

KNOWLEDGE AND FINANCIAL SKILLS OF CONSUMERS IN POLAND AGAINST THE BACKGROUND OF SELECTED COUNTRIES IN THE WORLD

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THE paper aims to analyse the state of knowledge and financial skills of consumers in Poland in comparison with other selected countries. As it has been demonstrated by the conducted analyses, Polish society has a poor financial awareness, even among people who use various financial products. The level of knowledge and financial competences among consumers in Poland depend on the gender, education, age and place of residence. It results from different attitudes of consumers towards using loan and savings products, diversified motives which drive them at the choice of financial product and preferences concerning the sources of financial knowledge.

One of the ways to improve the situation is undertaking commonly accessible activities in the field of financial education because high level of financial education in society brings social and economic benefits.

Key Words: *Financial Knowledge, Financial Education, Financial Services.*

Introduction

Globalization most commonly denotes international connections between economies involving widening trade exchange, capital, technology and information flow. One of the segments in which the most dynamic globalisation progress apparently is financial services. Globalisation of world financial markets may mean rapidly progressing integration of so far separate domestic financial markets. Globalisation may also be defined as an activity on a worldwide scale connected with developing products and services targeting world financial markets and growing interdependence in the functioning of domestic banking systems (Zawadzka, 2003).

In the face of financial markets integration, innovativeness, complexity and widening scope of financial products, greater consumer knowledge about finances are crucial. In conditions of globalisation, professional and personal success of the citizens, increasingly more, depend on their financial knowledge and associated practical skills. High level of financial awareness allows consumers to select financial services most adequate to their financial capabilities and also affects the correct assessment of risk connected with a given product.

Material and Methods

The article aims at an assessment of the state of knowledge and financial skills of consumers in Poland in comparison with other countries and also identification of factors shaping financial behaviours of Polish users of financial services. Also measures undertaken in the sphere of financial education in

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Poland were characterized. The source of data used for the analysis and deduction was primary information from authors' own investigations (interview questionnaire) and secondary sources. Field research was conducted in 2009 on a group of 546 respondents but the information gathered applies to the year 2008. The basic population division criteria were: gender, age, education and place of residence.

Statistical analysis comprised structure indicators and non-parametric *Chi Square test* (χ^2) allowing for an assessment of the significance of relationship between variables if at least one of them is non-measurable. All hypotheses were verified on the significance level $\alpha = 0.05$. In case when the numbers of observations in the cells of contingency tables was lower than 8, no testing procedure was conducted.

Formula 1. Value of (χ^2)

$$\chi^2 = \sum_{i=1}^r \sum_{j=1}^k \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

O_{ij} – result of measurement in the i -th line and the j -th column

E_{ij} – expected value in the i -th line of the j -th column

The paper also used results of studies conducted in 2009 in Poland by Kronenberg Foundation at Citi Handlowy. In order to compare financial behaviours of Polish consumers with service users in other countries reports of investigations conducted in Australia, Ireland, Canada, the US and the United Kingdom were also taken into consideration.

The Core Knowledge and Financial Education

Financial knowledge of the society are the skills and qualifications which enable the citizens to seek better, cheaper and more convenient financial products, adequate to their financial situation as well as making rational and conscious decisions about their own finances. Knowledge perceived in this way has become the subject of empirical research in Poland quite recently. At present interest in these issues is stimulated mainly by the attitude of the European Commission. In the European Union the issues of solid financial education were addressed by the Commission White paper on Financial Services Policy (2005-2010) COM (2005) 629, in Green Paper on retail financial services on the common market COM (2007) 226, Commission Staff Working Document: Initiatives in the area of Retail Financial Services, a supplementary document to the announcement for the European Parliament, Council of the Economic and Social Committee and the Committee of the Regions.: European Common Market in the 21st Century SEC (2007) 1520 and in the announcement "Financial education" in which EC appeals to the member states and all interested parties to undertake and unify measures aimed at improvement of citizens' skills in finances (Szafranska, 2009).

A high level of financial skills of the society brings individual, social and economic benefits. Solid knowledge on finances enables consumers to choose financial services most suitable to their needs and financial capabilities, moreover it influences the right assessment of risk connected with a given product. These issues are important particularly in the context of better planning of financial future of the citizens (e.g. the unemployment periods or retirement). On the other hand in the opinion of A. O'Connell (2007) high level of households' financial skills helps to limit their excessive consumption, indebtedness and unnecessary spending.

Excessive indebtedness is the situation when a person or a household is unable to pay back their debts regularly due to a lack of balance between the income and expenditure levels, together with accruals due to delay in the debt repayment caused by daily expenses, typical for a household or media. Excessive indebtedness is usually a problem of people with low incomes but may also concern persons with high incomes, used to extravagant consumption. Superfluous indebtedness is a frequent cause of household bankruptcy (Iwonicz-Drozdowska, Matuszyk, Nowak, Kitala, 2009).

On the other hand the advantages resulting from high level of the society financial knowledge comprise: enlivening the cross-border activities in the area of financial services, increased stability of the financial system owing to a decrease in the number of cases of non-repayment of financial obligations (default) and greater diversification of saving and investment products.

Beside individual and economic advantages social benefits may also be pointed out. Among the benefits for the society one should point to limiting the problem of so called "financial exclusion". Persons having some definite knowledge on retail financial services generally do not use the services provided by more expensive providers or services burdened with a higher risk (e.g. services of parafinancial institutions).

Financial exclusion is defined in different ways. According to L. Anderloni these are difficulties in the access to the financial services they need (such as personal accounts, credits or non-cash settlements) experienced by persons with low incomes and socially disadvantaged (Iwonicz-Drozdowska, Matuszyk, Nowak, Kitala, 2009). Financial exclusion is conditioned by social, sales and demand factors. As has been shown in Table 1, in the group of determinants of social character, the main reasons of exclusion comprise: demographic changes technological gap (the ageing population has difficulty in staying up-to-date with all the new ways of dealing with money), labour market changes (more flexible meaning, less stable incomes) and income inequalities (bring difficulties of access to financial services). On the other hand in the group of sales factors one may distinguish: risk assessment procedures (generally they are becoming more and more tight and thus create financial exclusion) and marketing methods (they can be unclear and lead potential clients to abandon the request or to mistrust financial institutions and look for other alternatives). Among the demand factors the most frequent causes of financial exclusion are: belief that bank accounts are not for the poor or low self esteem and concern about costs (potential clients fear costs might be too high or lack information) (Financial Services Provision and Prevention of Financial Exclusion Study, 2008).

According to the European Commission the percentage of financially excluded consumers in Poland is about 40% of the population (these are people who do not use and (or) have no access to basic financial products available on the market). The problem concerns mainly Poles under 25, retired people or persons with low earnings, uneducated and unemployed (Financial Consumers learn from mistakes, 2009).

High level of citizens' financial knowledge may be achieved only in result of developed efficient financial education strategy. Financial education is a set of diversified methods used to upgrade the level of financial knowledge. On the other hand, Matul M., Pawlak K. and Guzowski K. (2005) define financial education as disseminating financial knowledge, developing skills and establishing positive habits necessary for proficient money management considering appointed future goals. Therefore, the European Commission prepared the basic principles which should be observed while developing efficient programmes of financial education. These provisions are in accordance with OECD "Recommendations on good Practices for Financial Education and Awareness".

Principle 1 focuses on the idea of continuing education, because financial knowledge is necessary for the citizens at each stage of their lives (persons starting professional career, unemployed or retired). The European Commission also suggests conducting investigations on the current state of citizens' financial knowledge, which will make possible developing efficient educational programmes for persons with various state of knowledge in this area and with various needs (principle 2). The next recommendation suggests including basic knowledge of economics and finances even in the primary school programme. The subsequent recommendation concerns making citizens aware of their insufficient financial knowledge. Consumers are not always aware of their lack of knowledge on finances and ability of risk assessment. Principle 5 concerns the method of transfer of financial knowledge by the entities offering financial services. The knowledge should be provided in an honest, clear and neutral way (Szafranska, 2009).

Table 1: Causes of Financial Exclusion in 14 European Countries

	Type of Factors	Number of Countries Where this Cause of Financial Exclusion has been identified
Societal factors	Demographic changes technological gap	10/14
	Labour market changes	8/14
	Income inequalities	8/14
	Liberalisation of markets less attention to marginal market segments	6/14
	Liberalisation of markets disappearance institutions targeted to low income	5/14
	Social assistance	5/14
	Demographic changes overindebted	4/14
	Money laundering rules/Identity checks	3/14
	Fiscal policy	3/14
	Demographic changes young	2/14
	Demographic changes migrants/minorities	2/14
	Cash is common	1/14
	Supply factors	Risk assessment
Marketing		8/14
Geographical access		7/14
Product design (terms and conditions)		7/14
Service delivery (eg internet)		7/14
Complexity of choice		7/14
Price		4/14
Type of product		1/14
Demand factors	Concern about costs	8/14
	Belief that not for poor / low self esteem	8/14
	Fear of loss of financial control	7/14
	Mistrust of providers	7/14
	Preference for alternative providers and cultural factors	4/14
	Religion	4/14
	Opposition	4/14
	Bad past experience	1/14
Fear of seizures	1/14	

Fourteen countries have been studied: Austria, Belgium, Bulgaria, France, Germany, Ireland, Italy, Lithuania, Norway, Poland, Slovakia, Spain, the Netherlands and the United Kingdom

Source: Financial Services Provision and Prevention of Financial Exclusion Study, 2008, www.fininc.eu, January 2010.

At present financial institutions involved in financial knowledge dissemination use one of the three models: strictly integrated (financial education is an integral part of the bank employees' task, a parallel model (a separate unit responsible for financial education operates within a financial institution) and a partner model in the frame of which services in the areas of financial education are provided by a different organization, e.g. local self-government organization (Matul, Pawlak, Guzowski, 2005).

A subsequent principle focuses on a thorough and professional training of persons passing knowledge on personal finances, so called Teaching the teachers (principle 6). Recommendation 7 suggests a cooperation between subjects in the field of financial education, both on national and international level. Principle 8 suggests periodical evaluation of the implemented programmes of financial education (Szafranska, 2009).

Financial Education in Poland

Poland has not yet developed a national strategy of financial education (as is the case in the US, United Kingdom or Czech Republic), despite the appeals of OECD (since 2005) and the European Commission. Current initiatives recently present in Poland comprise measures undertaken only by selected entities, like the central bank, some commercial banks or non-profit organizations.

Among the initiatives of financial education in Poland, attention should be paid in the first place to the activities of the National Bank of Poland – NBP (central bank in Poland) which for many years has been financing various initiatives aimed at an improvement of the awareness and financial competences of Poles. Economic education is an important part of Polish central bank mission. NBP has been developing educational activities since 2002 using the experiences of central banks in the United States, United Kingdom or Germany. The forms of educational activities pursued by NBP are diversified and comprise both training (e-Learning or postgraduate system) and competitions, political debates and publications. These activities target pupils, students, teachers, lecturers, journalists, leaders of associations, but above all consumers. Particularly the latter group is an important beneficiary of educational activities because economic awareness is created among it concerning both its proper consumer rights and its obligations.

The National Bank of Poland also conducts numerous activities supporting financial education, such as disseminating a lot of statistical data (appropriately transformed and with comments), presenting specialist reports and publications aiding the development of science through promotion of various solutions describing the reality and economic future (e.g. econometric models, economic projections, etc.) (Opolski, 2009).

Another entity involved in the financial education process of the society in Poland is Polish Financial Supervision Authority (KFN). Initiatives undertaken by this institution comprise organization of seminars for teachers of entrepreneurship, functioning of capital markets but also patronage of such initiatives as “A Week of Saving” or “World Day of Saving”, which were organized by Kronenberg Foundation in cooperation with Think! Foundation and 17 local radio stations.

A subsequent group of initiatives are educational activities undertaken by the banking sector. At this point a Coalition for Non-Cash Settlement System and Micropayments should be mentioned. The aim of the Coalition is intensification of the use of bank accounts and non-cash payments by Polish society.

Also educational endeavours initiated by non-profit institutions play a crucial role. One of these is Center of Microfinances (MFC) operating in Warsaw since 1997. In 2004 A consortium for financial Education for Persons with Low Incomes was formed. In Poland, like all over the world the programme was financed by Citigroup Foundation and coordinated by Microfinance Opportunities and Freedom from Hunger. In Poland the Consortium was joined among others by Center of Microfinances (MFC) and Association of Polish Banks. In 2005 MFC conducted training for people with low incomes. The aim of the workshops on Financial Education was convincing people with low incomes in Poland about the

purposefulness of planning their own finances and systematic saving. In 2007 new sources of funding were acquired, therefore the activities in the area of financial education of persons with low incomes were started again. The programme aims at creating a model financial education distribution basing on the local network of agricultural advisory centers (Matul, Pawlak, Guzowski, 2005).

An important measure within the frame of financial education is education of young people on the subject of “Bases of entrepreneurship”. The course is an obligatory part of teaching programmes in upper secondary schools. Some of the issues which the course addresses concern the operation of financial institutions and management of personal finances.

Table 2: Comparison of Financial Education Initiatives in Poland and in Selected Countries

Initiative/educational programme	PL	AT	AU	CA	CH	DE	GB	IE	USA
Personal finances – primary schools and upper primary schools	■	■■	■	■■	■■	■■	■■■	■	■■
Personal finances – secondary schools	■■■	■■	■■	■■	■■	■■	■■■	■■	■■
Personal finances – studies	■	■	■■	■■	■■	■	■■	No data available	■■
Personal finances – adults	■	■	■■■	■■■	■■	■■■	■■■	■■■	■
Using banking account	■	■■	No data available	■ (for immigrants)	■	■■	■■■	■	■
Solving problems of excessively indebted persons	■	■■■	■■■	■■■	■■■	■■	■■■	■■■	■■
Promoting non-cash payments	■	■	No data available	■	■	■■	■	■ (jointly with government)	No data available

Explanations:

- single initiatives occur
- numerous initiatives occur
- numerous initiatives occur including those supported by the government

Source: Iwonicz-Drozdowska, Matuszyk, Nowak, Kitala, 2009.

In many aspects the measures in the field of financial education undertaken in Poland are less intensive than in the presented countries. In fact, Poland does not “stay apart” from other countries only considering the training on using bank accounts and promoting non-cash payments. On the other hand, as may be seen in Table 2, education on personal finances is far less developed, except the secondary education, in comparison with the analysed societies. The most serious gaps are evident in the education of adults, which intensified the scale of “financial exclusion” in Poland. There are no common or coherent initiatives which would help to solve the problems of excessively indebted persons.

Numerous programmes in this respect are realized in a majority of the discussed countries, moreover these measures are often coordinated by the government. For instance in Canada, one of the institutions involved in helping excessively indebted persons is Financial Consumer Agency of Canada (FCAC). It is an independent body, created by the federal government in 2001 to enhance the supervision of protection of financial services consumer rights and improving their financial education. Another institution dealing with the discussed problem is Office of the Superintendent of Bankruptcy Canada – OSB. It is one of the agencies supervised by the Canadian government department – Industry Canada. Its scope of activities comprises, among others, debtors' access to information on alternative (before declaring bankruptcy) forms of minimising the results of excessive indebtedness or access to professional financial consulting aimed at assistance in avoiding future bankruptcy.

On the other hand, in Switzerland, almost 30 organizations are involved in widely understood financial education. Their main goal is financial education of the society and providing advice to prevent excessive indebtedness (Iwonicz-Drozowska, Matuszyk, Nowak, Kitala, 2009).

An example of financial education offered in the United Kingdom is a national campaign “Debt on Our Doorstep”, aiming to counteract the phenomenon of credit trap and promoting reliable financing by consumers for their own needs.

Knowledge, Attitudes and Financial behaviours of Households in Poland against the back ground of other Countries

In conditions of global economy and rapid development of financial markets, professional and life success of an entity increasingly depends on the possessed economic and financial knowledge and associated practical skills.

Like in other countries, the financial awareness of the society in Poland remains on a quite low level. It applies both to practical knowledge useful in everyday life and general knowledge. Almost 62% of Poles declares “small” or “very small” financial literacy. For comparison, in the United states the percentage is only about 50% (Iwonicz-Drozowska, Matuszyk, Nowak, Kitala, 2009). Attitudes of citizens in Poland towards their financial literacy are diversified by the region of residence. Inhabitants of the central and south-eastern Poland better estimate their orientation in the world of finances (55% of the society estimates their knowledge as insufficient), whereas the dwellers of the other regions estimate their knowledge far worse (almost 67% of the citizens). Males feel far more comfortable in the world of finances than females. The same tendency was observed in the other countries. For instance in the United Kingdom, these are women who reveal a lower average level of financial awareness and comprehension of financial services (Atkinson, McKay, Kempson, Collard, 2006). Similar results were obtained also in research conducted in Australia. Financial Literacy Score for males reached the level of 87.5, whereas the same value for females was 81.8 (ANZ Survey of Adult Financial Literacy in Australia, 2008).

Studies conducted in Poland demonstrate that persons running businesses are the most proficient in financial problems, whereas the retired persons and pensioners are least knowledgeable. It is due to the fact that running a business requires a far more frequent contact with financial institutions and necessitates a skilful and efficient using financial instruments (e.g. full use of the opportunities provided by the current account). Therefore, statistics show that financial education should be addressed not only to children or young people (most financial education programmes in Poland and the European Union target this groups of recipients), but also to adults (The state of financial knowledge of Poles, 2009).

As it has been demonstrated by the Authors' investigations, on average every second citizen of Poland does not understand the meaning of basic financial terms referring to personal finances. When asked about the “compound interest” only about 40% of the surveyed were able to explain the idea of compound interest. Similar distribution of answers was obtained for the understanding of term “annual

percentage rate" (APR). The results are convergent with the results obtained in research conducted by National Adult Literary Agency in Ireland (NALA, 2005), which show that only 44% of citizens knows what APR means. Verification using χ^2 test confirmed the dependence, that the persons using a bank or instalment credit know the meaning of APR. It is understandable, because, in pursuance of Act on Consumer credit (Journal of Laws RP, 2001), from 19.09.2002 all financial institutions in Poland granting consumer credit are obliged to state real interest rate for the total credit amount in their advertising materials, offers and credit agreements.

The respondents revealed a much better knowledge on "debit" and "net income". Understanding of the "debit" term was most probably due to the fact that almost 65% of discussed households possessed personal accounts. Verification using Chi Square test showed a dependency between the understanding of "net income" term and place of respondents' residence. As results from the studies, only every tenth person from the urbanized areas was unable to explain the term. The level of knowledge was lower in studied rural areas (one in every three respondents knew the term). Such situation is irrefutably due to the structure of the sources of income of the respondent households. In case of the analysed group, income from farm or pension or retirement pays constituted a considerable part of rural dwellers' incomes. Income from work based on employment contract apparently dominated among city dwellers.

Over 60% of the surveyed is unable to calculate the profitability of bank deposits. In this case, males are better educated (44% possesses this skill) than females (only 33% can do this). The ability to compute the profitability is improving with education. Almost 80% of persons who finished their education on the primary level is unable to calculate the bank deposit profitability. Among persons with tertiary education the percentage decreases to 40% (Bialy, 2009).

Credit cards may be counted among the "youngest" financial services on Polish market. As results from the investigations conducted by Kronenberg Foundation, almost 60% of Poles does not understand the functioning of a credit card. In this case women are much less educated, as almost 40% admits, that they have no idea how a credit card works, whereas among men the percentage is 10% higher. The share decreases also with the age of the respondents. It is the highest among the retired persons and pensioners and among the unemployed.

The knowledge of basic financial terms is important because it allows citizens for a better understanding of financial products and making rational decisions about their personal finances. Sharp competition on financial services market causes that financial institutions apply so called "hidden prices" strategy, which causes that in fact the price of a service is perceived by consumers as lower, e.g. credit interest paid in advance (discount) or perceived as higher than the real one, e.g. progressive interest rate on bank deposits. A definite majority of Poles declares willingness to acquire knowledge on finances, but fewer answers positively to the question if they want to learn more. It turns out that the willingness to devote one's own spare time to learning is rather low (Bialy, 2009).

As may be seen from the conducted studies, the dominant source of knowledge on essential financial services are television (50.5%), bank employees (45.1%), Internet (39.6%) and newspapers (37.4%). Every third respondent indicated leaflet of financial institutions advertising financial products, whereas every fifth mentioned recommendation of family and friends. Radio, school education, courses and training on financial knowledge the least affected respondents' knowledge and the basic financial skills. Only 3% of the surveyed persons attended courses in this field. Obtained results are the effect of economic and financial education system in Poland. A vast majority (75.0%) are persons who had no courses connected with any economic phenomena during their school education. Entrepreneurship course was introduced to school programmes in 2004, whereas a module on economic life has been functioning as a part of a course on society in upper primary schools since 1999. Therefore, the postulate of the European Commission of providing financial and economic knowledge as early as possible and active supporting financial education at all stages of life seems fully justified.

In market economy consumers are free to choose a financial institution, moreover they may decide on

an offer of more than one financial institution, but according to needs, may diversify suppliers of financial services. Conducted investigations show that almost 28% of respondents do not use services of any bank. Almost 61% purchase financial services in a single banking institution. Convergent results were obtained from research conducted for The Financial Consumer Agency of Canada, which show that a majority of Canadian consumers of financial services (60%) usually use services of one financial institution (General survey on consumers' financial awareness, attitudes and behaviour, 2006). On the other hand, every tenth Polish consumer uses services of two banks and only over 2% is a client of three banks. Men, younger persons (below 30) and dwellers of urbanized areas, more often use services offered by banks. Results of studies demonstrate that rural dwellers are characterized by a twice higher indicator of non-use of banking services in comparison with city dwellers. This phenomenon is caused by a lack of or a limited number of financial institutions in rural areas. Analysis conducted by means of χ^2 test revealed a significant dependency between the place of residence and selection of a banking institution. People from non-urbanized areas usually chose cooperative banks. It was due to well developed network of these institutions in rural areas. On the other hand city dwellers were mainly clients of commercial banks and only occasionally used services provided by cooperative savings and loan associations and other para-banking institutions (Szafranska, 2009).

Every second respondent has no trust in banks or other financial institutions. In comparison with the investigations conducted by Matul, Pawlak and Guzowski yielded higher result (2005). Statistical analysis demonstrated that the level of trust assigned to a financial institution depends on respondent's place of residence. As much as $\frac{3}{4}$ of the respondents who do not trust financial institutions are rural dwellers. The cause of the this phenomenon is the respondents' age. Every second person inhabiting rural areas is between 45 and 60 years old, whereas every tenth respondents is a person over 60. Elderly people are less inclined to take risks. The distrust also results from so called negative demand.

Financial products available to households in Poland do not differ significantly from those offered on the markets of highly developed countries. It results among others from the know-how transfer between mother company and daughter companies. Moreover, financial institutions often implement the same products, which for some reasons have been adjusted to Polish market features. It is possible because financial services are easily "copied" and their development does not require high financial outlays.

According to public opinion studies (Eurobarometr) conducted in the EU in 2005, 71% of the EU-25 population (the research did not include the countries which joined the EU on 1 January 2007) over 18 possess current bank accounts. In Poland the percentage was 46% and was higher only than the value noted in Lithuania (42%) and in Latvia (29%) (Iwonicz-Drozdowska, Matuszyk, Nowak, Kitala, 2009). For comparison, almost 96% of Canadians has current accounts.

Current account was the banking product most commonly used by the surveyed persons. In many cases the respondents were obliged to open the account because it was one of the prerequisites for obtaining credit from a given financial institution, or the employer's requirement. For this feature, verification using Chi Square Test revealed a dependency between the place of residence and fact of possessing a bank account. Persons from rural areas rarely used personal accounts in a financial institution. It is undoubtedly due to a more difficult access to financial institutions in these areas, but also to the fact that fewer people (in comparison with city dwellers) are employed on the basis of employment contact and are obliged by the employer to open personal accounts for salary transfers.

The obtained results are similar to the research conducted by Bledowski and Iwonicz-Drozdowska (2007). Considering basic socio-demographic features, males possessed a bank account more commonly (over 70%) than females (almost 67%), persons possessing tertiary education (93%) and persons, employed on the basis of permanent employment contract (83.2%).

As results from the studies conducted by Kronenberg foundation in Poland, 60% of Poles has no sav-

ings. For comparison, results of investigations carried out in Germany show that only 21% of the surveyed did not have any savings (Iwonicz-Drozdowska, Matuszyk, Nowak, Kitala, 2009). In Poland young people are more inclined to saving. In the group below 35 years of age almost 40% of the surveyed has some savings. It is due to the fact that young people start working and therefore their monthly incomes grow and they are able to save a part of them. On the other hand, only ¼ of the retired people admits that they have some saved money. Poles' inclination to saving is also diversified regionally. Citizens in north-eastern Poland save the least, whereas the highest level of savings was registered in the southern regions (The state of financial knowledge of Poles, 2009).

Results of the discussed studies are convergent with the research conducted by the Authors in one of the regions of southern Poland. The studied respondent group revealed a high tendency to saving. As results from the conducted analysis, every second respondent saved some money in 2008. However, the respondents revealed no tendency for systematic saving. In their case it was only irregular and short time saving up money.

The main reason why the respondents save money are "hard times" (illness, unemployment period) and expenses incurred by a house or flat renovation/purchase. The other reasons comprise family occasions, such as wedding or christening party, education and holidays. The factors diversifying behaviours concerning the goal of saving are gender, age and place of residence. Women most often save for "a rainy day", house repair or family occasion, whereas men accumulate savings for the retirement period or for education. The youngest citizens save money for education and retirement period, whereas the respondents over 45 accumulate money for "hard times" and for repair/purchase of a house or a flat. Verification using χ^2 test also revealed statistical dependence between the aim of saving and respondents' place of residence. The surveyed from rural areas accumulate money for "a rainy day" or family occasions, unlike city dwellers who save money for their retirement period.

Saving may be assume a formal or informal form. A majority of the respondents chose the first one. In the structure of saving products, prevalent were savings accounts and time deposits. In 2008 only every third household possessed a bank deposit or savings account. The obtained results were influenced by the situation on the interbank market connected with the problem of the lack of financial liquidity of some banks. Clients' deposits were for financial institutions a safe alternative of financial means borrowing. Therefore, many offered deposits or savings accounts were attractive for clients because they promised high interest rate (Szafranska, 2009).

Smaller interest in bonds was registered. In the analyzed period it was caused by lower interest rate of these financial instruments in comparison with the above mentioned deposits. Units of investment funds were acquired only sporadically. The results confirmed a tendency which appeared on the investment fund market in Poland in 2008, a decrease in profitability of this form of investment (a decline in a stock market – bear market) and sales of the units connected with it. In 2008 the value of investment fund assets in Poland decreased by 46% in comparison with 2007.

When asked to point out the most important factor influencing starting of saving, almost 2/3 of the respondents indicated the adequate level of income (women and respondents below 30). Every fifth person pointed to regularity and discipline (mainly inhabitants of urbanized areas, respondents with tertiary education and men). For 13% the factor was precisely stated aim of saving (respondents from the city and only men). The other respondents mentioned high interest rate of saving products (in the opinion of women, respondents from rural areas and persons with lower education).

Statistical analysis also revealed differences in perception of risk connected with acquisition of appropriate saving products depending on the place of residence, age, education and gender. The products most frequently used by the surveyed persons, time variable interest rate deposits, Individual Retirement Accounts (IRA), units of investment funds and state treasury bonds were analyzed. A majority of respondents from rural areas, almost 1/3 of men, respondents at retirement age (50% of indications) and persons with lower education level, were unable to point out in the discussed saving product group,

the products burdened with the lowest and highest financial risk, although many of them were using these very products.

On the basis of conducted quantitative analysis it may be said that respondents revealed a high tendency to incur loans. The most frequent were formal sources. In 2008 almost 60% of the respondents were paying back some bank credit. These were usually consumer credits. Every second household was using an instalments credit during the investigated period. Its main advantage is the fact that in case of payment by instalments a consumer may acquire a commodity at once and start using it, although he has no cash. Despite the fact that instalments are relatively not too high, for many households they are a considerable burden to home budget, especially so as almost $\frac{1}{4}$ of Poles declared that their financial situation worsened during the last year, whereas 9% of this group admits that they fell into a debt spiral and took high loans to pay off other debts (The state of financial knowledge of Poles, 2009). Statistical analysis conducted using χ^2 test also showed a dependence between inclination to incur credits and respondents' gender, age and place of residence. The borrowers were more often women (65%), rural area dwellers and persons aged between 46 and 60.

As results from the investigations conducted by Kronenberg Foundation, half of the respondents does nothing to ensure better incomes when retired. The percentage reaches over 70% among people with incomplete primary and primary education.

Currently, among the most popular forms of saving for additional retirement pay in Poland is possessing an account in an Open Retirement Fund (ORF – 38%), possessing a life insurance policy (20%), additional retirement insurance (4%) or private investments in real property (4%). A half of the interviewed persons do nothing to ensure higher incomes during the retirement period. Among persons possessing incomplete primary and primary education the percentage exceeds 70%, for comparison, in the groups of respondents with higher education the percentage is 15% (The state of financial knowledge of Poles, 2009). Also women are less active in this respect, despite the fact that they should be more interested in additional security in the first place because in Poland the retirement age for women is 60 (for men 65), a bigger number of excluded periods connected with paternity leaves and also due to the average life of women which is longer. All this determine the fact that future retirement benefits for women in Poland will be very low.

Conclusion

As per the results from the investigations, the level of knowledge and financial skills of consumers in Poland is low, even among people who use various financial products. Such situation is determined by respondents' gender, age, education and place of residence (rural areas, city or the region of Poland). This is due to various degree of development of financial institutions infrastructure in various parts of Poland (the least number of financial institutions are located in eastern Poland), different attitudes of city and rural dwellers towards using loan and saving products, various reasons for saving and preferences concerning the sources of financial knowledge.

There are many causes of this phenomenon, but the most important is the lack of suitable, coherent programmes of financial education for the society in Poland which would cover large recipient groups. The conducted analysis of measures undertaken in the field of financial education in Poland and selected countries showed that in many aspects situation in Poland unfavourably differs from the situation in other presented societies. Knowledge on actual terms is neither common thorough. The most important recommendation in the field of financial education is training primary school children and young people in lower secondary schools. It will help future consumers to make rational decisions on using financial services and facilitate responsible management of household budget. Also all initiatives targeting adults should be developed as much as possible, because a comparison of the situation in Poland and other countries demonstrated also considerable disproportions to Poles' disadvantage. Issues connected with financial education are particularly important for persons with low or unstable incomes who are unable to manage their own money.

Results of conducted studies suggest that one of the most efficient ways of dissemination activities in the field of financial education are television programmes because for over 50% of the respondents television provided an important source of knowledge on financial products. Therefore, the information disseminated by means of radio and television should be reliable and independent.

Polish consumers use similar financial products as citizens of the presented countries. It results from globalization of financial markets. On the other hand, the extend to which households use the financial products in Poland is considerably different in comparison with the highly developed countries. The disproportions are big, particularly concerning products associated with saving and additional security for the retirement period.

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