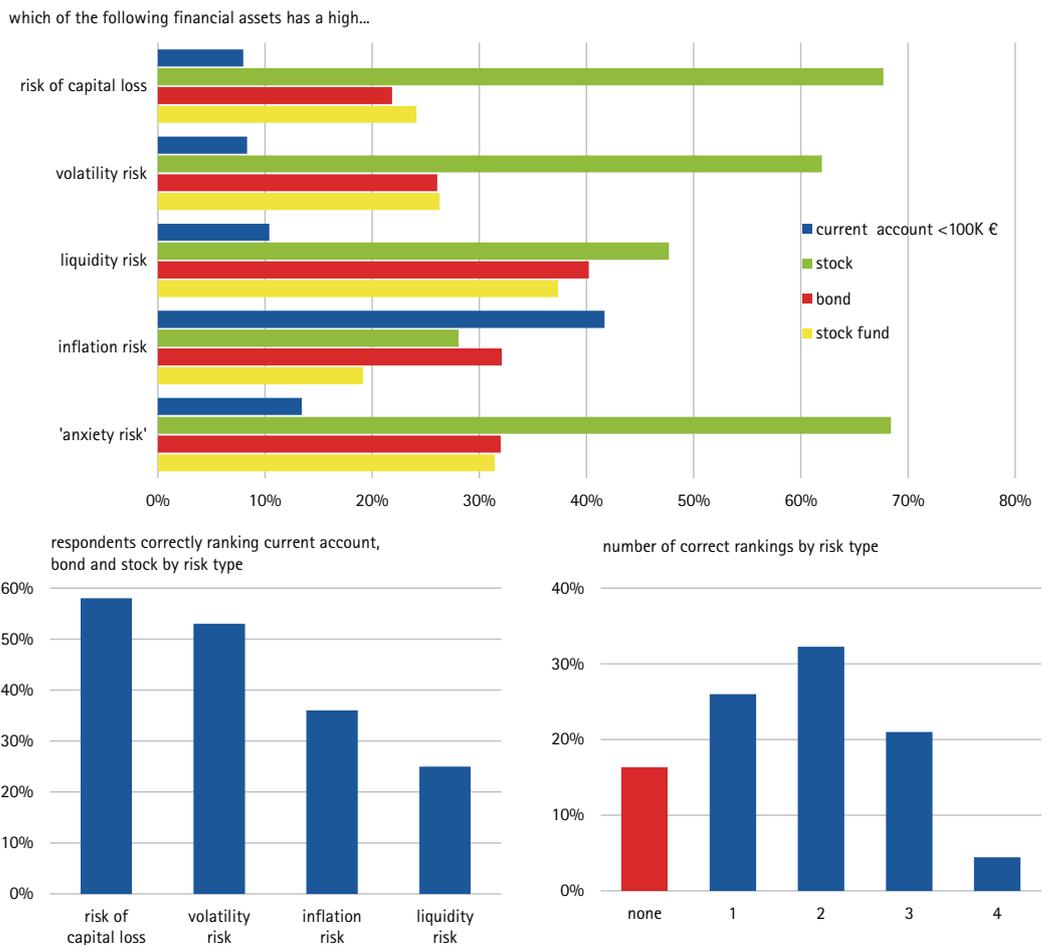
Stocks are considered as a high-risk asset by half of interviewees, followed by bitcoin (recording the highest percentage of refusal), stock funds, bonds and current accounts under 100 thousands euro (9%). Only 25% of individuals are able to correctly rank current accounts, bonds and stocks by their risk level.

Fig. 3.12 – Perception of risk of financial assets (risk literacy)



Assessment of the exposure of some financial assets to different types of risk results in stocks as the product most frequently associated with a high risk of capital losses, volatility of returns and liquidity risk. Not surprisingly, stocks are also considered as the investment that more than others can spark anxiety. Inflation risk is most frequently related to current accounts (up to 100K euros).

Fig. 3.13 – Risk literacy by risk type



When comparing stocks, bonds and current accounts (<100K euros) by different types of risk, the proportion of respondents unable to provide the right ranking ranges from slightly more than 40% (capital loss) to 75% (liquidity risk), while only 4% correctly performs all rankings over the four risk dimensions.

Figures refer to the following question: 'Which of the following financial products has a high risk of: capital losses; high volatility of returns (volatility risk); lower-than-inflation return (inflation risk); losses in case of unscheduled disinvestment (liquidity risk); making me feel anxious ('anxiety risk')?' (answer options in the figure).

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Knowledge and correct risk ranking of financial assets are more frequent among individuals with higher formal education, financial knowledge and numeracy, while being less common among respondents prone to a misalignment between perceived and actual knowledge (e.g. upward mismatch or overconfidence). As for correlation with personal traits, right answers to quiz questions are positively associated with financial self-efficacy and optimism, whilst negatively associated with procrastination, anxiety, risk and loss aversion.

Fig. 3.14 – Correlations among financial assets knowledge, risk literacy and selected socio-demographics and personal traits

(blue stands for positive correlations and red stands for negative correlations)

	FINANCIAL ASSETS KNOWLEDGE	FINANCIAL ASSETS UPWARD MISMATCH	RISK LITERACY	RISK LITERACY BY RISK TYPE
SOCIO-DEMOGRAPHICS	education, north, centre**, financial wealth, income, employee*, home ownership, single*	income, relatives in financial sector, married*	education, north, financial wealth, income, employee, single*, home ownership	education, north, centre, financial wealth, income, self-employed, employee**, home ownership
	south&islands, out-of-labour, relatives in financial sector, single-income, widowed/divorced**	single*, single-income**	south&islands, out-of-labour, retired**, relatives in financial sector*, single-income	south&islands, out-of-labour, retired*, relatives in financial sector*, single-income**
PERSONAL TRAITS	self-efficacy, optimism, mental accounting, gambler fallacy, s/t losses tolerance, small loss tolerance, financial trust, risk literacy	self-efficacy**, financial trust	self-efficacy, optimism, mental accounting, s/t losses tolerance, small losses tolerance	optimism, mental accounting, gambler fallacy, s/t losses tolerance, small losses tolerance
	procrastination, anxiety, loss aversion, risk aversion	small losses tolerance*, risk aversion**	procrastination, anxiety, playing lottery**, loss aversion, risk aversion	procrastination, anxiety, playing lottery, loss aversion
FINANCIAL KNOWLEDGE	numeracy, products risk perception, overconfidence, s/t losses tolerance, parental education	upward mismatch	financial knowledge, numeracy, risk literacy 2	financial knowledge, numeracy, risk literacy
	overconfidence, mismatch, financial product mismatch, loss aversion, risk aversion	financial knowledge, numeracy	overconfidence, assets upward mismatch	upward mismatch*

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). As for the indicators of 'financial assets knowledge' and 'financial assets upward mismatch' see respectively Fig. 3.8 and Fig. 3.10 and Methodological notes. 'Risk literacy' includes respondents correctly ranking current account, bond and stock (see Fig. 3.12). 'Risk literacy by risk type' (reported as 'risk literacy 2' in the cells of the Table) includes respondents correctly ranking current account, bond and stock by type of risk (see Fig. 3.13). 'Risk literacy' and 'Risk literacy 2' are also found to be positively associated with parental financial education as defined in Fig. 3.16 (pairwise correlation available upon request).

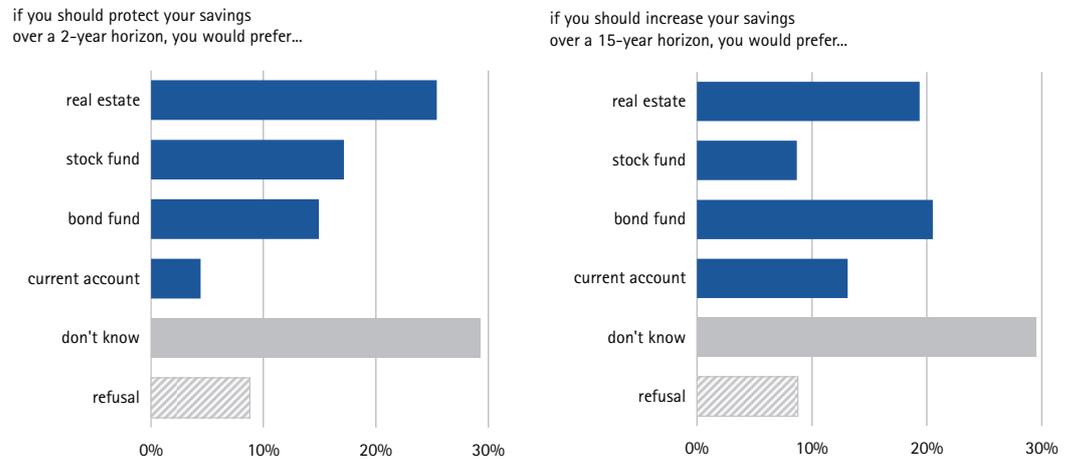
- 1. Trends in household wealth and savings
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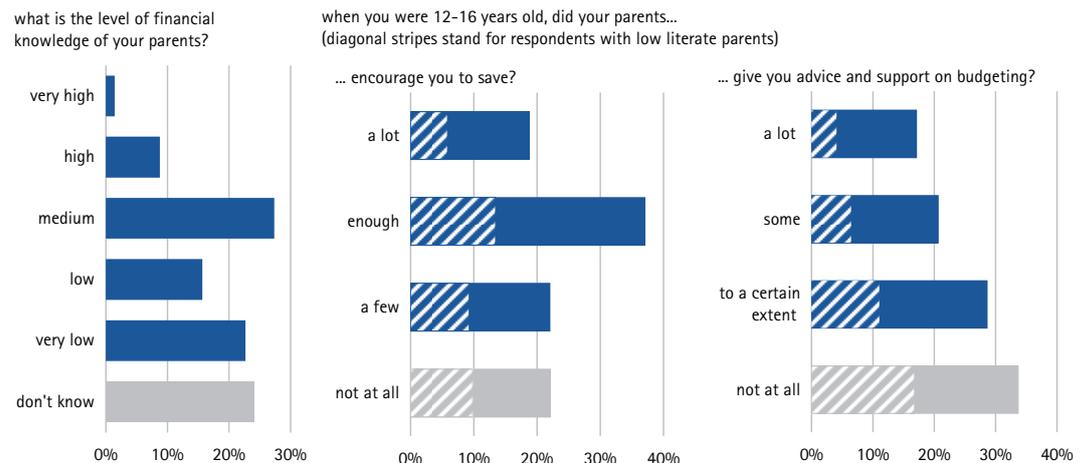
When asked to pick the asset that could in principle best fit a specified frame (in terms of investment goal and time horizon), about 40% of respondents are not able to make any choice whilst the remaining are predominantly oriented towards real estate.

Fig. 3.15 – Choosing assets in a given investment frame



Previous waves of the CONSOB Observatory have highlighted the contribution of parental education to individuals' background in financial matters. According to the 2019 wave, about 20% of respondents state to have been strongly encouraged by their parents to save and control expenses when teenagers. Parental education is less likely among interviewees whose parents are reported to be low literate.

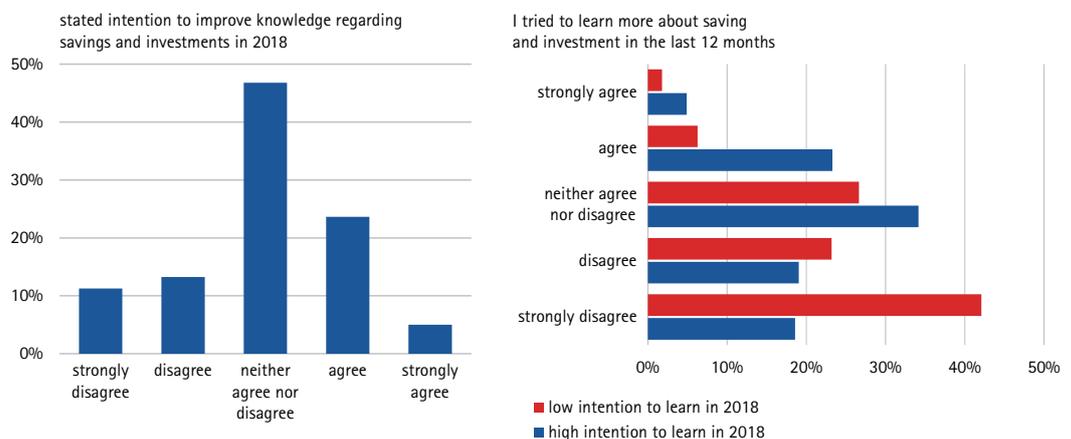
Fig. 3.16 – Parental financial education



'Low literate parents' refers to individuals whose parents are reported to be low and very low literate.

Following the 2018 research on intention to learn more about finance, the 2019 wave checked for respondents' actual engagement. While positive follow-up is more frequently reported by those who declared to be willing to raise their literacy, no positive impact could be detected on actual financial knowledge (as gauged through the quiz questions reported in Fig. 3.1).

Fig. 3.17 – Learning more about saving and investment conditional on stated intention



Figures refer to the sub-sample of 1,311 respondents that were interviewed both in 2018 and 2019.

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Financial control and saving

When managing personal finances, 60% of respondents either do not follow any firm rule or are not able to identify a recurring habit. Only 18% states to be fully aware of the meaning of financial planning, although after having been given the definition of a financial plan...

... 30% of individuals acknowledges to have it and to monitor their financial programmes (predominantly without taking note of expenses).

Low savings is the main deterrent from financial planning along with the belief that tracking income and expenses is enough. 38% of respondents are not able to state why they do not oversee their personal finances though a financial plan.

Fig. 4.1 – Knowledge and consideration of financial planning

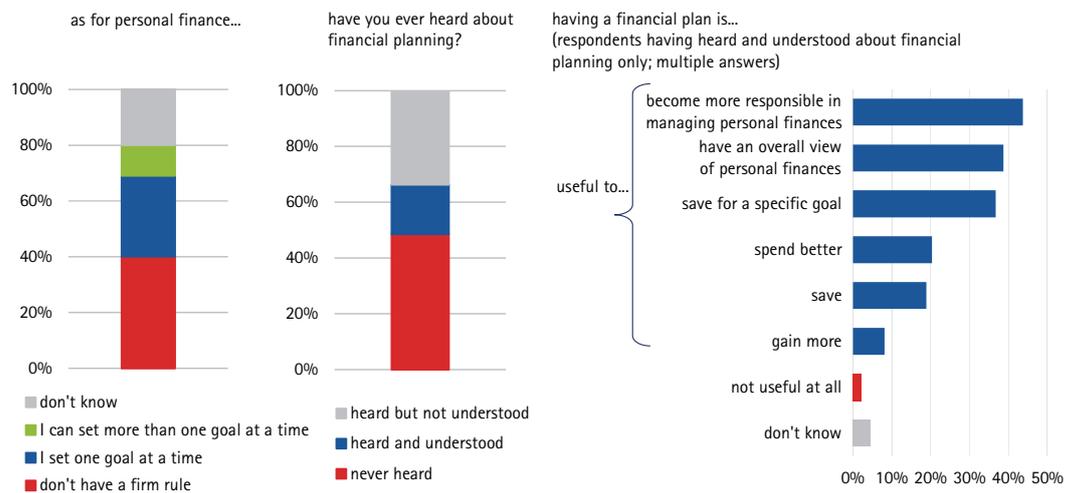


Fig. 4.2 – Experience in financial planning

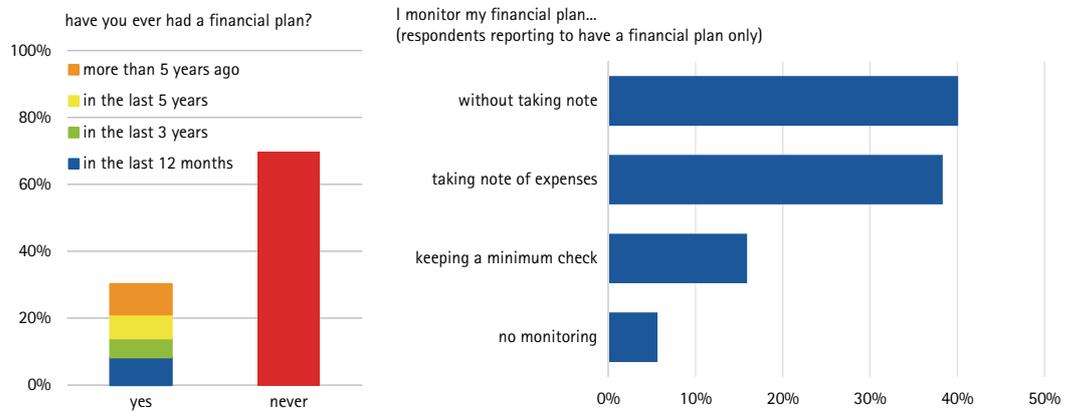
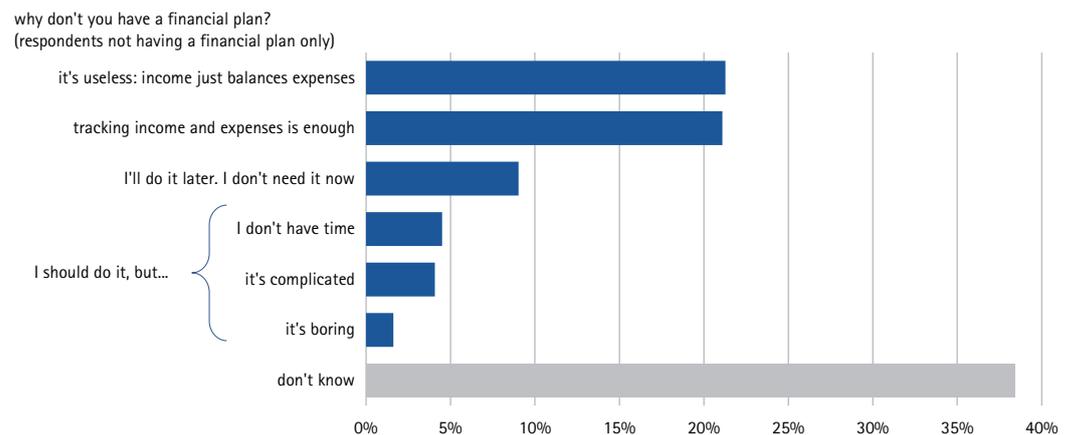


Fig. 4.3 – Deterrents from financial planning



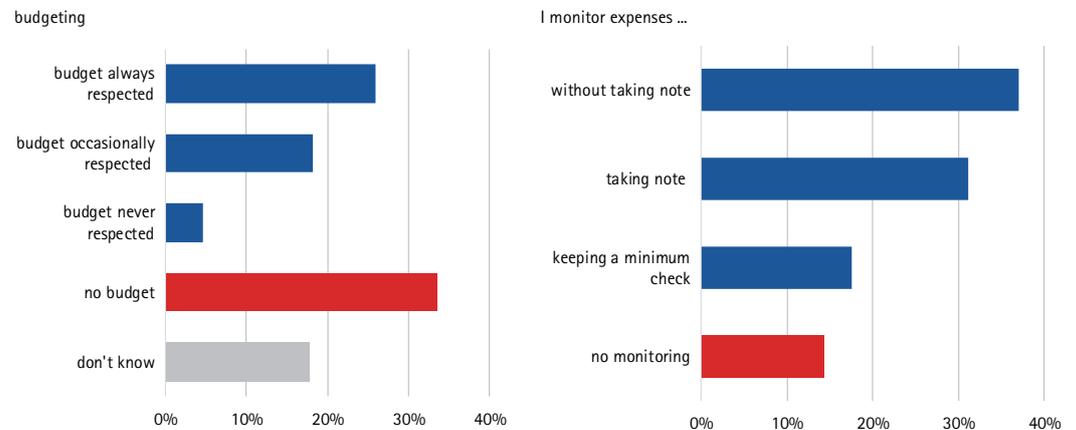
- 1. Trends in household wealth and savings
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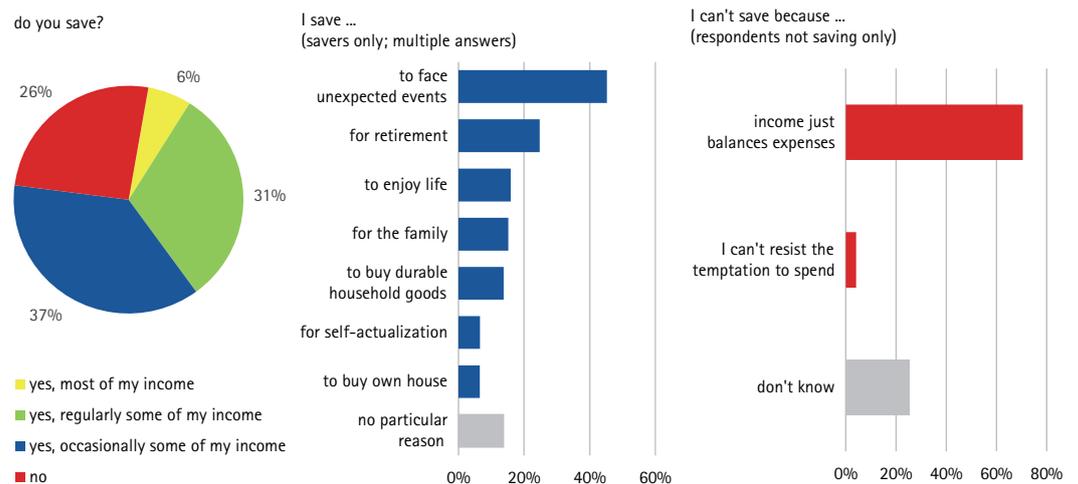
As for the management of income and expenses, less than half of the households report to have a budget, which is always respected in 26% of the cases and carefully overseen (i.e., by taking written notes) by 30% of the sample.

Fig. 4.4 – Budgeting and monitoring expenses



More than 60% of respondents state to save, either regularly or occasionally. Precautionary motive remains the prevailing driver of saving, while income constraints are by far the main deterrent.

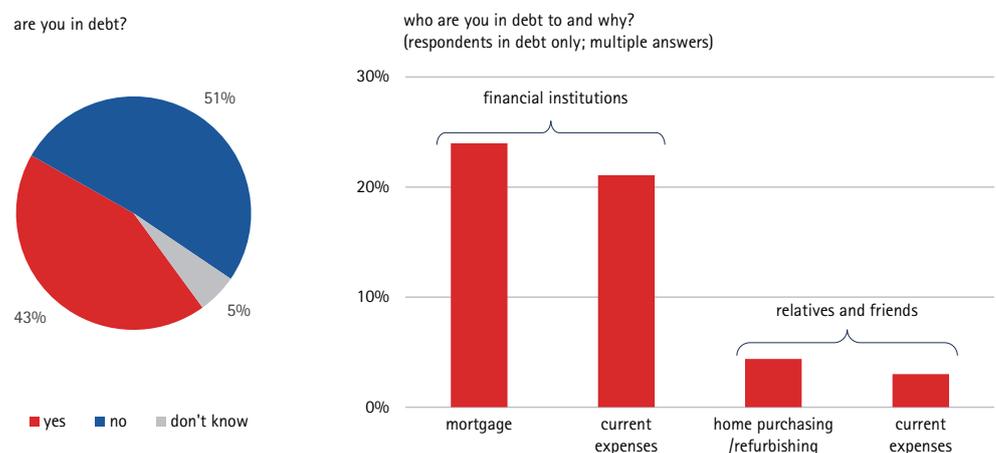
Fig. 4.5 – Saving habits



For details about the saving goals reported in the figure in the centre see Methodological notes.

43% of individuals are in debt, mainly towards financial institutions. Households borrowing mainly covers mortgages and current expenses.

Fig. 4.6 – Household indebtedness



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Financial control is more frequent among individuals used to share financial choices with other family members and among those reporting to have received parental education on financial matters. In addition, it is positively associated with education, financial knowledge, numeracy and risk literacy. As for personal traits, best practices in planning and budgeting are more likely among interviewees declaring to be financially effective, optimistic and less prone to procrastination and financial anxiety. Interestingly, the ability to respect the budget is positively associated with the attitude towards mental accounting.

Fig. 4.7 – Correlations among financial control and selected socio-demographics, personal traits and financial knowledge

(blue stands for positive correlations and red stands for negative correlations)

	FINANCIAL PLANNING	PLANNING USEFULNESS	MONITORING FINANCIAL PLAN	BUDGET ALWAYS RESPECTED	MONITORING BUDGET
SOCIO-DEMOGRAPHICS	education, north**, financial wealth, income, employee, shared decisions, relatives in financial sector, married*	education, north, financial wealth, income, employee, shared decisions, relatives in financial sector**, home ownership	education, north**, financial wealth, income, employee**, home ownership	age**, education**, financial wealth, retired**, widowed/divorced**, home ownership, single-income*	education**, financial wealth, income*, retired*, home ownership, single-income
	centre*, out-of-labour, retired**, widowed/divorced**, single-income	age**, south&islands, out-of-labour, retired, widowed/divorced*, single-income	age*, centre**, out-of-labour, widowed/divorced**	man*, married*	man*, south&islands**, self-employment*, out-of-labour*, married*
PERSONAL TRAITS	self-efficacy, optimism, financial trust, gambler fallacy*, playing lottery, s/t losses tolerance, small losses tolerance	optimism, financial trust, gambler fallacy, playing lottery**, s/t losses tolerance, small losses tolerance	self-efficacy, optimism, financial trust, s/t losses tolerance, small losses tolerance	self-efficacy, optimism, mental accounting**, gambler fallacy**, small losses tolerance**	optimism, small losses tolerance**
	procrastination, anxiety, loss aversion, risk aversion	procrastination, anxiety, loss aversion, risk aversion	procrastination, anxiety, loss aversion, risk aversion	procrastination, anxiety, playing lottery, loss aversion**, risk aversion*	procrastination, anxiety, playing lottery, loss aversion**
FINANCIAL KNOWLEDGE	financial knowledge, overconfidence, upward mismatch, numeracy, assets upward mismatch**, risk literacy, risk literacy 2, parental education	financial knowledge, overconfidence, upward mismatch, numeracy, risk literacy, risk literacy 2, parental education	financial knowledge, upward mismatch, numeracy, risk literacy, risk literacy 2, parental education	financial knowledge, upward mismatch, numeracy, risk literacy**, risk literacy 2**, parental education	financial knowledge, numeracy, risk literacy**, parental education
FINANCIAL CONTROL	planning usefulness, monitoring financial plan, budget always respected, monitoring budget	financial planning, monitoring financial plan, budget always respected, monitoring budget	financial planning, planning usefulness, budget always respected, monitoring budget	financial planning, planning usefulness, monitoring financial plan, monitoring budget	financial planning, planning usefulness, monitoring financial plan, budget always respected

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). As for 'financial planning', 'planning usefulness', 'monitoring financial plan', 'budget always respected' and 'monitoring budget' see Fig. 4.1, Fig. 4.2 and Fig. 4.4. 'Budget always respected' is also found to be negatively associated with financial assets upward mismatch (pairwise correlation available upon request).

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Beyond income and wealth, saving (either regular or occasional) correlates with financial knowledge, financial control and some personal traits, such as attitude towards mental accounting, self-efficacy, financial anxiety, procrastination and loss and risk aversion.

Fig. 4.8 – Correlations among saving and indebtedness and selected socio-demographics, personal traits, financial knowledge and financial control
(blue stands for positive correlations and red stands for negative correlations)

	SAVING	IN DEBT
SOCIO-DEMOGRAPHICS	education, north**, financial wealth, income, employee, shared decisions, relatives in financial sector, married**, home ownership	man, north, income, employee, shared decisions, relatives in financial sector, married, home ownership**
	south&islands, out-of-labour, retired**, widowed/divorced, single-income	age, south&islands, financial wealth**, out-of-labour, retired, single, widowed/divorced, single-income
PERSONAL TRAITS	self-efficacy, optimism, financial trust, mental accounting*, gambler fallacy, s/t losses tolerance, small losses tolerance	anxiety, financial trust*, gambler fallacy, playing lottery
	procrastination, anxiety, loss aversion, risk aversion	self-efficacy, loss aversion*, risk aversion
FINANCIAL KNOWLEDGE	financial knowledge, overconfidence**, numeracy, parental education, risk literacy, risk literacy 2	financial knowledge, overconfidence, numeracy, risk literacy**, risk literacy 2*
		parental education**
FINANCIAL CONTROL	financial planning, planning usefulness, monitoring financial plan, budget always respected, monitoring budget	financial planning, planning usefulness, monitoring financial plan
		budget always respected**

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). As for 'saving' and 'in debt' see respectively Fig. 4.5 and Fig. 4.6.

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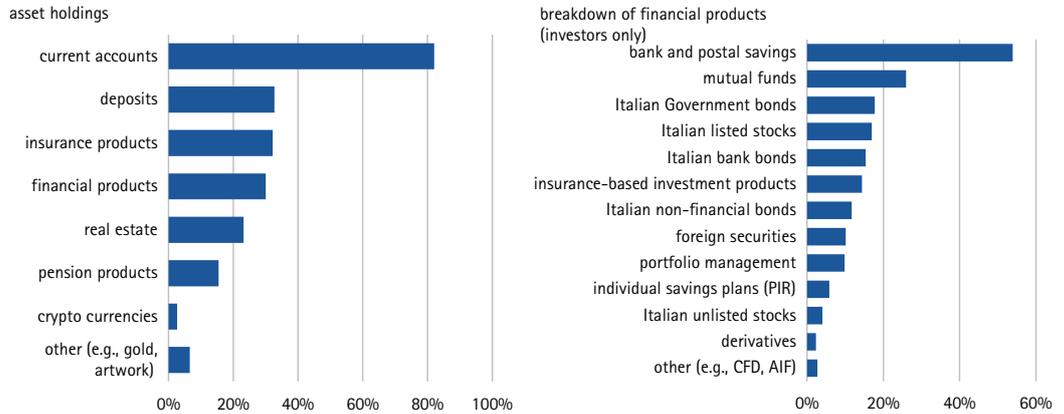
5. Investment choices and investment habits

6. Focus SRIs: knowledge and attitudes

Investment choices and investment habits

Deposits and insurance products are the most widely held assets, beyond current accounts, accessed by more than 80% of households. The proportion of individuals holding financial products is equal to 30%, with mutual funds and Italian Government bonds remaining the most widespread assets after bank and postal savings.

Fig. 5.1 – Household investments



'Bank and postal savings' includes bank deposit certificates and postal saving certificates; 'mutual funds' includes also ETF; 'insurance based products' includes unit-linked and index-linked policies; 'foreign securities' includes foreign sovereign bonds, corporate bonds, bank bonds and stocks; 'derivatives' includes binary options and certificates.

Interestingly, the proportion of investors answering correctly to the quiz questions on the financial assets they hold, ranges from 15% (relation between interest rate and bond price) to 83% (features of stocks). As for risk literacy, the proportion of stocks and bank bonds holders is never higher than 69%..

Fig. 5.2 – Savvy investors

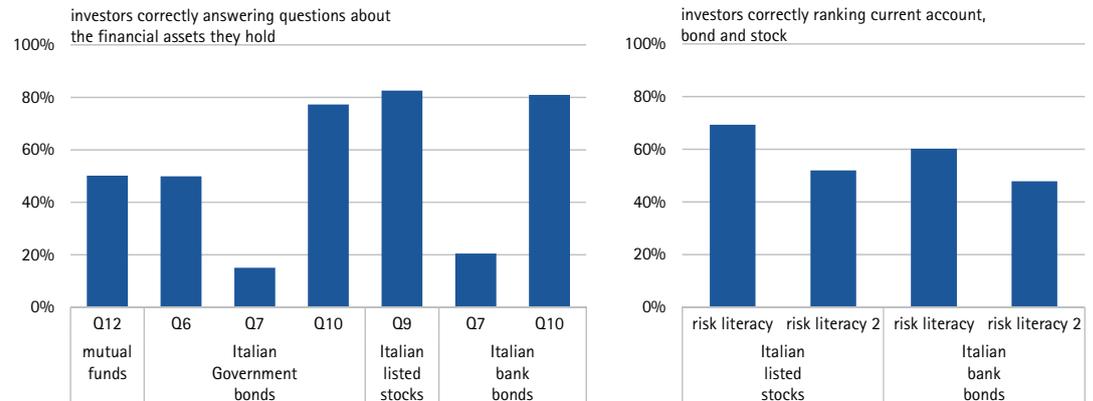
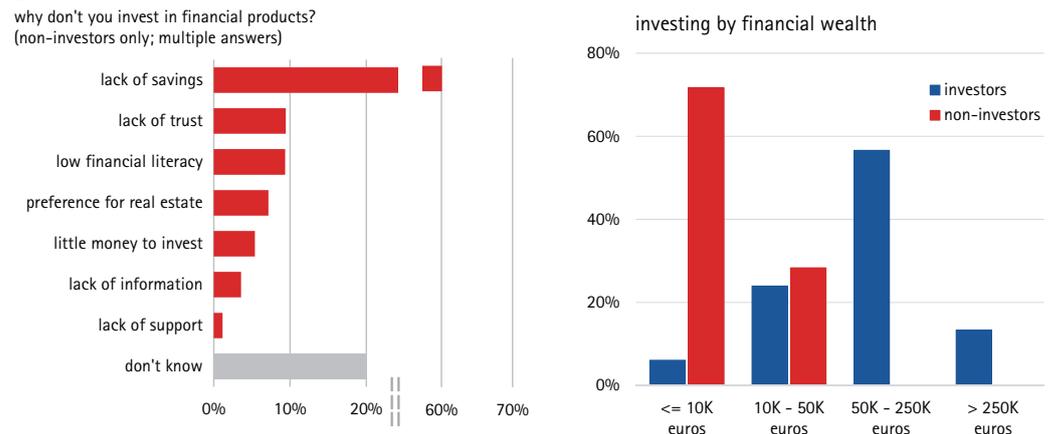


Figure on the left-hand side reports percentage of investors who hold the financial assets reported on the horizontal axis and correctly answer to the questions about the following notions: Government bonds spread (Q6); relationship between interest rate and bond price (Q7); stock (Q9); bond (Q10); mutual fund (Q12; see Fig. 3.1 and Fig. 3.7). Figure on the right-hand side reports percentage of investors correctly ranking current account, bond and stock by their overall risk ('risk literacy') and by at least three out of four types of risk ('risk literacy 2'; see Fig. 3.12 and Fig. 3.13).

Lack of savings is the deterrent to financial market participation most frequently mentioned, followed by lack of trust and low financial literacy. Consistently, the proportion of investors rises with financial wealth.

Fig. 5.3 – Deterrents from financial investment



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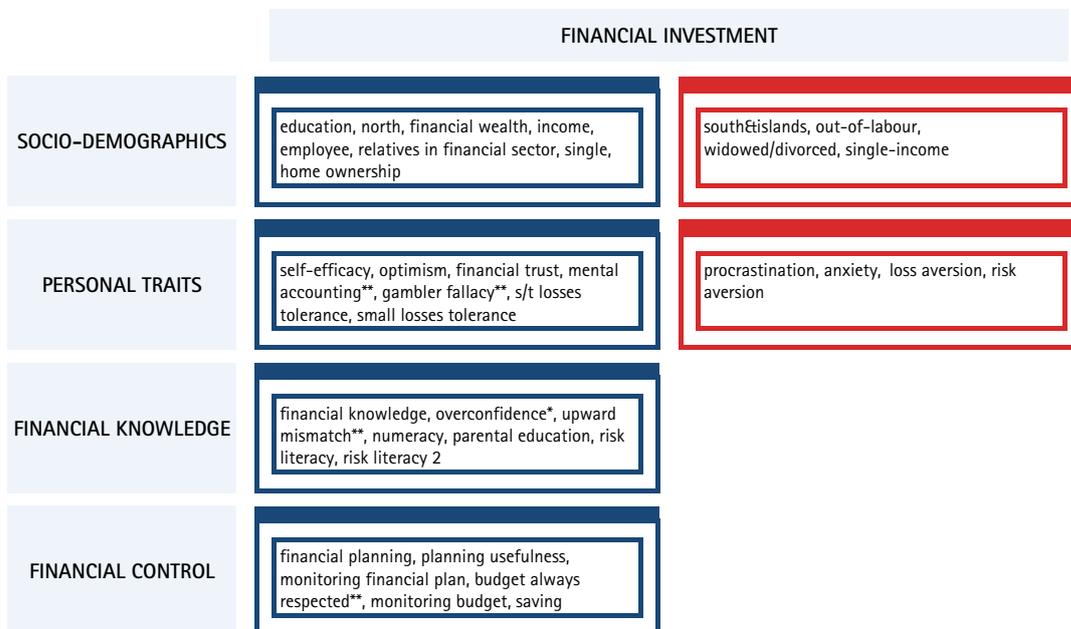
5. Investment choices and investment habits

6. Focus SRIs: knowledge and attitudes

Financial investment is more likely among individuals reporting higher levels of formal education, financial literacy, numeracy and risk literacy as well as among interviewees stating tolerance to short-term and small losses, optimism and financial effectiveness. Not surprisingly, financial market participation is also positively correlated with financial control. On the other hand, loss and risk aversion, procrastination and financial anxiety seem to play a negative role.

Fig. 5.4 – Correlations among financial investment and selected socio-demographics, personal traits, financial knowledge and financial control

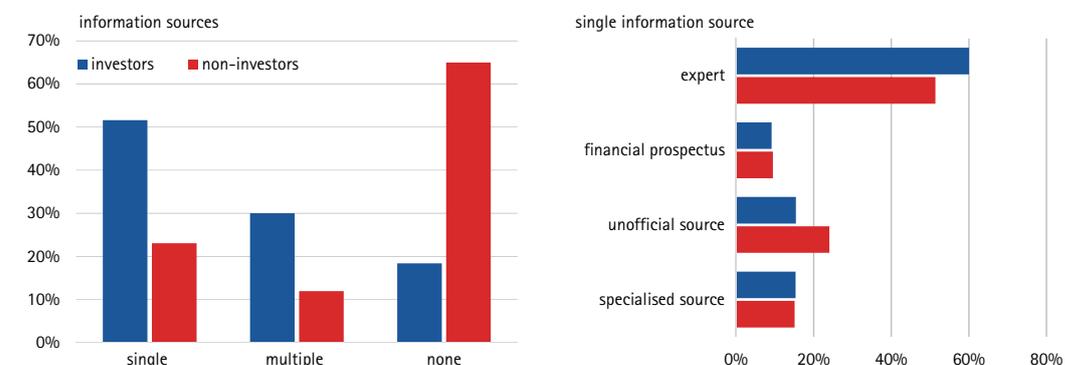
(blue stands for positive correlations and red stands for negative correlations)



Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). As for 'financial investment' see Fig. 5.1.

Half of investors use a single source of information when making investment decisions, preferring by far to rely on experts (advisor, portfolio manager, bank staff), compared to financial documents such as a prospectus. More than 60% of non-investors are not able to identify any source of financial information they would use should they invest.

Fig. 5.5 – Source of financial information accessed when investing in financial assets



In the figure on the right-hand side, 'expert' includes independent advisor, advisor, portfolio manager and bank staff; 'unofficial source' includes family/friends/colleagues; 'specialised source' includes online price comparison tools, specialised magazines and web sites.

Informal advice (by relatives and friends) remains the most common investment habit among investors, followed by self-managed decisions and reliance on a professional support.

Fig. 5.6 – Investment habits



'Self-managed' includes individuals making decisions on their own; 'informal advice' includes individuals making decisions with family/friends/colleagues; 'informal advice by experts' includes individuals making decisions with family/friends/colleagues working in the financial sector; 'professional support' includes investors either relying on investment advice or support from the bank staff or delegating to a portfolio manager (also 'advised investors' in the following).

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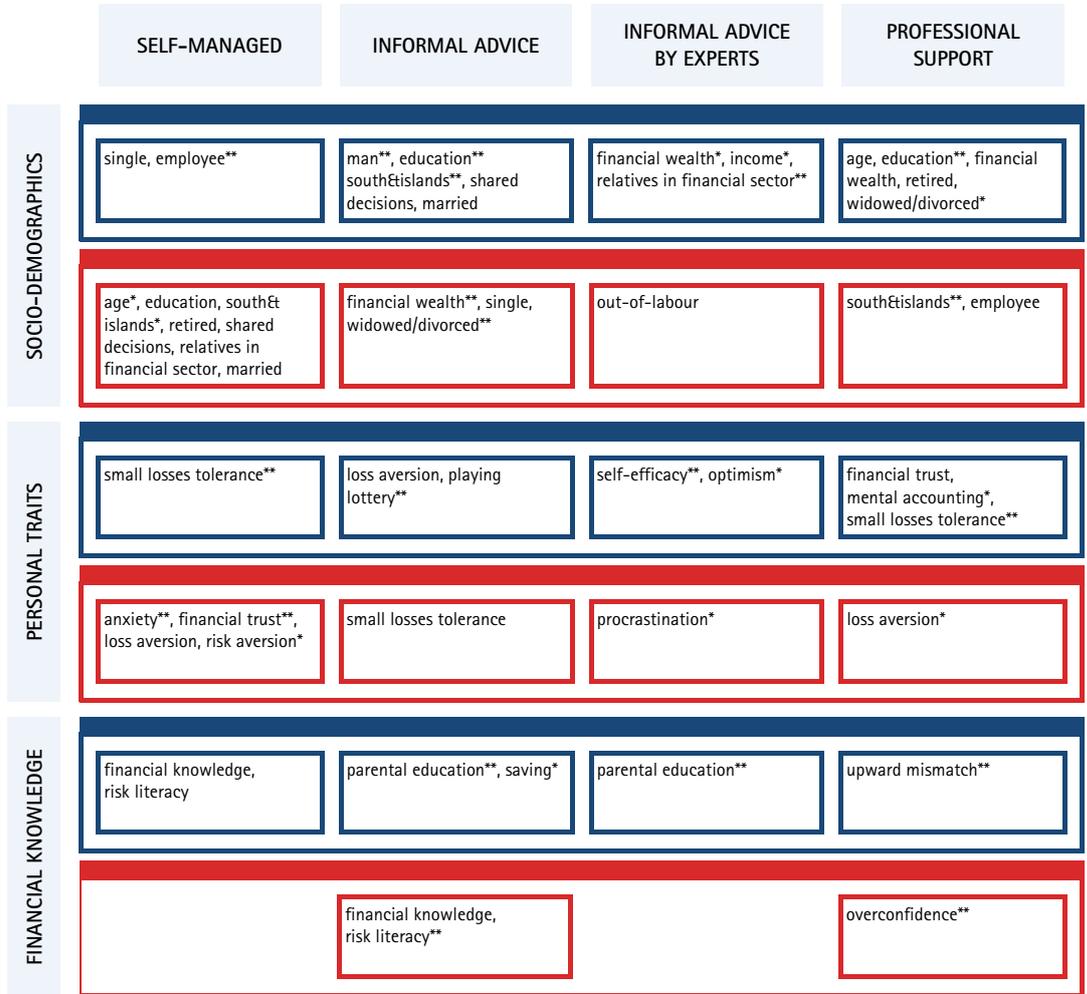
5. Investment choices and investment habits

6. Focus SRIs: knowledge and attitudes

The demand for professional support is positively related with age and wealth, and (among personal traits) trust in financial intermediaries, attitude towards mental accounting and tolerance to small losses.

Fig. 5.7 – Correlations among investments habits and selected socio-demographics, personal traits and financial knowledge

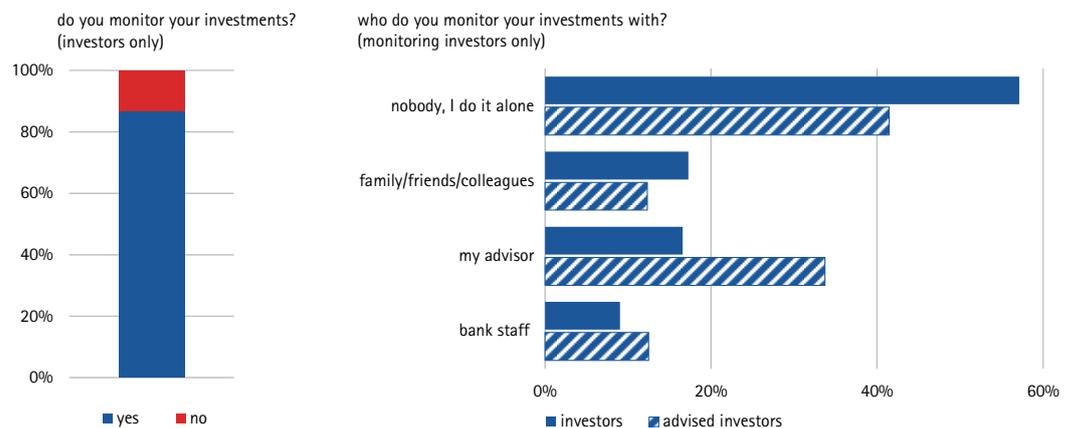
(blue stands for positive correlations and red stands for negative correlations)



Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). As for 'self-managed', 'informal advice', 'informal advice by expert' and 'professional support' see Fig. 5.6.

About 90% of investors report to monitor their investments, predominantly alone.

Fig. 5.8 – Investment monitoring



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Among investors, more than 40% are aware of the characteristics of financial advice whilst about half of them can correctly define the implications of a suitable recommendation (both these figures halve for the sub-sample of non-investors). Interestingly, slightly more than 20% of the whole sample believes that a suitable recommendation prevents from capital losses

Advisors' competences are the factor most frequently mentioned by advised investors among the drivers of the choice of the expert, followed by trust (whose role is key also as a deterrent from seeking for professional support). Consistently...

Fig. 5.9 – Knowledge of investment advice

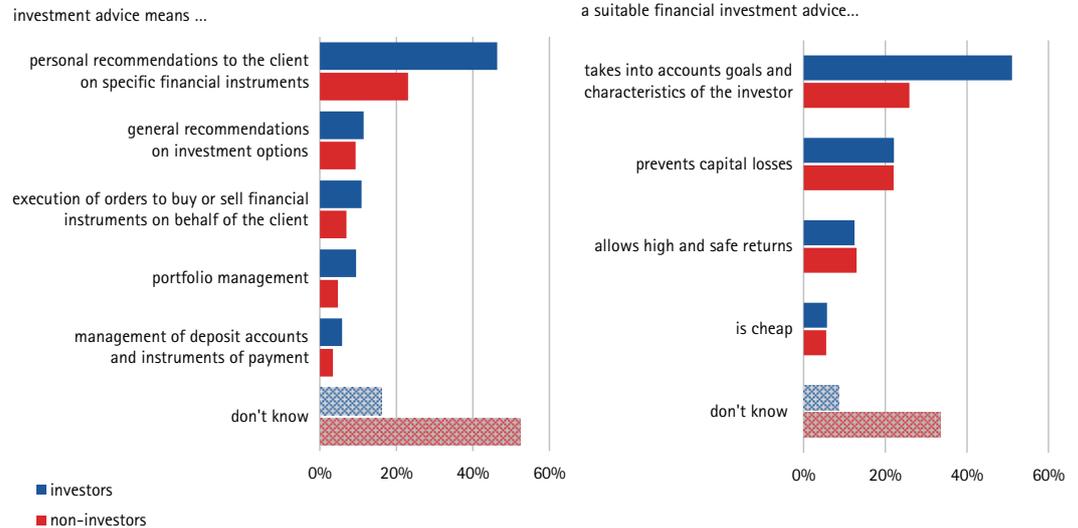
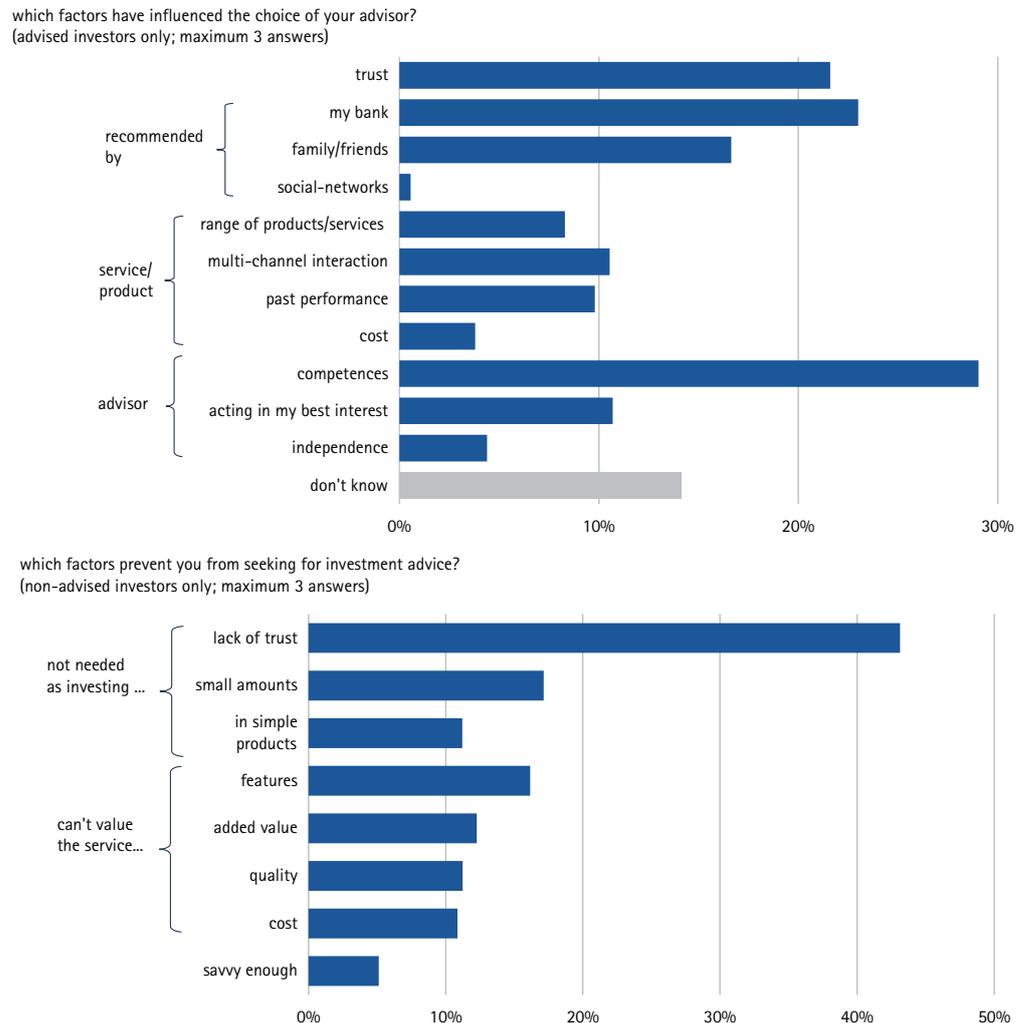


Fig. 5.10 – Factors driving the choice of a financial advisor and factors deterring from advice



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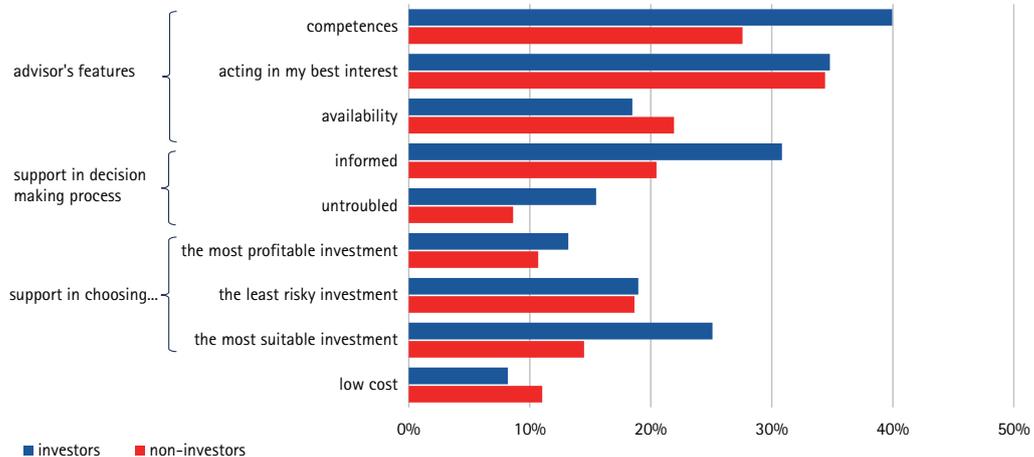
5. Investment choices and investment habits

6. Focus SRIs: knowledge and attitudes

... the main expectation investors have from professionals is competence, followed by unbiased support (i.e., acting in clients' best interest) and help in informed decision-making.

Fig. 5.11 – Expectations from investment advice

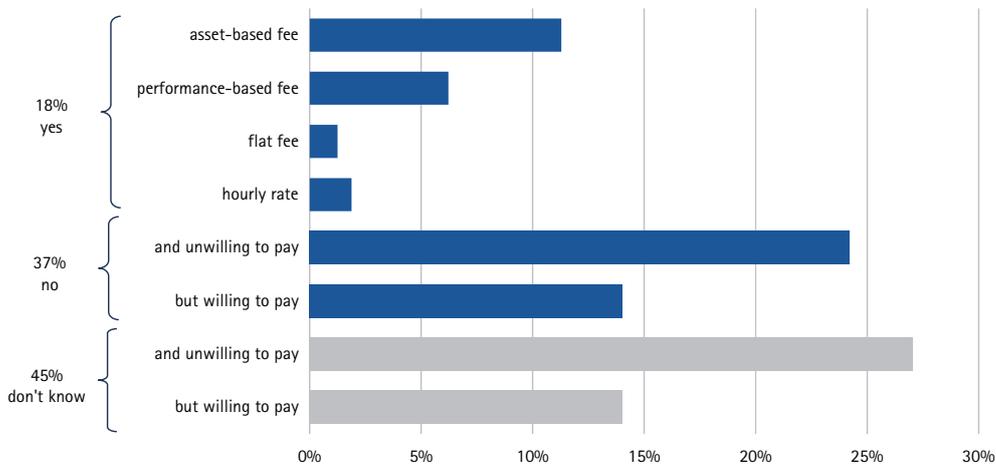
if you asked for financial advice, which factors would be relevant to you?
(maximum 3 answers)



More than 80% of investors receiving financial advice keep ignoring that the service is remunerated and, in the vast majority of the cases, are not willing to pay for it.

Fig. 5.12 – Compensation of investment advice

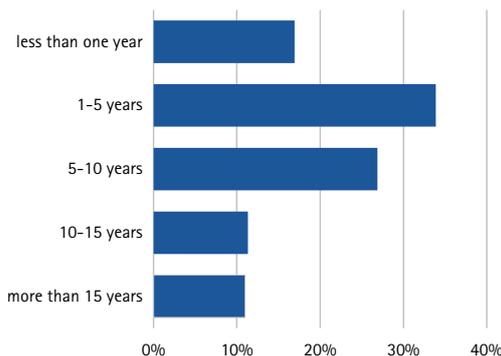
is your advisor compensated?
(advised investors only)



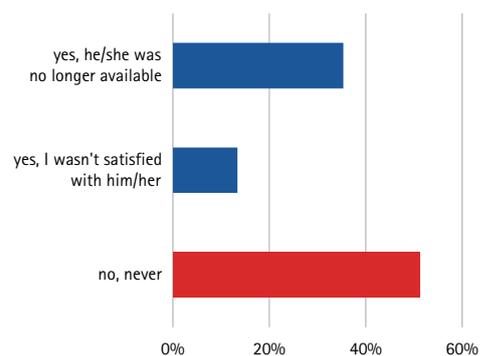
More than half of respondents have a long-standing relationship with their financial advisor, having experienced a switch (if any) predominantly because the professional was no longer available.

Fig. 5.13 – Length of client-advisor relationship

how long have you been advised by your current advisor?
(advised investors only)



have you ever changed your advisor?
(advised investors only)



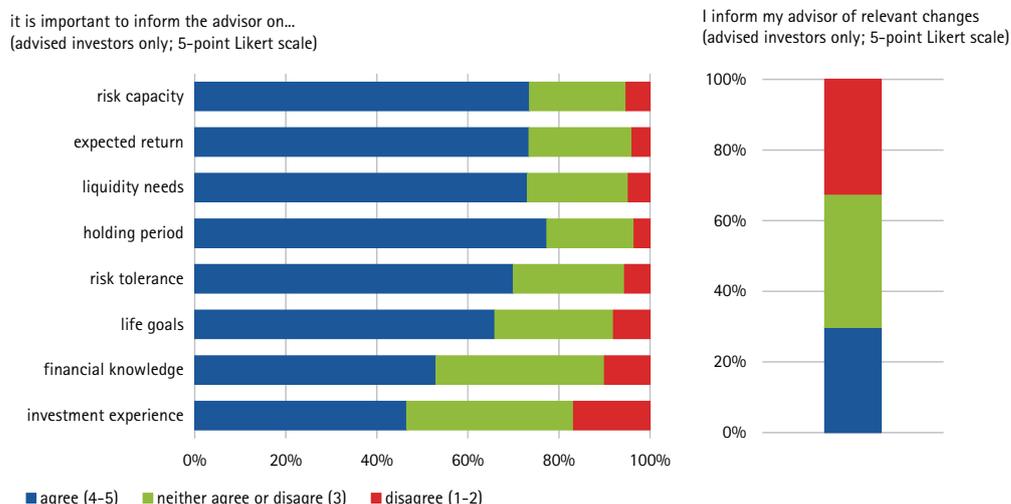
1. Trends in household wealth and savings
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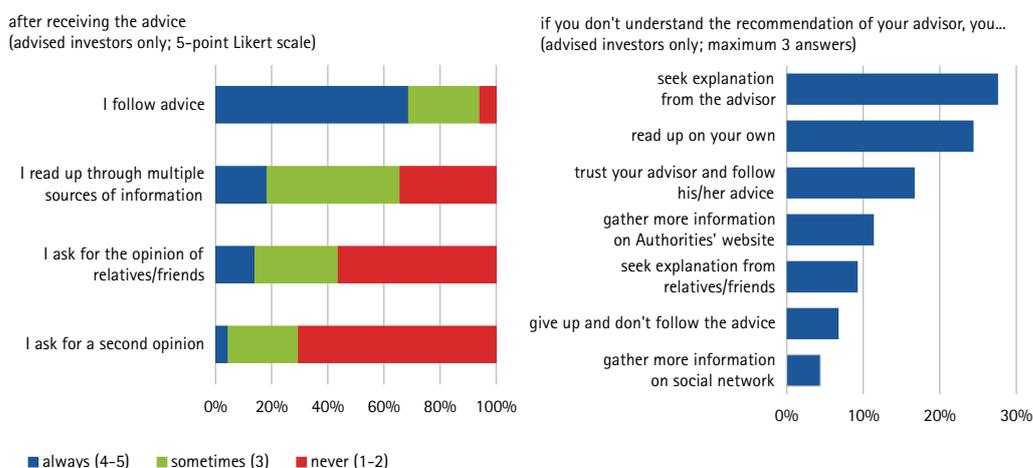
Among the information to be provided to the advisor, the holding period is more frequently deemed as important, while financial knowledge and experience are felt to be less relevant. Only 30% of interviewees state to inform their advisor should their personal situation change.

Fig. 5.14 – Information on client's situation to be given to the advisor



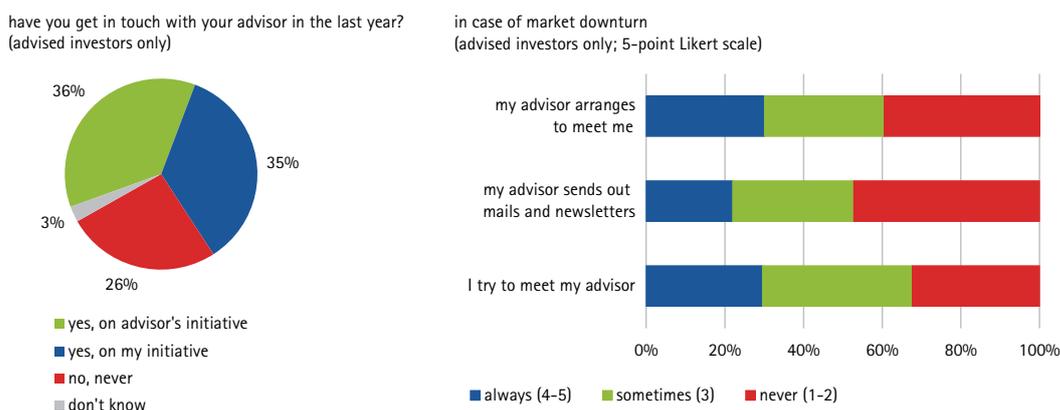
About two-thirds of respondents follow the advice they received while those always asking for a second opinion barely achieve 5% of the sample. Most investors are not willing to follow an advice they do not understand, as they seek explanation from the consultant and/or to gather clarifying information from alternative sources.

Fig. 5.15 – Propensity to follow the advisor's recommendation



Over 70% of the investors relying on financial advice have met their advisor at least once in the last year, either following their own or their advisor's initiative.

Fig. 5.16 – Client-advisor interaction



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Focus SRIs: knowledge and attitudes

60% of the sample has never heard about sustainable and responsible investments (SRIs), although familiarity has slightly increased over the last two years. The proportion of individuals having at least a basic knowledge of SRIs is marginally higher among investors.

Fig. 6.1 – Familiarity with sustainable and responsible investments (SRIs)

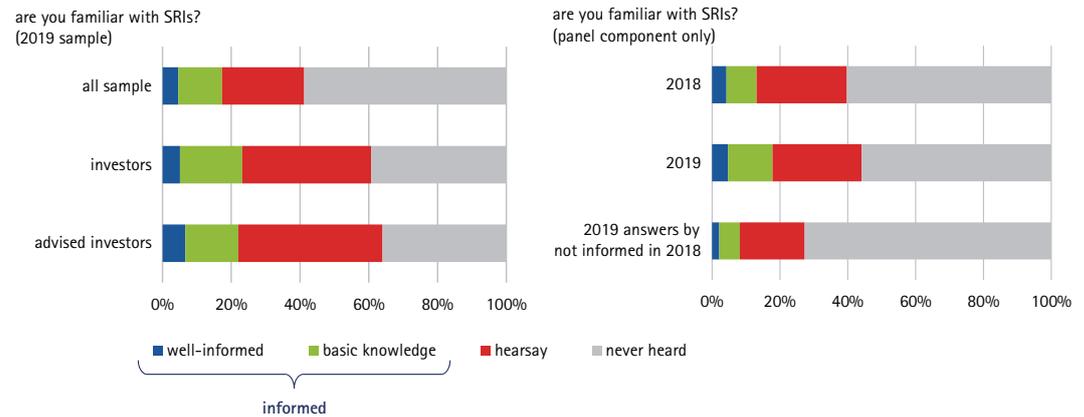
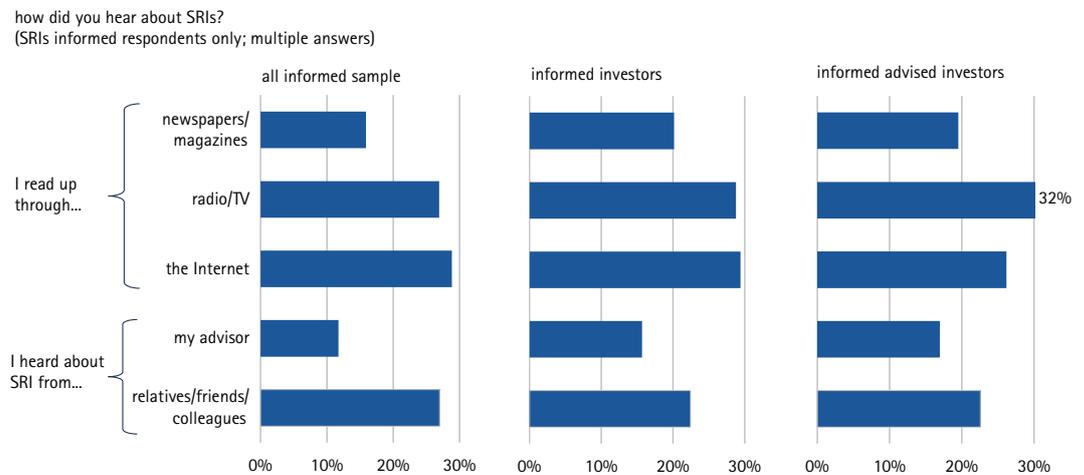


Figure on the right-hand side refers to the sub-sample of 1,311 respondents that were interviewed both in 2018 and 2019 (panel component).

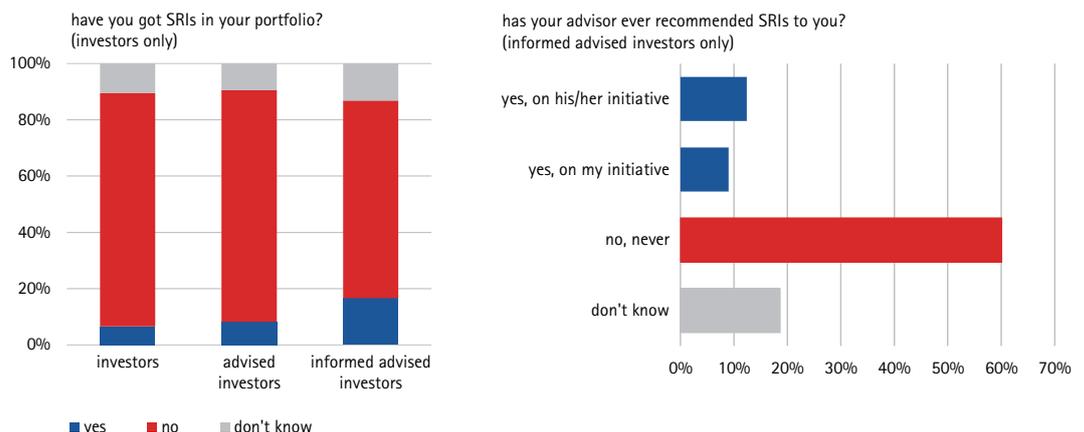
Informed respondents predominantly refer to the media and the Internet as sources of information on SRIs, while the role of the financial advisors remains less important also for the sub-sample of advised investors.

Fig. 6.2 – Source of information on SRIs



Only 5% of investors hold SRIs. This proportion rises to 18% among informed advised investors, who report to have been recommended SRIs by their advisors in slightly more than 10% of the cases.

Fig. 6.3 – Holding of SRIs



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About 40% of the interviewees are not able to express any opinion on the importance of the ESG factors that can be associated to SRIs (this share drops to less than 10% among informed investors), while the remaining mainly point to environment protection and social goals.

33% display high social preferences (as signalled by their high propensity to give to good causes without expecting anything in return), while 60% of interviewees are highly concerned about climate changes.

Potential interest in SRIs involves 40% of the interviewees, that are willing to forgo financial performance in 13% of the cases. These figures hit 80% and 40% respectively for the sub-sample of informed investors.

Fig. 6.4 – Consideration of ESG factors

which goals of SRIs are the most important to you?
(maximum three answers)

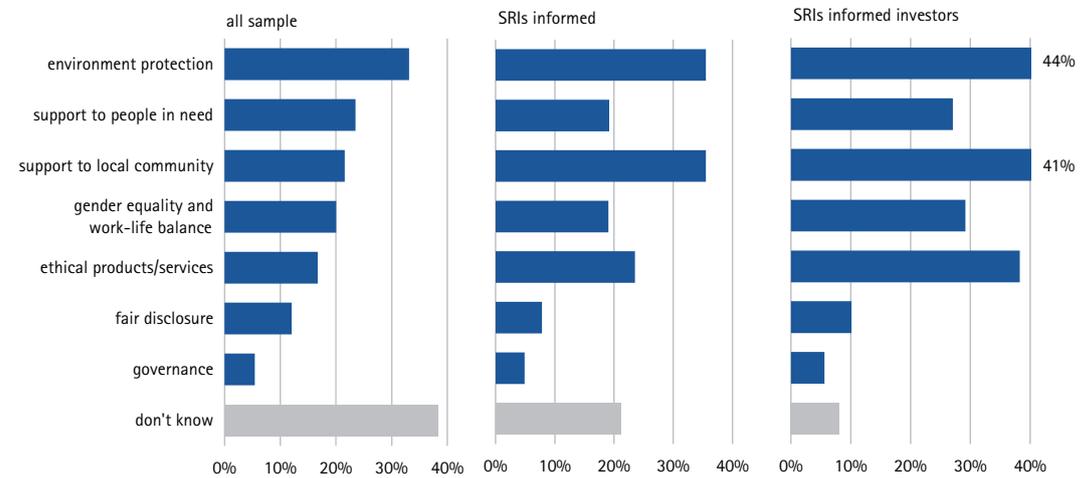
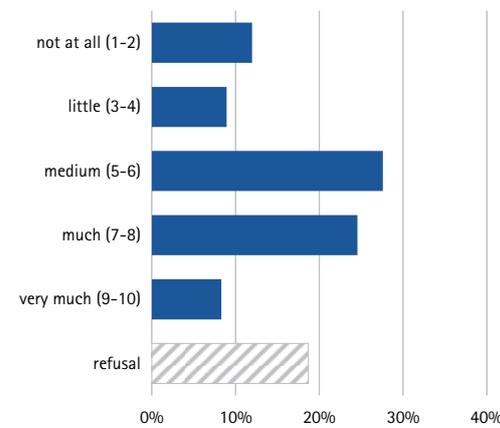


Fig. 6.5 – Social preferences and concerns about climate changes

are you willing to give to good causes without expecting anything in return? (10-point Likert scale from 1-not at all to 10-very much)



are you concerned about climate changes? (10-point Likert scale from 1-not at all to 10-very much)

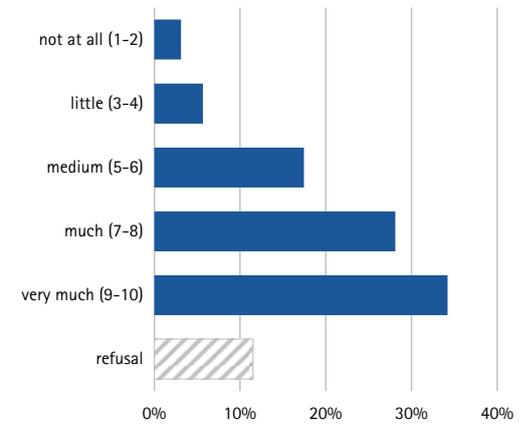
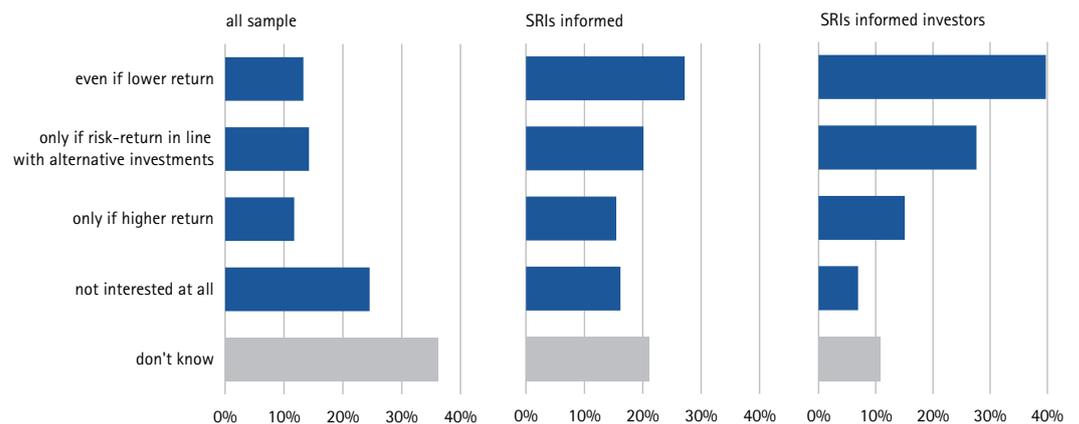


Fig. 6.6 – Interest in SRIs

I could be interested in SRIs ...



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While 66% of respondents are unable to express a view about SRIs financial performance, the proportion of those reporting similar or better returns than those of alternative options rises substantially among informed investors and among holders of SRIs.

The main deterrents from interest in SRIs seem to be lack of savings and mistrust, the latter entailing several dimensions as 'greenwashing' concerns, ineffectiveness of SRIs and inclination towards keeping personal engagement for ESG goals separate from financial choices.

Wealth, financial knowledge, social preferences, ESG consideration and climate concerns as well as tolerance to short-term and tolerance to small losses are among the factors positively associated with familiarity, holding and interest in SRIs. Risk aversion and loss aversion are among the variables showing a negative correlation.

Fig. 6.7 – Perception about performance of SRIs

how have SRIs performed in recent years compared to other investments?

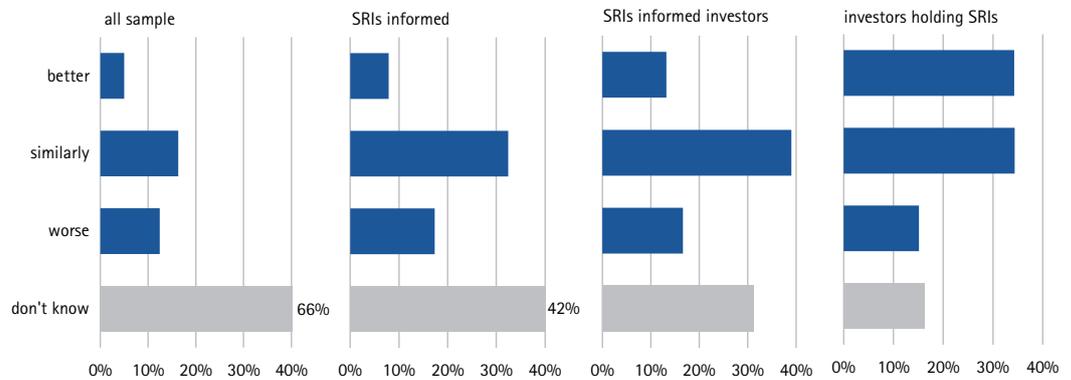


Fig. 6.8 – Deterrents from SRIs

why aren't you interested in SRIs?
(non-interested respondents only)

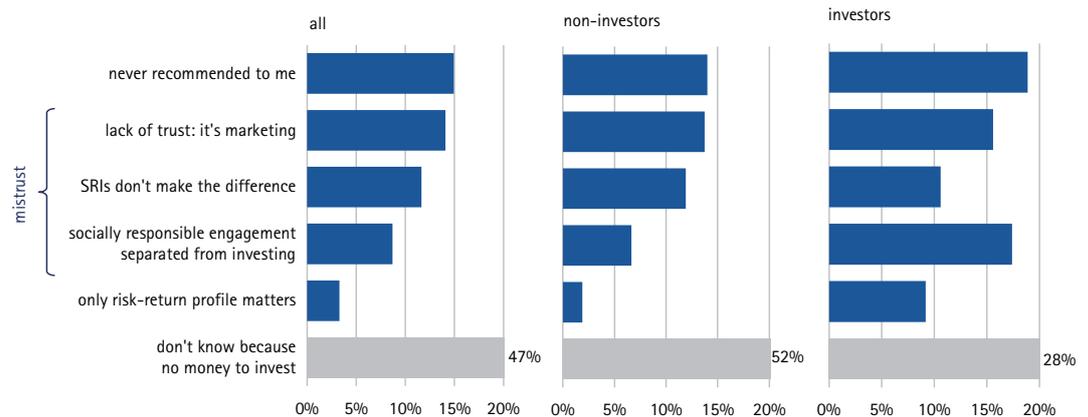


Fig. 6.9 – SRIs: familiarity, interest, holding and perceptions by selected background factors
(blue stands for positive correlations and red stands for negative correlations)

	FAMILIARITY	HOLDING	ESG CONSIDERATION	INTEREST	PERCEPTION ABOUT PERFORMANCE
SOCIO-DEMOGRAPHICS	man, education, north, financial wealth, income, self-employment**, employee**, relatives in financial sector, married*	man*, financial wealth, relatives in financial sector	education, north, financial wealth, income, employee, shared decisions**, relatives in financial sector	education, north**, financial wealth, income, employee, relatives in financial sector, married**	education, north, financial wealth, income, employee, relatives in financial sector, married*
	age, south&islands, out-of-labour**, retired, widowed/divorced**, home ownership, single-income	centre*, out-of-labour*, retired**, home ownership**, single-income**	south&islands, out-of-labour, retired*, single-income	age**, south&island, out-of-labour, widowed/divorced, single-income	age*, centre, retired, widowed/divorced**, single-income

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Cont. Fig. 6.9 – SRIs: familiarity, interest, holding and perceptions by selected background factors
(blue stands for positive correlations and red stands for negative correlations)

	FAMILIARITY	HOLDING	ESG CONSIDERATION	INTEREST	PERCEPTION ABOUT PERFORMANCE
PERSONAL TRAITS	procrastination, self-efficacy, financial trust, s/t losses tolerance, small losses tolerance, playing lottery, social preferences	financial trust**, gambler fallacy**, s/t losses tolerance, playing lottery**, social preferences**	self-efficacy**, optimism, financial trust, mental accounting**, gambler fallacy, social preferences, climate concerns	optimism, financial trust, s/t losses tolerance*, small losses tolerance**, playing lottery, social preferences, climate concerns	financial trust, gambler fallacy, s/t losses tolerance, small losses tolerance**, playing lottery, social preferences, climate concerns
	anxiety*, mental accounting, loss aversion, risk aversion, optimism**, gambler fallacy**, numeracy, climate concerns	loss aversion, risk aversion**	procrastination, anxiety, loss aversion, risk aversion	anxiety, loss aversion, risk aversion	self-efficacy, mental accounting, loss aversion, risk aversion
FINANCIAL KNOWLEDGE	financial knowledge, overconfidence, upward mismatch, assets upward mismatch	overconfidence*	financial knowledge, overconfidence, numeracy, risk literacy 2	financial knowledge, numeracy, parental education*, risk literacy, risk literacy 2	financial knowledge, overconfidence, upward mismatch, numeracy, parental education, risk literacy**
	risk literacy 2**, parental education			upward mismatch	
FINANCIAL CONTROL	financial planning, planning usefulness, monitoring financial plan, saving, in debt	financial planning, monitoring financial plan**, saving**	financial planning, planning usefulness, monitoring financial plan, budget always respected, monitoring budget**, saving, in debt	financial planning, planning usefulness, monitoring financial plan, saving, in debt	financial planning, planning usefulness, monitoring financial plan, budget always respected*, saving, in debt
INVESTMENT HABITS	investing, monitoring investments	monitoring investments	investing, monitoring investments	investing, monitoring investments, willingness to pay for advice**	investing, monitoring investments
ATTITUDE TO SRIs	holding, ESG consideration, interest, perception about performance	familiarity, ESG consideration**, interest**, perception about performance	familiarity, holding**, interest, perception about performance	familiarity, holding**, ESG consideration, perception about performance	familiarity, holding**, ESG consideration, interest

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). As for 'familiarity', 'holding', 'ESG consideration', 'interest' and 'perception about performance' see respectively Fig. 6.1, Fig. 6.3, Fig. 6.4, Fig. 6.6 and Fig. 6.7. 'Holding' refers to the sub-sample of investors only. 'Interest' refers to respondents interested in SRIs whether they offer higher, in line or lower returns than alternative investments (see Fig. 6.6). 'Perception about performance' refers to respondents expressing a view about SRIs performance, be it positive or not (Fig. 6.7).

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Methodological notes

About the data

		average	lower-bound 5% confidence level	upper-bound 95% confidence level
gender	men	74%	72%	77%
	women	26%	28%	23%
age	24-34	9%	7%	11%
	35-44	23%	21%	25%
	45-54	27%	25%	28%
	55-64	22%	20%	24%
	65-74	20%	18%	23%
education	less than bachelor's degree	82%	79%	84%
	at least bachelor's degree	18%	17%	20%
area of residence	north	49%	47%	51%
	centre	20%	18%	22%
	south and islands	31%	29%	33%
employment status	employee	50%	48%	52%
	self-employed	18%	16%	20%
	retired	23%	22%	25%
	out-of-labour	8%	7%	16%
financial wealth	<= 10,000 euros	52%	50%	54%
	10,001 - 50,000 euros	27%	25%	29%
	50,001 - 250,000 euros	17%	15%	19%
	> 250,000 euros	4%	3%	5%
monthly family income	< 1,200 euros	28%	26%	30%
	1,201 - 3,000 euros	59%	57%	61%
	3,001 - 5,000 euros	10%	9%	11%
	> 5,000 euros	3%	2%	3%
Internet use	online purchase of goods and services	50%	47%	52%
	online banking	46%	44%	48%
	price comparison	39%	37%	41%
	financial information gathering	11%	10%	13%
	trading online	2%	3%	5%
	robo advice	2%	2%	3%
	crowdfunding	3%	2%	4%
non-investors		70%	74%	68%
investors		30%	28%	32%

Average values are adjusted by sample weights. The accuracy of the estimates of the average values has been tested by computing the corresponding confidence intervals based on the Jackknife variance estimator. As for 'employment status', 'out-of-labour' includes housewives, students and unemployed. Income and wealth data have been adjusted for non-response by using GfK Italia methodology. The sample breakdown by Internet use does not sum up to 100% because multiple answers are allowed. 'Investors' includes the financial decision-makers holding at least one financial asset (current account, insurance and pension products are not included). Rounding may cause discrepancies in the figures.

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Risk aversion
(Fig. 2.3)

As for risk aversion see: Guiso, L., P. Sapienza and L. Zingales (2018), Time Varying Risk Aversion, *Journal of Financial Economics* 128, 403–421.

Personal traits' indicators
(Fig. 2.4 – Fig. 2.7)

Personal traits' indicators are the first principal components of the answers to the multi-items corresponding questions. Sample adequacy is measured through the Kaiser-Meyer-Olkin test. Indicators are normalised between 0 and 1 and categorised into the following classes (reported in the figures): 'very low ' between 0 and 0.2; 'low' between 0.2 and 0.4, 'medium' between 0.4 and 0.6, 'high' between 0.6 and 0.8, 'very high' between 0.8 and 1. Details on the wording of the questions and the corresponding bibliographical references are reported below.

Procrastination
(Fig. 2.4)

Respondents are asked to state their opinion on the following statements: 'I do not do assignments until just before they are to be handed in; I generally return phone calls promptly; I usually make decisions as soon as possible; I generally delay before starting on work I have to do; I usually have to rush to complete a task on time; When travelling, I usually have to rush in preparing to arrive at the airport or station at the appropriate time; I usually start an assignment shortly after it is assigned; I often have a task finished sooner than necessary; I always seem to end up shopping for birthday or Christmas gifts at the last minute; I usually take care of all the tasks I have to do before I settle down and relax for the evening'; scale type: 5-point Likert, from 1 – 'strongly disagree' to 5 – 'strongly agree'. For references see: Lay, C. (1986), At last, my research article on procrastination. *Journal of Research in Personality*, 20, 474–495.

Financial self-efficacy
(Fig. 2.5)

Respondents are asked to state their opinion on the following statements: 'It is hard to stick to my spending plan when unexpected expenses arise; It is challenging to make progress towards my financial goals; When unexpected expenses occur I usually have to use credit; When faced with a financial challenge, I have a hard time figuring out a solution; I lack confidence in my ability to manage my finances; I worry about running out of money in retirement'; scale type: 4-point Likert, from 1 – 'totally true' to 4 – 'totally false'. For references see: Lown, J.M. (2011), Development and Validation of a Financial Self-Efficacy Scale, *Journal of Financial Counseling and Planning*, 22(2), 54–63.

Financial anxiety
(Fig. 2.6)

Respondents are asked to state their opinion on the following statements: 'Thinking about my personal finances can make me feel anxious (anxiety); There's little point in saving money, because you could lose it all through no fault on your own (helplessness); I prefer not to think about the state of my personal finances (avoidance); I find monitoring my bank or credit card accounts very boring (boredom); I would rather someone else who I trusted kept my finance organised (unburdening); discussing my finances can make my heart race or make me feel stressed (stress); I get myself into situations where I do not know where I'm going to get the money to 'bail' myself out (hopelessness); I don't make a big effort to understand my finances (disengagement); Thinking about my personal finances can make me feel guilty (guiltiness)'; single answer; scale type: 5-point Likert, from 1 – 'strongly disagree' to 5 – 'strongly agree'. For references see: Burchell, B. (2003), Identifying, describing and understanding Financial Aversion: Financial phobes, University of Cambridge; Grable, J., W. Heo and A. Rabhani (2015), Financial Anxiety, Physiological Arousal, and Planning Intention, *Journal of Financial Therapy*, 5(2); Shapiro, G.K. and B. Burchell (2012), Measuring Financial Anxiety, *Journal of Neuroscience, Psychology, and Economics*, 5(2), 92–103.

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Optimism (Fig. 2.7)

Respondents are asked to state their opinion to the following statements: 'It's important for me to keep busy (active); I enjoy my friends a lot (friendly); Overall I expect more good things to happen to me than bad (positive); In uncertain times, I usually expect the best (confident); I don't get upset too easily (quiet); I'm always optimistic about my future (optimistic); I rarely expect good things happening to me (negative); I hardly ever expect things to go my way (unfavourable); I rarely count on good things happening to me (hopeless); If something can go wrong for me, it will (despondent)'; scale type: 5-point Likert, from 1 – 'strongly disagree' to 5 – 'strongly agree'. For references see: Carver, C.S., M.F. Scheier and S.C. Segerstrom (2010), Optimism. *Clinical Psychology Review*, 30, 879-889.

Playing lottery (Fig. 2.10)

As for attitude towards playing lottery, please see: FINRA Investor Education Foundation (2019), *The State of U.S. Financial Capability: The 2018 National Financial Capability Study, State-by-State Survey Instrument*.

Financial knowledge indicators (Fig. 3.1)

Financial knowledge is measured through the following questions. (Q1) 'Please tell me whether the following statement is true or false: «When investments offer higher rates of return, they are probably more risky than investments offering lower rates of return»; answer options: 1. True; 2. False; 3. Don't know; 4. Refuse to answer'. (Q2) '«Suppose the interest rate on your savings account was 1% per year, and inflation 2% per year. After one year, with the money you have on the savings account you would be able to buy ...»; answer options: 1. More than today; 2. Exactly the same as today; 3. Less than today; 4. Don't know; 5. Refuse to answer'. (Q3) '«Suppose you had € 100 in a savings account and the interest rate was 2% per year. After five years, how much do you think you would have in the account if you left the money to grow?»; answer options: 1. More than € 102; 2. Exactly € 102; 3. Less than € 102; 4. Don't know; 5. Refuse to answer'. (Q4) '«A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less. True or false?»; answer options: 1. True; 2. False; 3. Don't know; 4. Refuse to answer'. (Q5) '«When an investor decides to buy different financial instrument, the risk of losing the invested capital ...»; answer options: 1. Grows; 2. Decreases; 3. Remains the same; 4. Don't know; 5. Refuse to answer'. (Q6) '«The spread between Italian and German Government bonds is set by ...»; answer options: 1. The European Commission; 2. The bank selling Government bonds; 3. The Italian state; 4. Depends on how risky it is to invest in Italian Government bonds; 5. Don't know; 6. Refuse to answer'. (Q7) '«If the interest rate falls, what should happen to bond prices?»; answer options: 1. Rise; 2. Fall; 3. Stay the same; 4. None of the above; 5. Don't know; 6. Refuse to answer'. Answers are combined into three alternative indicators characterised by an increasing degree of sophistication (see Consob Working Paper no. 83, 2016). The first ('sample average' indicator) accounts only for the percentage of correct answers. The second ('weighted average' indicator) considers also the easiness of questions, by weighing more those recording lower sample frequencies of correct answers. The third ('factor' indicator) is the first principal component of correct answers, rescaled by the easiness of questions and normalised between 0 and 1. For references see: Lusardi, A. and O.S. Mitchell (2014), *The economic importance of financial literacy: theory and evidence*, *Journal of Economic Literature*, 52(1), 5-44; Lusardi, A. and O.S. Mitchell (2008), *Planning and financial literacy: how do women fare?*, *American Economic Review*, 98(2), 413-17; Lusardi, A. and O.S. Mitchell (2009), *How ordinary consumers make complex economic decisions: financial literacy and retirement*, NBER WP no. 15350; Lusardi, A., O.S. Mitchell and V. Curto (2010), *Financial literacy among the young*, *Journal of Consumer Affairs*, 44(2), 358-80; Lusardi, A. and O.S. Mitchell (2011), *Financial literacy and planning: implications for retirement well-being*, in *Financial literacy:*

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implications for retirement security and the financial marketplace, 17-39, edited by O.S. Mitchell and A. Lusardi, Oxford and New York: Oxford University Press; van Rooij, M., A. Lusardi and R. Alessie (2011), Financial literacy and stock market participation, *Journal of Financial Economics*, 101(2), 449-472.

The mismatch indicator for financial knowledge (Fig. 3.4)

The mismatch indicator records discrepancies between the respondents' answers to the financial knowledge questions Q1-Q7 reported in Fig. 3.1 and the respondents' ex-ante self-assessment of their understanding of the notions mentioned in Q1-Q7 as shown in Fig. 3.3. An upward mismatch is detected when individuals give the wrong answer although having stated that they 'have heard and understood' the financial notion considered. A downward mismatch is detected when individuals give the correct answer although having stated either that they 'they have never heard' or that they 'have heard but not understood' the financial notion in question. No mismatch is detected when no discrepancy is found. The 'average mismatch' is the average of the (upward/downward) mismatch detected for each single item. As for correlations, 'upward mismatch' is defined by referring to respondents wrongly reporting to have given the right answer to at least 2 out of 7 questions.

The over/underconfidence indicator (Fig. 3.5)

The over/underconfidence indicator is the difference between respondents' assessment of their own number of correct answers and the number of correct answers they actually gave to financial literacy questions (Q1)-(Q7) (Fig. 3.1). The indicator signals overconfidence if the difference between respondents' assessment of their own number of correct answers and the number of correct answers is positive, the indicator signals underconfidence if the difference is negative. For references see: M.H. Broihanne, M. Merli and P. Roger (2014), Overconfidence, risk perception and the risk-taking behavior of finance professionals, *Finance Research Letters*, 11(2), 64-73.

Knowledge of financial assets (Fig. 3.8)

Knowledge of financial assets is measured through the following questions: (Q8) 'Which of the following statements is correct?: «If the balance of my bank account exceeds 100.000 euros, I could lose part of my money in case of bank's failure»; (Q9) «If I buy one share of a company, I am automatically entitled to capital reimbursement in case of company's failure»; (Q10) «If I buy a company bond, I lend money to the company»; (Q11) «Buying bitcoins is like buying any other currency»; (Q12) «If I invest in a mutual fund, I am not allowed to withdraw my money before one year time lapse»; answer options: 1. True; 2. False; 3. Don't know; 4. Refuse to answer'.

The mismatch indicator for knowledge of financial assets (Fig. 3.10)

The mismatch indicator records discrepancies between the respondents' answers to the questions Q8-Q12 reported in Fig. 3.8 and the respondents' ex-ante self-assessment of their knowledge of financial assets as shown in Fig. 3.9. An upward mismatch is detected when individuals give the wrong answer although having stated that they 'have heard and understood' the financial asset considered. A downward mismatch is detected when individuals give the correct answer although having stated either that they 'they have never heard' or that they 'have heard but not understood' the financial asset in question. No mismatch is detected when no discrepancy is found. The 'average mismatch' is the average of the (upward/downward) mismatch detected for each single item. As for correlations, 'upward mismatch' is defined by referring to respondents wrongly reporting to have given the right answer to at least 2 out of 5 questions.

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Percentage understanding (numeracy; Fig. 3.7)

Percentage understanding was assessed through the following question: '«Suppose you need to borrow 100 euros. Which is the lower amount to pay back?»; answer options: 1. 105 euros; 2. 100 euros plus three percent on 100 euros; 3. Don't know; 4. Refuse to answer'. For references see: Klapper L., A. Lusardi and P. van Oudheusden (2015), *Financial Literacy Around the World: Insights from the Standard & Poor's Ratings Services Global Financial Literacy Survey*, S&P Report.

Saving goals (Fig. 4.5)

Saving goals are defined according to the Maslow's hierarchy of needs, consisting in six levels of saving goals and needs. The purchasing of durable household goods refers to the lowest category in the hierarchy and to the most basic needs for saving. Buying one's own home and saving to face unexpected events refer to the second level of hierarchy (saving for emergency/safety) and satisfy the needs of financial safety and physical safety. Saving for retirement corresponds to third saving goal, saving for retirement/security and reflects the desire to reduce the financial difficulties that occur after retirement. Saving for the family (e.g., wedding, births, education) relates to the fourth level of hierarchy (saving for love/societal needs) and to specific expenses to take care of family or children. Saving to enjoy life (e.g., purchasing second home, buying a car/boat, travelling) is at the fifth level of hierarchy (saving for esteem/luxuries) and is associated with self-esteem needs in Maslow's theory. Saving for self-actualization is at the highest level and is related to one's effort to reach full potential in life. For references see: Lee, J.M. and S.D., Hanna (2015), *Savings Goals and Saving Behavior From a Perspective of Maslow's Hierarchy of Needs*, *Journal of Financial Counseling and Planning* Volume 26, Issue 2 2015, 129-147.

Social preferences and concerns about climate changes (Fig. 6.5)

As for social preference see: Falk, A., A. Becker, T. Dohmen, D. Huffman and U. Sunde (2016), *The Preference Survey Module: A Validated Instrument for Measuring Risk, Time, and Social Preferences*, IZA DP No. 9674.

Question about climate changes is inspired by Anderson, A., and D.T. Robinson (2019), *Knowledge, Fear and Beliefs: Understanding Household Demand for Green Investments*, Swedish House of Finance Research Paper No. 19-6.

Pairwise correlations

Pairwise correlations take into account the weights of the survey (inverse of the probability to be included in the sample) and the greatest between the p-values from Pearson's correlation coefficient and the p-values from the regression (of Y on X). Pairwise correlations neglect the joint effect of all the exogenous variables and should be interpreted as descriptive statistics in a univariate framework. Therefore, they might not be significant in a multivariate framework. Finally, they do not allow to take into account and address endogeneity issues.