Statistics and analyses

# Report on financial investments of Italian households

## Behavioural attitudes and approaches

2020

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

La crisi innescata dalla pandemia di Covid-19 ha generato pesanti ripercussioni sull'economia reale incidendo sull'occupazione e sul reddito disponibile delle famiglie.

La pandemia di Covid-19 ha innescato una crisi epocale, con tempi di risoluzione ancora incerti, destinata ad avere significativi impatti economici e sociali. Le stime disponibili per il 2020 indicano una contrazione del Pil oscillante tra il 7,5 e il 10% per l'area euro e tra il 9 e il 13% circa per l'Italia (Fig. 1.1 - Fig. 1.2).
Anche il mercato del lavoro è stato duramente colpito. In ambito domestico, i dati al primo semestre dell'anno indicano un calo del tasso di attività pari al 3% circa, solo parzialmente recuperato nel terzo trimestre, mentre aumenta il disagio economico e sociale segnalato da diversi indicatori, tra cui le ore di cassa integrazione autorizzate dallo Stato (che nei primi 10 mesi del 2020 sono risultate pari a quasi 5 volte la media annuale negli ultimi 10 anni; Fig. 1.3 - Fig. 1.4).

Nell'area euro si osserva un calo dei consumi...

In parallelo l'area euro ha sperimentato una forte riduzione del reddito disponibile e dei consumi. In Italia, come emerge dai dati pro capite riferiti al primo semestre dell'anno, l'evoluzione del reddito disponibile è legata soprattutto alla contrazione di salari e stipendi, solo parzialmente compensata dall'incremento dei sussidi pubblici (Fig. 1.5 - Fig. 1.7). Non sorprende che in questo contesto gli indicatori di fiducia rimangano inferiori ai livelli pre-crisi (Fig. 1.8).

... un incremento del risparmio precauzionale e...

Nel primo trimestre del 2020, la ricchezza delle famiglie è rimasta sostanzialmente stabile nell'Eurozona rispetto alla fine dell'anno precedente, mentre secondo stime preliminari è lievemente calata in Italia (Fig. 2.1).
Sul fronte delle passività, le famiglie italiane continuano a caratterizzarsi per un più basso livello di indebitamento nel confronto europeo (Fig. 2.2). Il tasso di risparmio, dopo essersi attestato a un valore di poco superiore al 10% nel 2019, dovrebbe aumentare nell'anno in corso di circa 6 punti percentuali secondo una dinamica, analoga a quella osservata nell'area euro, verosimilmente legata al movente precauzionale (Fig. 2.3).

... una rinnovata preferenza per la liquidità, mentre gli investimenti finanziari pro capite delle famiglie italiane rimangono inferiori a quelli dei maggiori Paesi europei.

Nei maggiori Paesi europei si osserva una rinnovata preferenza per la liquidità, a cui si accompagna un calo degli investimenti in azioni, obbligazioni e quote di fondi comuni, come evidenziato anche dai flussi finanziari nel primo semestre 2020. Per quanto riguarda l'Italia, il dato conferma una tendenza, consolidatasi nel corso dell'ultimo decennio, che ha visto diminuire il peso di azioni e obbligazioni e aumentare la quota di liquidità e di prodotti assicurativi e previdenziali. Le famiglie italiane, inoltre, si caratterizzano per investimenti finanziari pro capite inferiori a quelli riferibili alle famiglie francesi e tedesche (Fig. 2.4 - Fig. 2.6).

Il portafoglio della clientela *retail* in custodia o amministrazione presso intermediari italiani è costituito in prevalenza da quote di fondi comuni d'investimento. Negli ultimi 10 anni inoltre la percentuale di titoli oggetto del servizio di consulenza è cresciuta in modo significativo.

Indicazioni di dettaglio sull'evoluzione nel tempo degli investimenti delle famiglie italiane si possono cogliere analizzando la composizione dei titoli detenuti dagli intermediari italiani in custodia o amministrazione per conto della clientela (Fig. 2.14). Rispetto al 2010 si è assistito a cambiamenti significativi, per effetto del progressivo calo del peso delle obbligazioni emesse da intermediari finanziari e del contestuale incremento della quota riferita ai fondi comuni di investimento. Negli ultimi 10 anni, inoltre, è cresciuta la quota di titoli oggetto di consulenza, raggiungendo il 90% per i fondi comuni e quasi il 94% per i derivati.
Nello stesso periodo, è raddoppiato l'ammontare di titoli oggetto di gestione patrimoniale su base individuale, nella maggior parte dei casi fornito da Sgr; a giugno 2020 il 33% circa del portafoglio risulta costituito da titoli di Stato domestici (Fig. 2.15).

Con riferimento alle gestioni collettive, i fondi comuni aperti di diritto italiano sono principalmente di tipo obbligazionario o flessibile, mentre le masse gestite da fondi monetari si sono quasi azzerate negli ultimi 10 anni (Fig. 2.16). La composizione del patrimonio vede una netta prevalenza delle obbligazioni pubbliche e private (57%), a fronte del 17% e del 26% riferibili, rispettivamente, ad azioni e quote di fondi comuni.

Nelle settimane di maggiore volatilità del 2020, l'operatività degli investitori *retail* italiani su titoli domestici mostra una netta prevalenza degli acquisti sulle vendite.

L'analisi dell'attività degli investitori *retail* italiani sui titoli azionari domestici (inclusi nell'indice FtseAllShare) mostra per il 2019 una netta prevalenza di vendite rispetto agli acquisti, con vendite nette settimanali pari a circa 100 milioni di euro. Nel 2020, durante le settimane in cui i mercati azionari registravano picchi di volatilità legati all'emergenza sanitaria (ossia nel periodo 24 febbraio - 3 aprile 2020), si è registrata invece una netta prevalenza degli acquisti sulle vendite, con un saldo pari complessivamente a 4,5 miliardi di euro (Fig. 2.12 - Fig. 2.13).

Nel confronto europeo l'Italia si caratterizza per una popolazione mediamente più anziana e con minori competenze digitali.

La crisi innescata dalla pandemia contribuisce ad acuire le sfide legate ad alcuni cambiamenti strutturali caratterizzanti le economie avanzate, tra cui la digitalizzazione e l'invecchiamento della popolazione. Tali sfide sono particolarmente importanti in Italia, che nel confronto europeo si distingue sia per un divario negativo in termini di competenze digitali, utilizzo di internet e diffusione dell'e-commerce sia per un più accentuato invecchiamento della popolazione. In particolare, l'età media si attesta a 47 anni versus i 44 nell'area euro; la quota di persone oltre i 65 anni dovrebbe superare il 26% nel 2029 a fronte del 24% circa nell'Eurozona; il tasso di dipendenza degli individui di età pari o superiore a 65 anni dalla popolazione in età lavorativa si colloca quasi al 36%, oltre quattro punti percentuali in più del valore nell'Eurozona (Fig. 2.7 - Fig. 2.11).

L'Osservatorio CONSOB per il 2020 su 'L'approccio alla finanza e agli investimenti delle famiglie italiane': il campione.

L'Osservatorio CONSOB per il 2020 su 'L'approccio alla finanza e agli investimenti delle famiglie italiane' raccoglie i dati relativi a un campione di 3.274 individui, rappresentativo dei decisori finanziari italiani, di cui 1.105 intervistati anche nei due anni precedenti.
Come di consueto l'indagine censisce, oltre ai profili socio-demografici e alla propensione al rischio, alcune attitudini psicologiche che possono orientare la percezione e l'assunzione di rischio finanziario da parte degli individui. Con riferimento alle caratteristiche socio-demografiche, in linea con le rilevazioni precedenti, nella maggior parte dei casi i decisori finanziari sono uomini (73%), che condividono le proprie scelte con il partner nel 66% dei casi. Rispetto al 2019 le differenze più significative nel campione intervistato riguardano la quota di famiglie monoreddito (in aumento di 7 punti percentuali) e la quota di investitori (in aumento dal 30 al 33% circa; Fig. 3.1 - Fig. 3.2).
Per quanto riguarda le attitudini psicologiche, continua a prevalere l'avversione al rischio e alle perdite (Fig. 3.3). Sembra confermata la tendenza a seguire l'approccio tipico della contabilità mentale nella gestione delle finanze personali, che la maggior parte degli individui ritiene di poter effettuare potendo contare su capacità personali elevate (Fig. 3.4 - Fig. 3.6). Tuttavia, più del 60% del campione si dichiara preoccupato per il mantenimento dell'attuale tenore di vita dopo il pensionamento, ammettendo al contempo di non avere una visione chiara degli elementi rilevanti per la quantificazione delle risorse a cui avrà accesso dopo l'uscita dal mondo del lavoro (maggiori dettagli in seguito). L'inadeguatezza del risparmio previdenziale figura, inoltre, tra i motivi indicati dagli intervistati che si dichiarano insoddisfatti della propria situazione finanziaria (più della metà del campione), dopo i livelli elevati delle spese e insieme alla mancanza di margini di flessibilità del budget disponibile. In linea con quest'ultimo dato, più del 60% degli intervistati dichiara

che avrebbe difficoltà a fronteggiare spese inattese e che trova difficile fare progressi nella realizzazione dei propri obiettivi finanziari (Fig. 3.7).
In merito alla fiducia nel sistema finanziario, infine, il 50% circa degli intervistati giudica inaffidabili gli intermediari finanziari in generale, mentre uno dei maggiori *provider* di servizi *online* (cosiddetti GAFA) riscuote un apprezzamento simile a quello espresso nei confronti della propria banca (Fig. 3.9).

**La cultura finanziaria degli italiani resta contenuta sebbene in lieve miglioramento rispetto alle rilevazioni precedenti.**

La cultura finanziaria degli italiani resta contenuta sebbene in lieve miglioramento, soprattutto nel sottocampione degli investitori, rispetto alle rilevazioni precedenti (Fig. 4.1 - Fig. 4.4). In particolare, la quota di intervistati che risponde correttamente a domande su conoscenze finanziarie di base oscilla dal 38% (concetto di diversificazione) al 60% (rapporto rischio-rendimento). Il confronto tra conoscenze finanziarie effettive e percepite *ex-ante* (ossia prima della verifica puntuale delle nozioni prima menzionate) mostra che gli intervistati tendono soprattutto a sottostimare le proprie conoscenze (*downward mismatch*) piuttosto che a sovrastimarle (*upward mismatch*; Fig. 4.5 - Fig. 4.6). Tuttavia il divario tra conoscenze reali e percepite *ex-post* (ossia successivo alla verifica puntuale delle nozioni) mostra un'attitudine a sovrastimare la propria cultura finanziaria nel 22% dei casi e a sottostimarla nel 20% dei casi, mentre circa il 40% degli intervistati non è in grado di valutare il numero di risposte corrette fornite (Fig. 4.7). Se si utilizza quest'ultimo dato per 'depurare' le risposte al test sulle conoscenze finanziarie da quelle potenzialmente casuali (oscillanti a seconda dell'argomento tra il 21% e il 29% del totale), la quota di risposte corrette scende in media dal 50% al 37% (Fig. 4.8).

**L'attitudine ad acquisire maggiori conoscenze finanziarie in occasione di decisioni importanti non esclude l'affidamento all'intermediario di riferimento.**

A fronte del livello di conoscenze finanziarie contenuto, l'interesse ad approfondire i temi potenzialmente utili in occasione di scelte importanti viene manifestato da circa il 60% degli intervistati, che in alcuni casi non escludono di affidarsi al contempo all'intermediario di riferimento (Fig. 4.12). L'argomento menzionato più di frequente è rappresentato dagli investimenti finanziari (26% del campione) mentre poco più del 20% non sa individuare un argomento specifico e il 15% circa si dichiara non interessato (Fig. 4.13). Rispetto ai promotori di iniziative di educazione finanziaria gli intervistati indicano anzitutto gli intermediari e i consulenti finanziari, seguiti dalle istituzioni pubbliche. Con riferimento agli strumenti di educazione finanziaria, la maggior parte preferisce lezioni in presenza o a distanza, seguite da libri, manuali e quotidiani (il 30% circa del campione non risponde; Fig. 4.14).

**Pianificazione e definizione del budget familiare riguardano ancora una minoranza dei decisori finanziari.**

In linea con le precedenti rilevazioni la pianificazione e il controllo delle scelte finanziarie risultano poco diffusi: solo il 40% circa degli intervistati dichiara di avere un piano finanziario e quasi altrettanti di avere e rispettare un budget costantemente o saltuariamente (Fig. 5.1 - Fig. 5.2). La pianificazione finanziaria sembra ancor meno diffusa con riferimento agli obiettivi previdenziali (Fig. 5.3). Meno del 20% degli intervistati, infatti, sa (in modo preciso o approssimativo) quanti anni dovrà lavorare prima di poter andare in pensione, a quanto ammonterà la propria pensione mensile e quanto dovrebbe risparmiare per mantenere l'attuale tenore di vita. La mancanza di una chiara visione è più frequente tra coloro che si dicono insoddisfatti della propria situazione finanziaria e tra coloro che non risparmiano a sufficienza per finalità previdenziali (Fig. 5.10).
In generale, il risparmio non è esplicitamente legato a obiettivi finanziari definiti. Più del 60% degli intervistati, infatti, accantona risorse al fine di fronteggiare eventi inattesi; inoltre rispetto alle rilevazioni precedenti la quota di individui che risparmiano senza uno scopo preciso è aumentata dal 17% al 25% (Fig. 5.5 - Fig. 5.6).

**La vulnerabilità finanziaria delle famiglie italiane è aumentata per effetto della crisi innescata dalla pandemia.**

Circa il 30% degli intervistati dichiara di non essere in grado di fronteggiare una spesa inattesa di mille euro e poco più del 30% afferma di aver subito una riduzione (temporanea o permanente) del proprio reddito nell'ultimo anno (Fig. 5.7). Il 47% circa degli intervistati riferisce di aver contratto un debito, prevalentemente con istituzioni finanziarie, rappresentato da un mutuo nel 24% dei casi e da un prestito per coprire spese correnti nel restante 22% dei casi (Fig. 5.8).

A fronte della crisi economica indotta dalla pandemia di Covid-19, il 35% del campione ha ridotto le proprie spese, più del 10% ha intaccato i propri risparmi, mentre il 45% circa non ha modificato le proprie abitudini (Fig. 5.9). Rispetto al futuro, prevale tuttavia un diffuso pessimismo, con aspettative che, nella maggior parte dei casi, proiettano la ripresa dopo il 2022.

**Nel 2020 è lievemente aumentata la partecipazione ai mercati finanziari da parte delle famiglie italiane.**

Nel 2020 la partecipazione ai mercati finanziari da parte delle famiglie italiane è lievemente aumentata rispetto all'anno precedente passando dal 30% al 33% (Fig. 6.1 - Fig. 6.2). Dopo i certificati di deposito e i buoni postali, i fondi comuni d'investimento e i titoli di Stato risultano le attività più diffuse. Tra i fattori che disincentivano l'investimento indicati più di frequente dagli intervistati emergono la mancanza di risparmi da investire, la mancanza di fiducia e il basso livello di conoscenza finanziaria, sebbene il primo motivo sia di gran lunga prevalente rispetto agli altri (Fig. 6.3).

Gli esperti (consulenti finanziari indipendenti o gestori) si confermano la fonte informativa più frequentemente citata nel 2020 sebbene, rispetto al 2019, risulti in crescita la quota di intervistati che utilizza anche altre fonti informative, ossia la documentazione relativa al prodotto offerto (prospetto informativo, scheda prodotto ecc.) e altre fonti specializzate quali riviste di settore o siti web (Fig. 6.5 - Fig. 6.6).

**Sono aumentati in modo significativo gli investitori che si affidano a un consulente o delegano a un gestore.**

Nelle scelte di investimento, prevale la tendenza a prediligere un'unica modalità (tra scelta autonoma, *informal advice* e affidamento a un esperto) nel 73% dei casi mentre nel restante 27% si agisce combinando diversi stili decisionali. Nel complesso, ci si affida al supporto professionale fornito dal consulente o dal gestore nel 41% dei casi (in crescita dal 30% del 2019), mentre si decide autonomamente nel 29% dei casi (40% nella precedente rilevazione). Poco meno del 60% del campione dichiara tuttavia di consultare familiari e amici prima di effettuare una scelta (percentuale in crescita dal 45% rilevato nel 2019; Fig. 6.7 - Fig. 6.8).

Tra coloro che ricorrono al servizio di consulenza la quota di attività finanziarie detenuta sotto forma di liquidità risulta più contenuta (Fig. 6.9). Gran parte degli investitori intervistati (85%) dichiara di monitorare i propri investimenti sebbene solo il 49% dichiari di farlo più di due volte in un anno (Fig. 6.11). Nel 50% circa dei casi tale monitoraggio viene svolto autonomamente (33% tra coloro che ricorrono al servizio di consulenza).

**La sfiducia e la mancata percezione del valore aggiunto del servizio di consulenza sono tra i principali fattori che ne disincentivano la domanda.**

La scelta del consulente è guidata prevalentemente dalla segnalazione ricevuta dalla propria banca di riferimento e dalle competenze del professionista, mentre il principale disincentivo alla domanda di consulenza è rappresentato dalla sfiducia, seguito dalla convinzione che il servizio non sia necessario alla luce del limitato ammontare delle somme investite e della mancata percezione del valore aggiunto del servizio stesso (Fig. 6.14). Le principali aspettative degli investitori nei confronti del consulente si riferiscono alle sue competenze e all'assenza di conflitto di interessi (Fig. 6.15).

**La disponibilità a pagare per il servizio di consulenza rimane contenuta.**

Quanto alla remunerazione del servizio di consulenza, il 18% circa ritiene che sia un servizio prestato a titolo gratuito mentre il 54% ritiene che non abbia un costo per il cliente. Inoltre solo il 32% degli individui intervistati è disposto a pagare per il servizio (Fig. 6.16).

Gli investitori che si avvalgono della consulenza seguono i consigli del professionista, che rimane uno dei principali punti di riferimento nei casi in cui non si comprenda appieno il contenuto delle raccomandazioni ricevute. La maggior parte degli individui intervistati afferma di avere contatti con il professionista almeno una volta l'anno sebbene circa il 40% indichi di non aver avuto interazioni con il proprio consulente nemmeno durante le fasi di maggiore turbolenza sui mercati (Fig. 6.17 - Fig. 6.18).

**Gli investimenti sostenibili e socialmente responsabili risultano ancora poco noti, sebbene sia in crescita la quota di coloro che ne hanno almeno sentito parlare.**

I dati dell'Osservatorio riferiti agli investimenti sostenibili e socialmente responsabili (SRI), in termini di conoscenze, possesso e attitudini, mostrano che si tratta di alternative ancora poco conosciute (Fig. 7.1). Nel 2020, infatti, meno del 30% degli investitori dichiara di conoscere gli SRI sebbene tale quota risulti in crescita rispetto alle rilevazioni precedenti. Tale percentuale sale al 70% circa se si considerano coloro che dichiarano di averne almeno sentito parlare. L'interesse degli intervistati in questa tipologia di investimento risulta elevato tra coloro che affermano di conoscere la materia, specie tra gli investitori (Fig. 7.2). Gli SRI rimangono poco diffusi, sebbene sia in aumento rispetto al 2019 la quota di coloro che rispondono di aver ricevuto una raccomandazione all'investimento in SRI dal proprio consulente (Fig. 7.3).

La maggior parte degli intervistati associa gli SRI al rispetto di valori etici e sociali. Gli aspetti puramente finanziari sono citati meno di frequente, sebbene tra i fattori che possono rendere attrattivo l'investimento vengano segnalati incentivi fiscali e minori costi, seguiti dalla raccomandazione esplicita del consulente e dalla disponibilità di una certificazione che confermi la natura ESG dell'investimento (Fig. 7.4 - Fig. 7.5).

**Le obbligazioni ESG negoziate sulle piattaforme gestite da Borsa Italiana hanno un lotto minimo pari a 1.000 euro nel 43% dei casi.**

Nel 2020 le emissioni di obbligazioni ESG censite da Borsa Italiana a partire dal 2017, dopo la lenta crescita osservata negli anni scorsi, hanno segnato una forte accelerazione (Fig. 7.7 - Fig. 7.9). Gli emittenti sono rappresentati principalmente da organismi sovranazionali, mentre il coinvolgimento del settore privato sembra ancora piuttosto limitato. Le società italiane, sebbene numerose, sono tuttavia poco rilevanti in termini di ammontare emesso. I titoli *green* e *sustainable* rappresentano il 95% del totale e sono quotati sul Mot nel 90% dei casi. La maggior parte delle obbligazioni ESG sono di tipo *plain vanilla* (89%) con un lotto minimo che nel 43% dei casi risulta inferiore ai 1.000 euro.

**L'attitudine verso la digitalizzazione è nel complesso positiva, anche se non mancano preoccupazioni per una percepita complessità e i rischi di frode e attacchi informatici.**

A fronte della crescente digitalizzazione dei servizi finanziari è utile verificare quali siano le conoscenze e le attitudini dei risparmiatori verso il fenomeno. L'utilizzo della rete internet per motivazioni attinenti a scelte economico-finanziarie oscilla dall'8% (consultazione di informazioni finanziarie) a oltre il 40% (*online banking*), mentre quello riferibile ad altre sfere di attività raggiunge valori massimi per l'acquisto di beni e servizi (poco più del 40% dei casi) e per l'accesso a social network (più del 50%; Fig. 8.1 - Fig. 8.2).

L'attitudine verso la digitalizzazione è nel complesso positiva, poiché oltre il 70% degli intervistati la definisce un'opportunità in grado di migliorare la qualità della vita, anche se non mancano preoccupazioni in merito a una percepita complessità (46% dei casi) e a rischi di frode e attacchi informatici (59% dei casi) che possono generare disagio (48%; Fig. 8.3). Il 40% degli utenti si ritiene più informato grazie alla rete internet, anche se il 50% circa trova difficile selezionare le informazioni più utili tra le tante disponibili e circa il 30% pensa che sia difficile distinguere quelle vere da quelle false (Fig. 8.4).

Con riguardo all'innovazione finanziaria, tra i potenziali *drivers* di interesse emerge la possibilità di investire piccole somme mentre il timore di subire truffe e di non avere sufficienti competenze (anche digitali) agiscono da deterrente.

Con riferimento a specifici ambiti dell'innovazione finanziaria concernenti le cripto-valute, il *trading online* e fenomeni quali il *robo advice* e il *crowdfunding* emerge un livello di attività molto contenuto: solo il 5% del campione, infatti, riferisce di avere effettuato *trading online* e le percentuali risultano inferiori negli altri casi, sebbene il dato risulti più elevato tra gli investitori (Fig. 8.5). La quota di individui che dichiarano di avere una conoscenza, seppur basilare, di servizi finanziari digitalizzati è più alta tra gli investitori, dove si passa dal 13% per il *robo advice* al 30% circa per le valute virtuali e il *crowdfunding* al 44% per il *trading online*. Tra i fattori che potrebbero stimolare l'interesse emergono la possibilità di investire piccole somme e, nel caso specifico delle valute virtuali, la possibilità di guadagnare velocemente. Tra i deterrenti, invece, si citano più di frequente il timore di subire truffe e di non avere sufficienti competenze finanziarie e digitali (Fig. 8.6 - Fig. 8.9).

2020
Survey

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# Highlights and trends

**The macro environment and trends in household wealth and savings**

The outbreak of the Covid-19 pandemic early in 2020 has had severe health, social and economic consequences at a global scale, which are expected to worsen following the second wave of infections hitting many countries in the second half of the year (Fig. 1.1 - Fig. 1.2). In many jurisdictions the confinement measures adopted to stop contagion impaired the labour market, with negative repercussions on household disposable income and consumption (Fig. 1.3 - Fig. 1.5). In Italy, similarly to the main euro area countries, both composition and uses of household income recorded a sudden change in the first quarter of 2020, showing a decrease in wages and salaries only partially offset by a rise in social transfer, along with a fall in consumption and a significant growth of precautionary savings (Fig. 1.6 - Fig. 1.7). The outburst of the crisis impacted also on household holdings of financial assets, strengthening the long-lasting trend of an increasing preference for liquidity to the expense of bonds, equities and fund shares. In Italy the shift towards cash and deposits fits in to a context characterised by household per capita financial investments significantly lower than those recorded in other main Eurozone countries (Fig. 2.1 - Fig. 2.6).
The health crisis is exacerbating the significant challenges posed to many economies by ageing population and digital transformation (Fig. 2.7 - Fig. 2.11). In Italy the median age is around 47 years, compared with 44 years in the EU, while the percentage of population aged 65 and over is higher relative to the European average and is forecast to increase up to 26% in 2029. As for digitalisation, Italy continues to lag behind the main European countries as of human digital skills and (to a lesser extent) use of the Internet, despite the progresses made in the last five years in terms of connectivity tools.

**Financial knowledge and interest towards financial education initiatives of Italian households**

The survey data of the CONSOB Observatory on 'The approach to finance and investment of Italian households' show that financial basic knowledge has slightly risen over the last two years (Fig. 4.1 - Fig. 4.4). More than 20% of individuals seem to be prone to an over-valuation of their financial literacy (as stemming from the comparison between perceived with actual financial knowledge), while the propensity to revise misconception on one's own literacy is low (Fig. 4.5 - Fig. 4.10).
When making an important financial decision, about 60% of respondents declare to be willing to try to learn more, although some of them would also rely on advisors and trustworthy people and 15% of the sample is not able to identify a point of reference (Fig. 4.12). Interestingly, financial advisors are the most mentioned leading figure, followed by relatives and friends and institutional websites. As for the topics, investing arouses the highest interest, while about 20% of the sample don't know what to answer. Intermediaries and financial advisors are most frequently identified as potential promoters of educational initiatives, followed by public institutions (Fig. 4.13). Most of the interviewees prefer face-to-face and online lessons, although about 30% of the sample doesn't answer (Fig. 4.14). When it comes to the appreciation of a tool that could help in the daily management of personal finances, such as an app for household budget, only 33% of respondents declare to be interested, beyond the tiny proportion of those already using it.

**Financial control and savings**

With regard to financial planning, 60% of interviewees has not ever had a financial plan, while slightly more than 40% state to have a budget that they respect, either always or occasionally (Fig. 5.1 - Fig. 5.2). Attitude towards planning seems to be even lower when referred to retirement, as less than 20% of respondents assert to know (precisely or

broadly speaking) how many years they have to work before retiring, how much they are going to get monthly and how much they should save to maintain the current standard of living (Fig. 5.3 - Fig. 5.4). As for saving, more than 60% of respondents state to save (either regularly or occasionally), mainly to face unexpected events (Fig. 5.5).
As for financial vulnerability of Italian households, about 30% of respondents declare they might not be able to cope with an expected expense of 1,000 euros, while 31% has recorded a decrease in their income (either temporary or permanent) over the last year (Fig. 5.7). Economic fragility may be further exacerbated by the Covid-19 crisis. As of June 2020, 35% of respondents declare to have reduced their expenses due to the pandemic, more that 10% of interviewees have dipped into their savings, whilst 45% of them did not report any change in their habits (Fig. 5.9). Nonetheless, there is widespread pessimism about the economic recovery, that in most cases is expected after 2022.

**Investment and demand for financial advice**

In 2020 participation in financial markets has slightly increased relative to the previous year, involving around 34% of households (Fig. 6.1 - Fig. 6.2). After bank and postal savings, the most frequently held products are mutual funds and Italian government bonds. The main deterrents from investment are the lack of savings followed by the lack of trust and of knowledge, both by far less frequently mentioned (Fig. 6.3). As for investment styles, reliance on professional support (i.e. financial advice and portfolio management) significantly increased from 30% in 2019 to around 41% in 2020, to the expense of self-managed decisions down from 40% to about 29% (Fig. 6.7 - Fig. 6.8). While 85% of investors monitor their investments, 49% do it more than twice a year and 11% more often than usual during market turmoil. About half of the investors monitor their portfolio alone (Fig. 6.11).

**Knowledge and attitude towards SRIs**

The outbreak of the pandemic has increased the interest in ESG products. In Italy since March 2017, Borsa Italiana has identified a list of instruments (Green and Social Bonds List) issued in order to finance projects with environmental and/or social goals. After the increase recorded in the last years, in the first nine months of 2020 ESG issuance growth has shown a further speed-up (Fig. 7.7 - Fig. 7.9). However, Italian retail investors do not seem to be aware of ESG products yet. The 2020 Observatory on 'The approach to finance and investment of Italian households' show that about 60% of respondents report to be not informed on social responsible investments. In addition, only 5% of investors hold ESG investment products: the proportion rises to 18% among informed advised investors, who declare to have been recommended such investments by their advisors in slightly more than 10% of cases (Fig. 7.1 - Fig. 7.5).

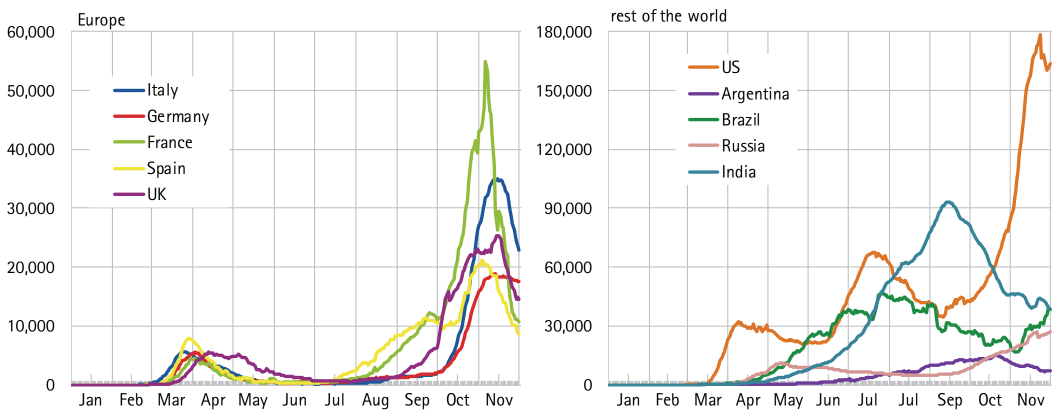
**Attitude towards digital assets and financial services**

Digitalisation is perceived as already part of one's daily life, with more than 70% of the sample regarding it as an opportunity, leading to a better quality of life. However, a proportion ranging from 46% to 59% of interviewees unveils concerns about complexity and data protection which may prompt anxiety. In addition, the web is generally perceived as a source of information, even though about 50% of individuals have a hard time finding useful pieces of information among all those available (Fig. 8.1 - Fig. 8.4). The use of the Internet for financial matters is reported by a proportion of interviewees ranging between 8% (information gathering) and 42% (online banking), as compared with 52% of the sample navigating social networks. Knowledge and use of some digital financial products or services (i.e., trading online, crowdfunding, robo advice and crypto-currencies) still remain little diffused, although the possibility to invest small amounts might make them attractive to the more sophisticated investors (e.g., with higher financial and digital literacy; Fig. 8.5 - Fig. 8.9).

# Macro environment

**Since the beginning of March 2020, the Covid-19 pandemic has severely hit many economies. After a significant slowdown in summertime, a second wave of infections outburst in the major European countries.**

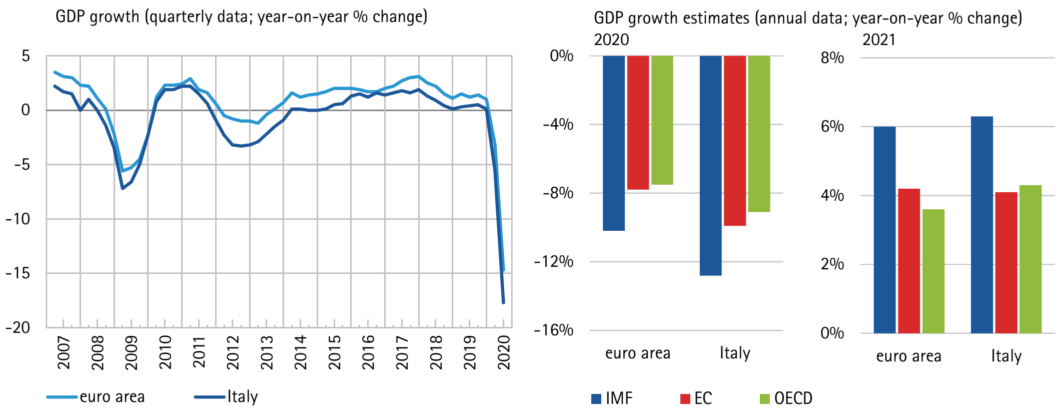
**Fig. 1.1 – The evolution of Covid-19 pandemic**
(daily data; 7-days moving average; 1st January 2020 – 30th November 2020)




Source: European Centre for Disease Prevention and Control.

**Following the sharp decline of the economic activity in the first half of the year, the Eurozone GDP is forecast to record a severe drop by the end of 2020, followed by a robust recovery in 2021.**

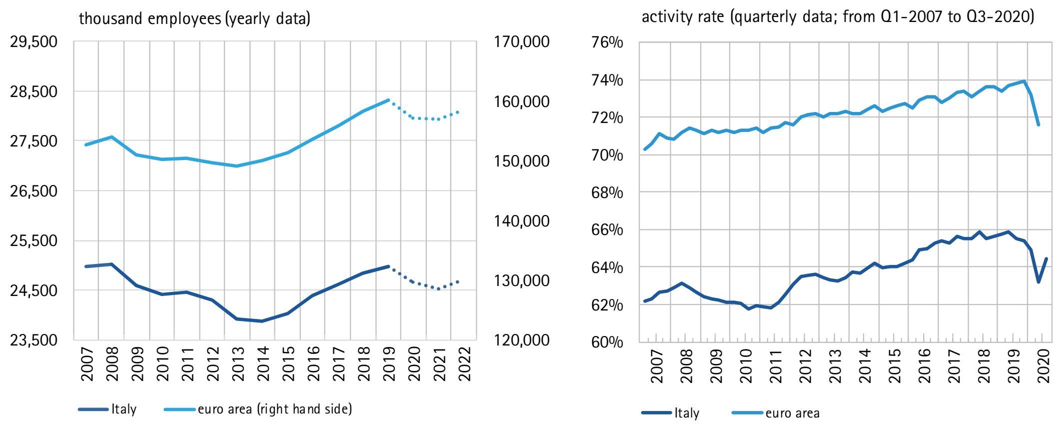
**Fig. 1.2 – Actual and expected GDP growth in the euro area and in Italy**




Source: Eurostat, IMF Global Economic Outlook Update June 2020, EC Autumn Forecasts November 2020, OECD Economic Outlook December 2020. Data for 2020 are estimated.

**Italy is experiencing a marked decline in the number of employees, while the activity rate, dropped by 3 percentage points in the first semester of 2020, partially recovered in the third quarter.**

**Fig. 1.3 – Employment trends**

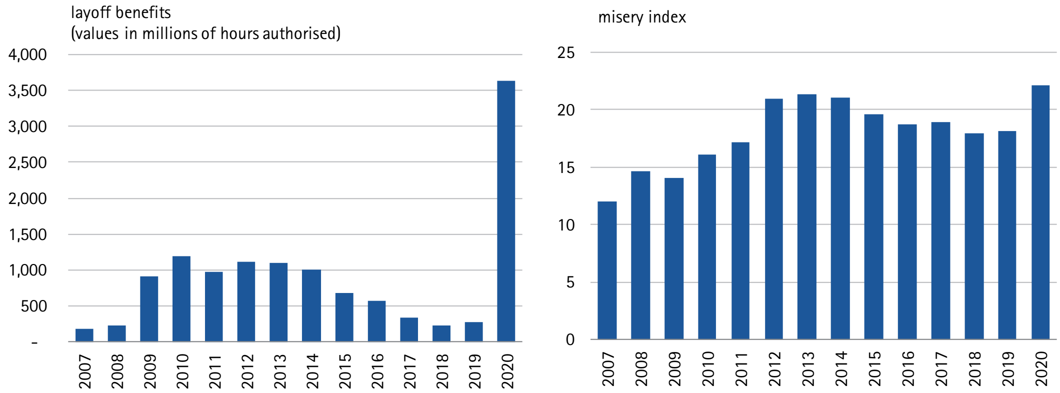



Source: European Commission DG - ECFIN, Eurostat. The activity rate in the figure on the right-hand side is computed as the percentage ratio between the workforce (employed and unemployed) and people aged 15 and over. Dot lines indicate estimated data.

1. Macro environment
2. Trends in household wealth and savings
3. Socio-demographics and personal traits
4. Financial knowledge
5. Financial control and saving
6. Investment choices and investment habits
7. Focus: ESG investing
8. Focus: the financial digitalisation

This dynamic is associated with the upsurge in the layoff benefits authorised by the government in 2020 (compared to the previous years) and the increase in the misery index.

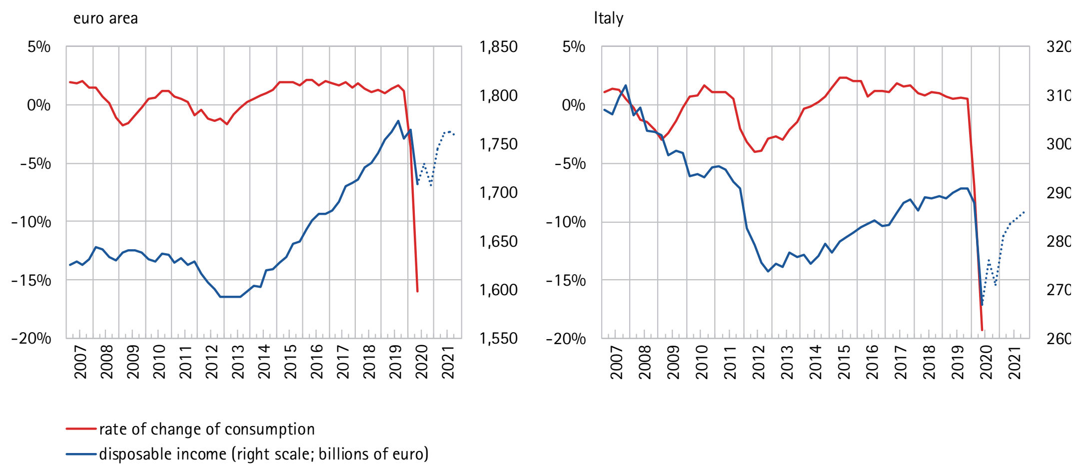
**Fig. 1.4 – Indicators of economic and social distress in Italy**
(annual data)




Source: Confcommercio and INPS. The Confcommercio Misery Index is computed as the weighted sum of the unemployment rate (including people relying in layoff benefits and discouraged workers) and the percentage change in the prices of goods and services with a high frequency of purchase. The weight assigned to unemployment is higher than the weight assigned to the inflation rate. In the figure on the left-hand side, 2020 data refer to hours authorized over the period January – October 2020. In the figure on the right-hand side, 2020 data refer to the monthly average over the period January – September 2020.

Consistently, in the first half of 2020 household disposable income and consumption fell dramatically both in the Eurozone and in Italy.

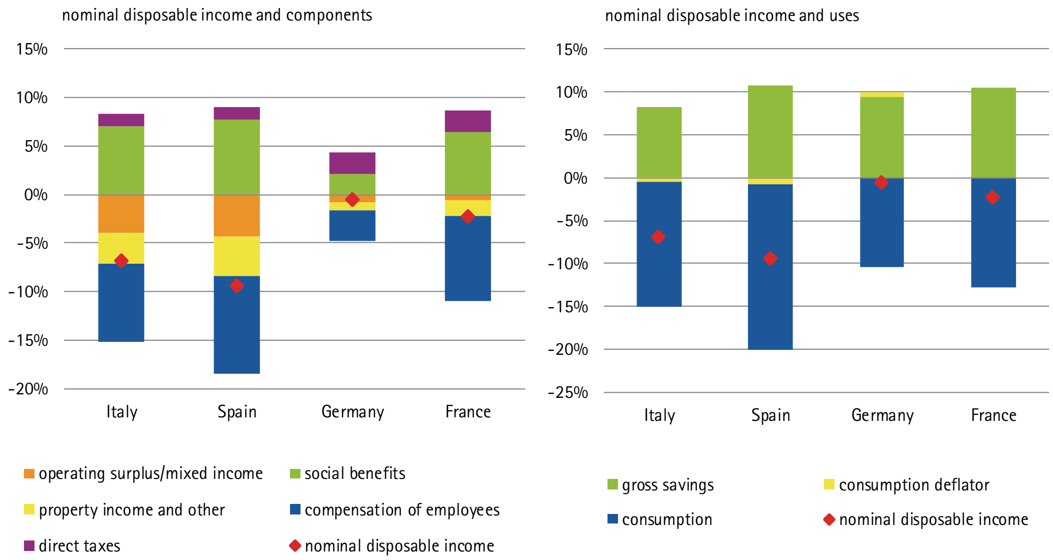
**Fig. 1.5 – Disposable income and consumption**
(quarterly data; from Q1-2007 to Q2-2020)




Source: Eurostat, Oxford Economics. Personal disposable income is the amount available to be divided between personal consumption and saving, after deduction of income tax and national insurance contributions. Dot lines indicate estimated data.

In the main euro area countries, data on the second quarter of 2020 show that the decrease in the household per capita income was mainly driven by the decline in compensations for employees, partially offset by the increase in social benefits and the decrease in direct taxes.

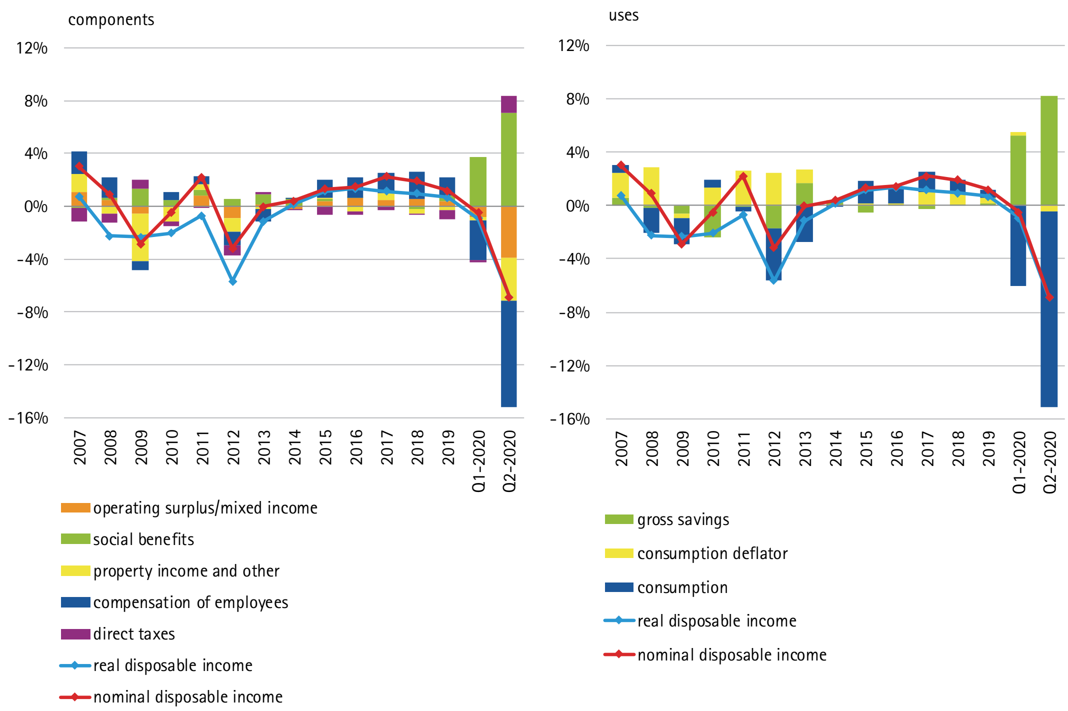
**Fig. 1.6 – Components and uses of nominal disposable income per capita in the main euro area countries in the second quarter of 2020**
(growth rate and contribution to growth over 4 quarters)




Source: ECB Households sector report, November 2020.

Notably, in Italy household disposable income per capita recorded unprecedented changes over the last decade both in its main components (employee compensation and social benefits) and uses (i.e. savings and consumption).

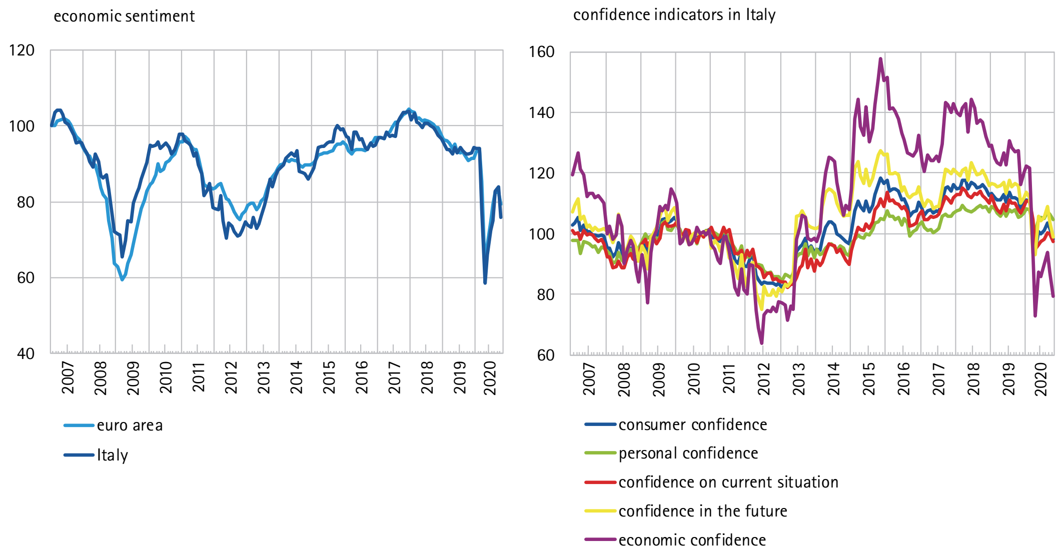
**Fig. 1.7 – Components and uses of Italian household disposable income per capita**
(growth rate and contribution to growth)




Figures for the first and the second quarter of 2020 are computed as growth rate and contributions to growth over four quarters. Source: ECB Households sector report, November 2020.

Not surprisingly, consumer confidence indicators remain far below the pre-crises levels, in spite of a partial recovery in the first semester 2020 followed by a drop in November.

**Fig. 1.8 – Sentiment indicators**
(monthly data; January 2007 - November 2020)

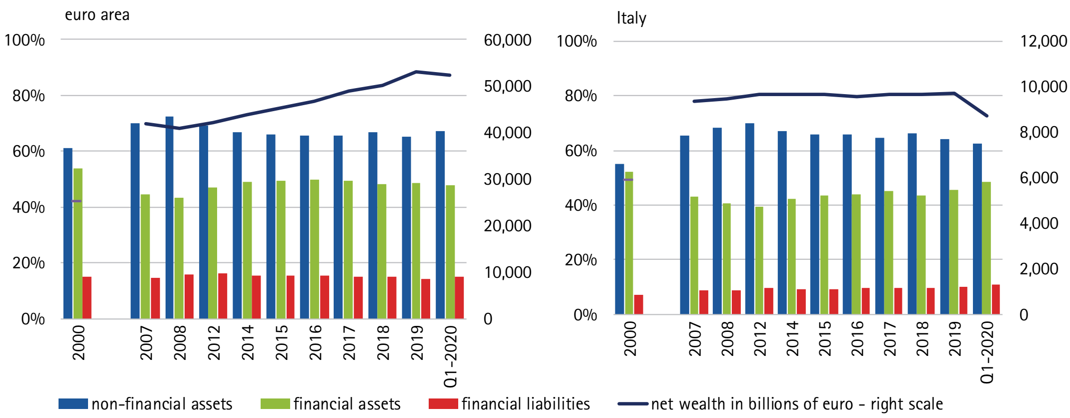



Source: European Commission-DG ECFIN and Istat.

# Trends in household wealth and savings

**In the first quarter 2020, net wealth in the euro area remained unchanged with respect to 2019 levels as a result of a decrease in financial assets and a counterbalancing increase in non-financial assets, mainly driven by valuation effects. In Italy preliminary estimates point to a decline of net wealth.**

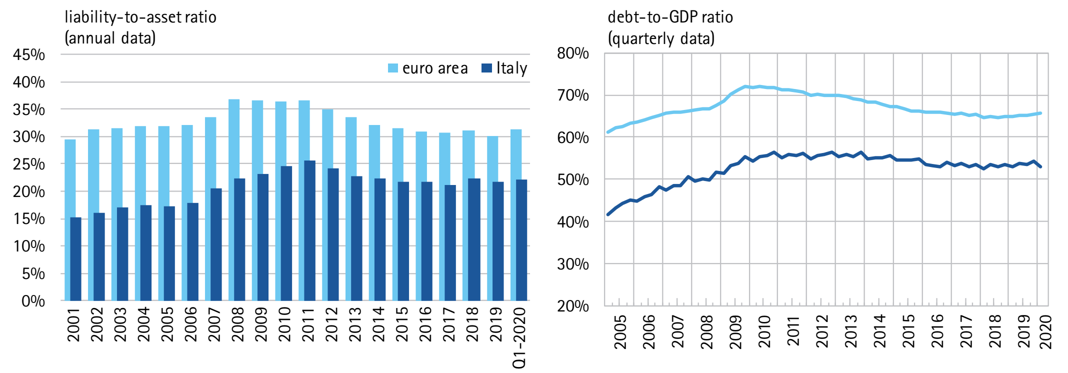
**Fig. 2.1 – Household net wealth: level and composition**




Source: Bank of Italy, ECB, Eurostat, Istat. Figures refer to the reporting institutional sector 'Households and non-profit institutions serving households' (NPISH) in euro area 19 (fixed composition) as of 1st 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. As for Italy, 2019 and Q1-2020 net wealth are estimated on the basis of quarter-on-quarter changes data published by the ECB.

**Compared with the euro area average, Italian households keep being characterized by both a lower level of liabilities...**

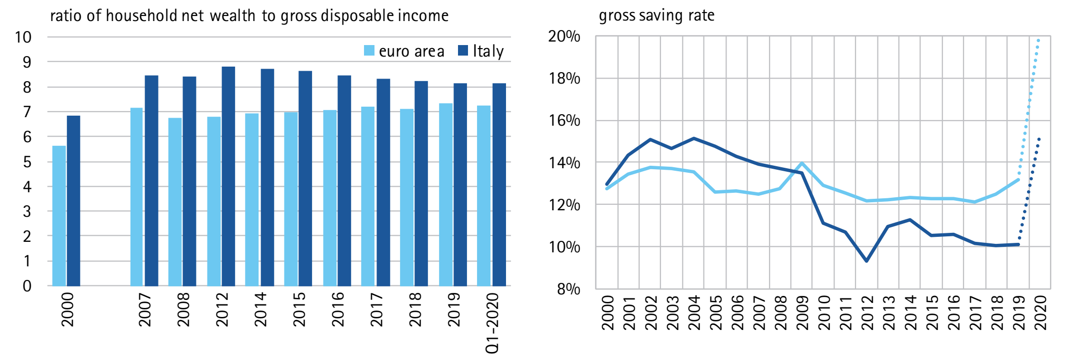
**Fig. 2.2 – Household liabilities**




Source: Eurostat, Quarterly sectoral accounts. Figure on the right-hand side refers to total household liabilities (not seasonally adjusted time series) in percentage of GDP.

**... and a higher ratio of net wealth to income (although the gap keeps narrowing since 2016). Gross saving rate, that at the end of 2019 levelled off at 10.2% remaining below the euro area average, is expected to experience a significant upsurge following the pandemic outbreak.**

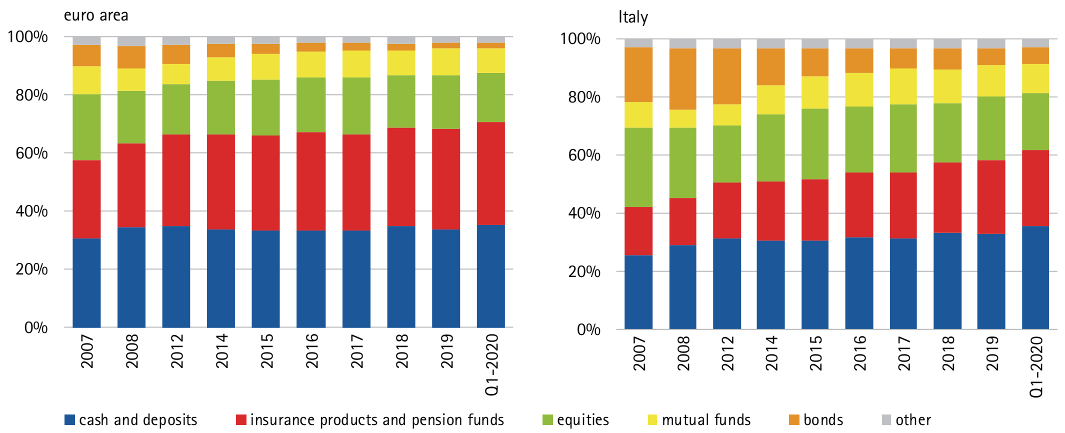
**Fig. 2.3 – Ratio of household net wealth to income and gross saving rate**




Source: ECB, Eurostat, European Commission. 'Net wealth' is defined as the sum of real and financial assets net of financial liabilities. As for Italy, 2019 and Q1-2020 net wealth is estimated on the basis of the quarterly variations published by the ECB. 'Gross saving rate' is the ratio between gross saving and gross disposable income.

The main difference between household portfolios in Italy and in the Eurozone is referable to the weight of insurance products and pension funds. While the share of equities and bonds continue to decline across countries, preference for liquidity keeps increasing...

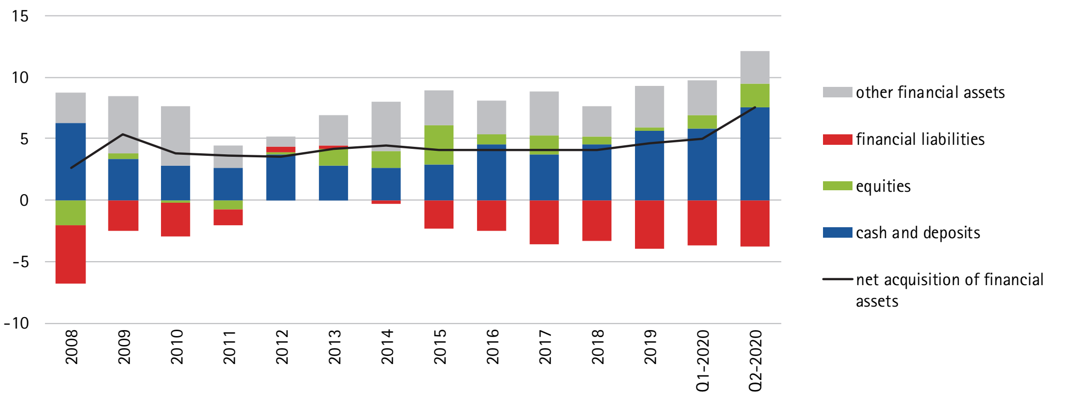
**Fig. 2.4 – Breakdown of household financial assets**




Source: Eurostat. 'Equities' includes listed and unlisted shares. 'Other' includes financial derivatives and loans.

... also in the first semester of 2020, as shown by the financial flows recorded in the Eurozone as a whole...

**Fig. 2.5 – Financial flows in the euro area**

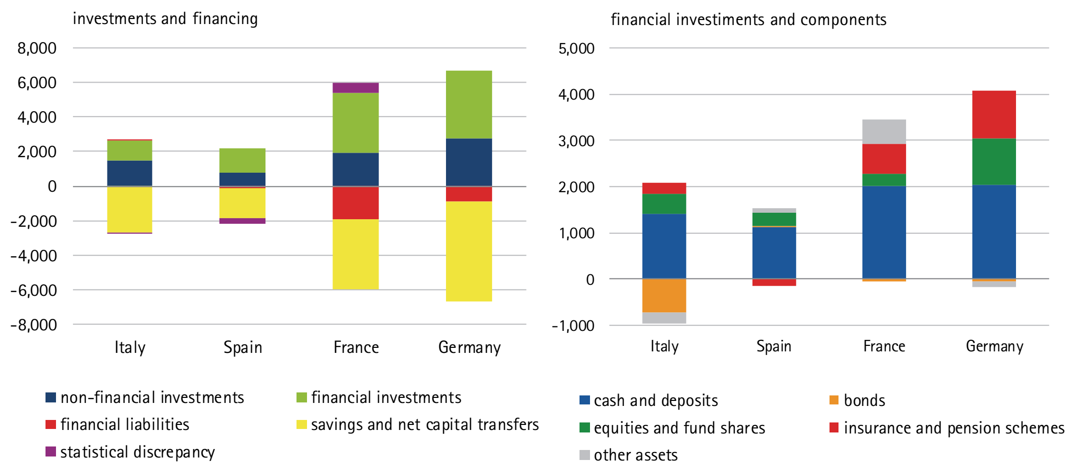



Source: ECB. 'Other financial assets' include insurance technical reserves, financial derivatives, loans granted and other accounts receivable.

... and in the main European countries. Notably, per capita investments are significantly lower in Italy than in Germany and France.

**Fig. 2.6 – Per capita investments and financing in the main euro area countries in the second quarter of 2020**

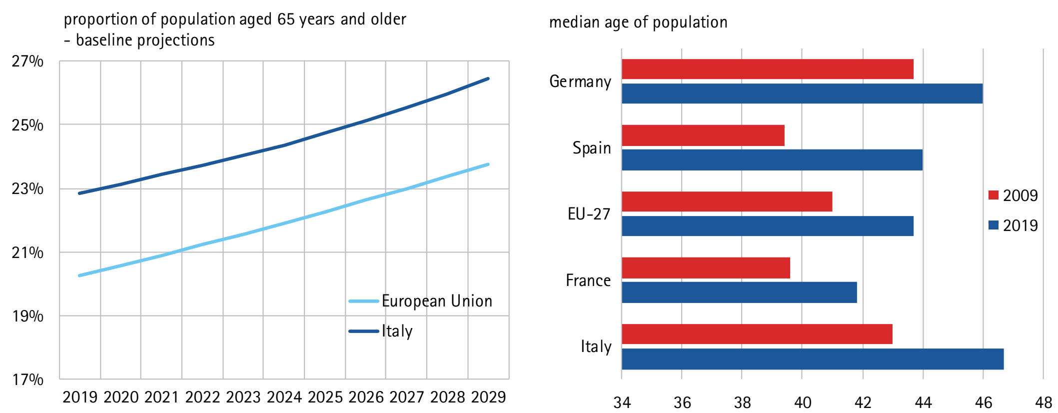
(values in euro per capita; transactions over four quarters)




Source: ECB Households sector report, November 2020.

Italy keeps being characterized by the oldest population in Europe, with the share of people aged over 65 expected to hit more than 26% of inhabitants by 2029 (compared to almost 24% in the EU) and the median age slightly lower than 47 years (44 years in the EU).

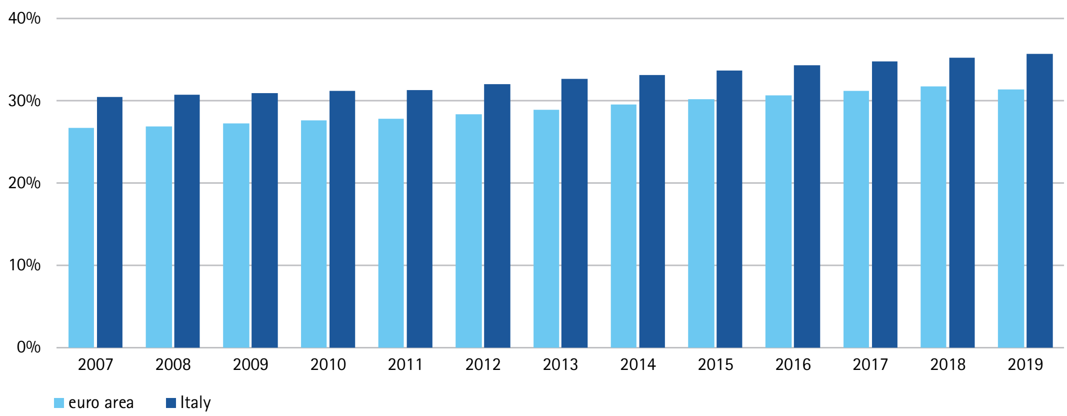
**Fig. 2.7 – Ageing population 65 years and over**




Source: Eurostat. Demographic projections available as of July 2020.

In addition, the share of people aged 65 and over on the working-age population (aged between 15 and 64) is on average higher in Italy than in the euro area.

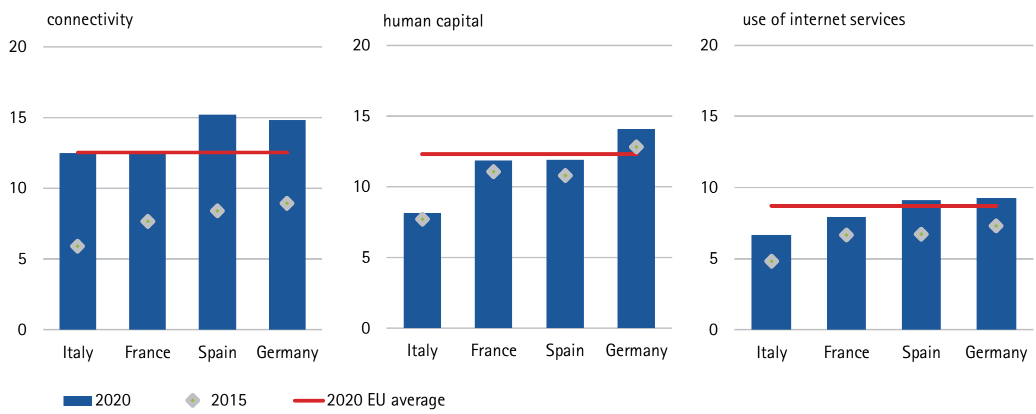
**Fig. 2.8 – Old-age dependency ratio**




Source: Eurostat. The old-age dependency ratio is the share of people aged 65 and over on the working-age population (aged between 15 and 64).

As for digitalisation, Italy continues to lag behind the main European countries despite the progresses in connectivity tools made in the last five years. The gap remains significant with respect to human digital skills and, to a lesser extent, the use of the Internet...

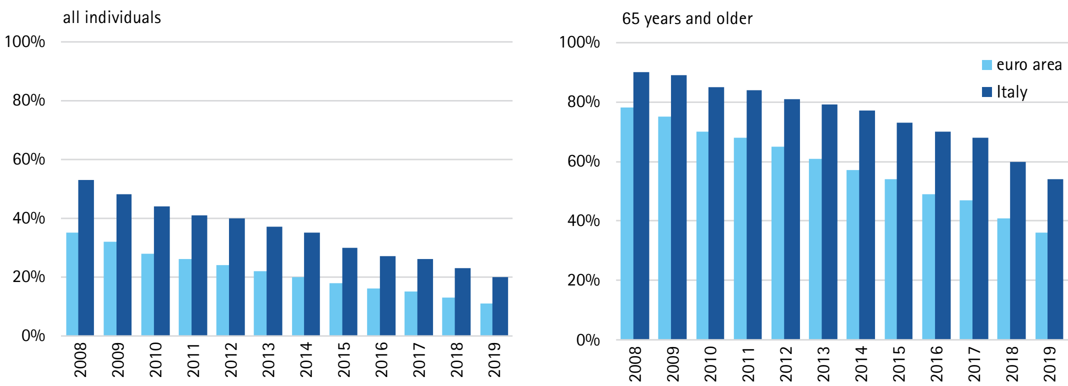
**Fig. 2.9 – Availability of connectivity instruments and household digital skills in 2020**




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, the 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.

... especially among the elderly, that do not use the web in 54% of cases.

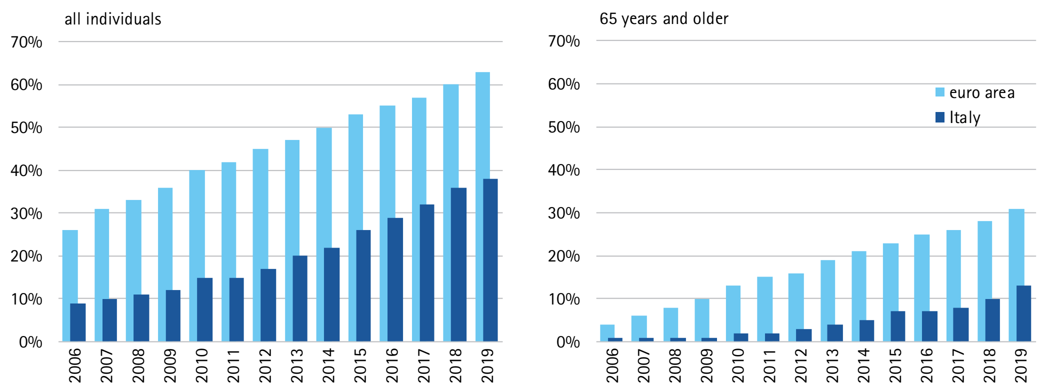
**Fig. 2.10 – Individuals not using the Internet for more than one year**




Source: Eurostat.

Digitalisation in Italy remains low also in terms of e-commerce diffusion.

**Fig. 2.11 – E-commerce diffusion**



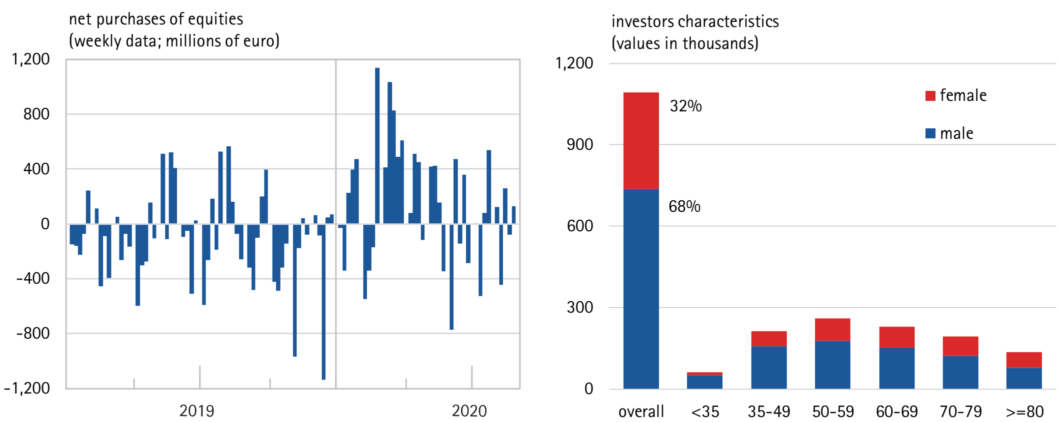

Source: Eurostat.

## Supervisory data on retail trading and investment in Italy

While over 2019 the weekly activity of Italian retail investors showed the prevalence of net sales of equities, in 2020 net purchases of securities were most frequently recorded, in particular when volatility hit new highs due to the outbreak of pandemic. Traders were predominantly male (68% of the total) and aged 35 and more.

**Fig. 2.12 – Italian retail investors activity on domestic equities**

(1st January 2019 – 31st August 2020; weekly data; amounts in millions of euro; number of investors in thousands)

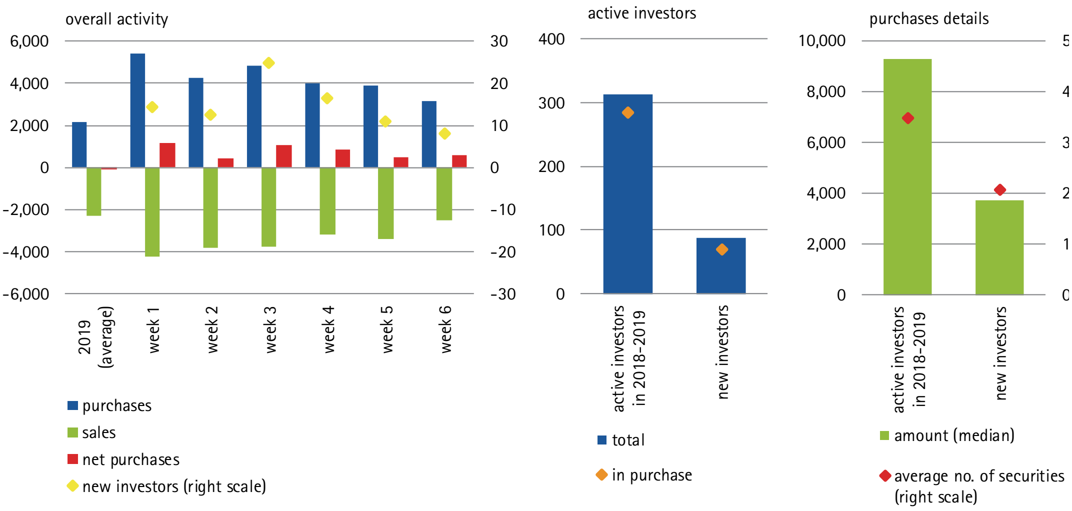



Source: calculations on transaction reporting data, referring to the retail activity on the Italian equities included in the FtseAllShare Index.

Focusing on the activity recorded during the high volatility weeks corresponding to the outburst of the Covid-19 crisis, the amount of net purchases hit about 4.5 billions of euro, a figure considerably higher than the 2019 average. 'New investors' (7% of the total investors active over 2018-2019) carried out on average smaller purchases in terms of both amount and number of securities purchased.

**Fig. 2.13 – Italian retail investors activity on domestic equities during high volatility weeks due to the Covid-19 crisis**

(24 February 2020 – 3 April 2020; weekly data; amounts in millions of euro; number of investors in thousands)

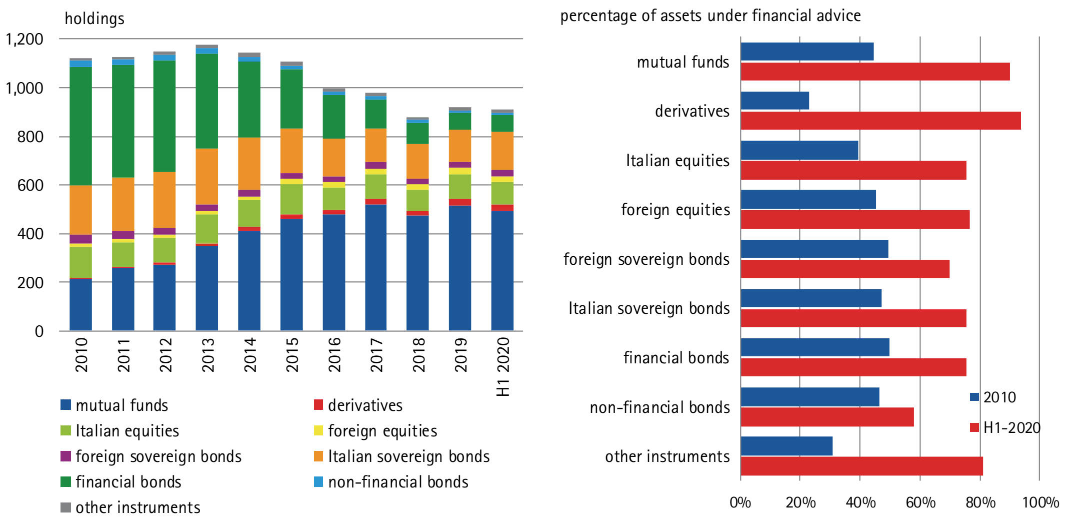



Source: calculations on transaction reporting data, referring to the retail activity on the Italian equities included in the FtseAllShare Index. 'Active investors' in 2018-2019 refers to investors that carried out at least one transaction on the securities included in the FtseAllShare Index over the period 1st January 2018 – 31st December 2019. 'New investors' are defined as investors that have carried out at least one transaction on the securities included in the FtseAllShare Index over the period 24 February 2020 – 3 April 2020, while being inactive since the beginning of 2018.

The breakdown of retail investors' financial assets held by Italian intermediaries confirms the decline in the weight of financial bonds (mainly issued by banks), recorded since 2010, and the concomitant increase in the weight of mutual funds shares. Since 2010 the share of financial assets of retail clients under advice has considerably grown, reaching 90% for mutual funds shares and almost 94% for derivatives in the first half of 2020.

**Fig. 2.14 – Financial assets of clients in safekeeping and administration by the Italian financial intermediaries for investment services**

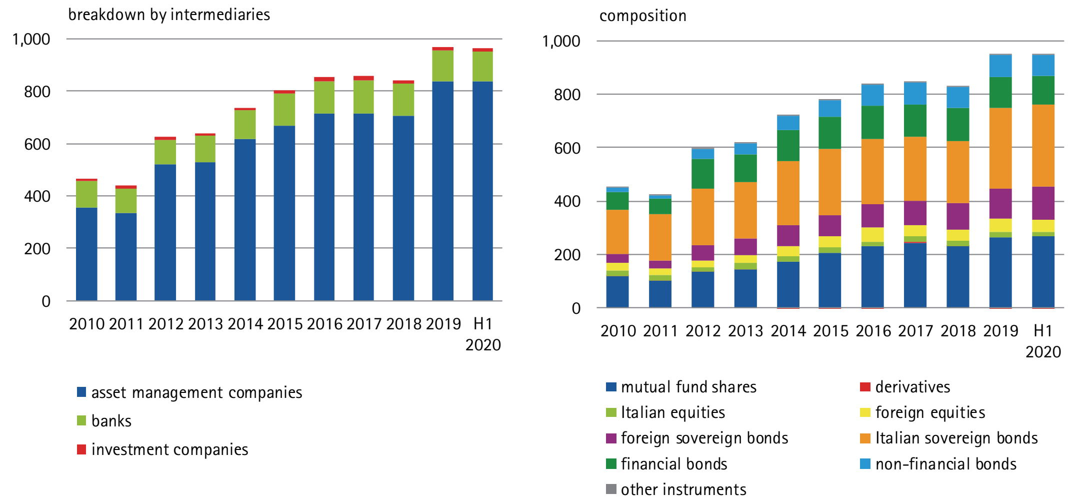
(billions of euro; amounts at the end of the period)




Source: calculations on CONSOB supervisory data. According to MiFID II Directive, clients are considered retail if they cannot be classified as professional clients (with the exception of clients who may be treated as professionals on request under some requirements). Professional clients are clients who possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur. Categories of client who are considered to be professionals include entities which are required to be authorised or regulated to operate in the financial markets and large undertakings meeting specific size requirements on a company basis, supranational institutions, central banks, national and regional governments and other institutional investors whose main activity is to invest in financial instruments. Figures do not include negative fair value of derivatives.

Since 2010 assets under portfolio management, mainly provided by asset management companies, have doubled, with the proportion of domestic sovereign bonds and mutual funds recording a significant growth.

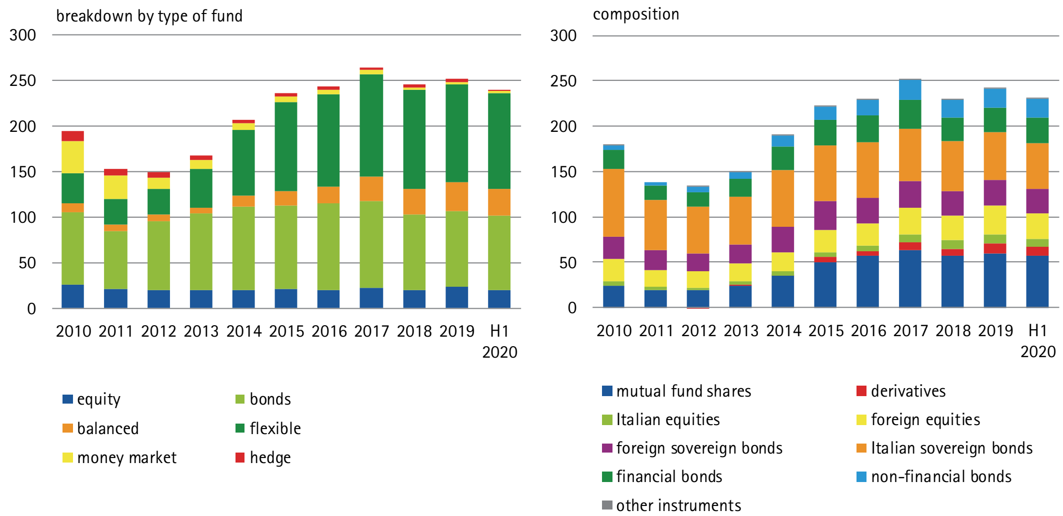
**Fig. 2.15 – Assets under portfolio management provided by the Italian financial intermediaries**
(billions of euro; amounts at the end of the period)




Source: calculations on CONSOB supervisory data. The portfolio management activity is provided by intermediaries in accordance with mandates given by clients on a discretionary client-by-client basis. Figures do not include negative fair value of derivatives.

Among Italian open-end funds, bond and flexible funds are dominant, while money market ones are by now irrelevant. Consistently, bonds account for 57% of assets, followed by mutual funds (26%) and equities (17%).

**Fig. 2.16 – Assets under management of the Italian open-end mutual funds**
(billions of euro; amounts at the end of the period)

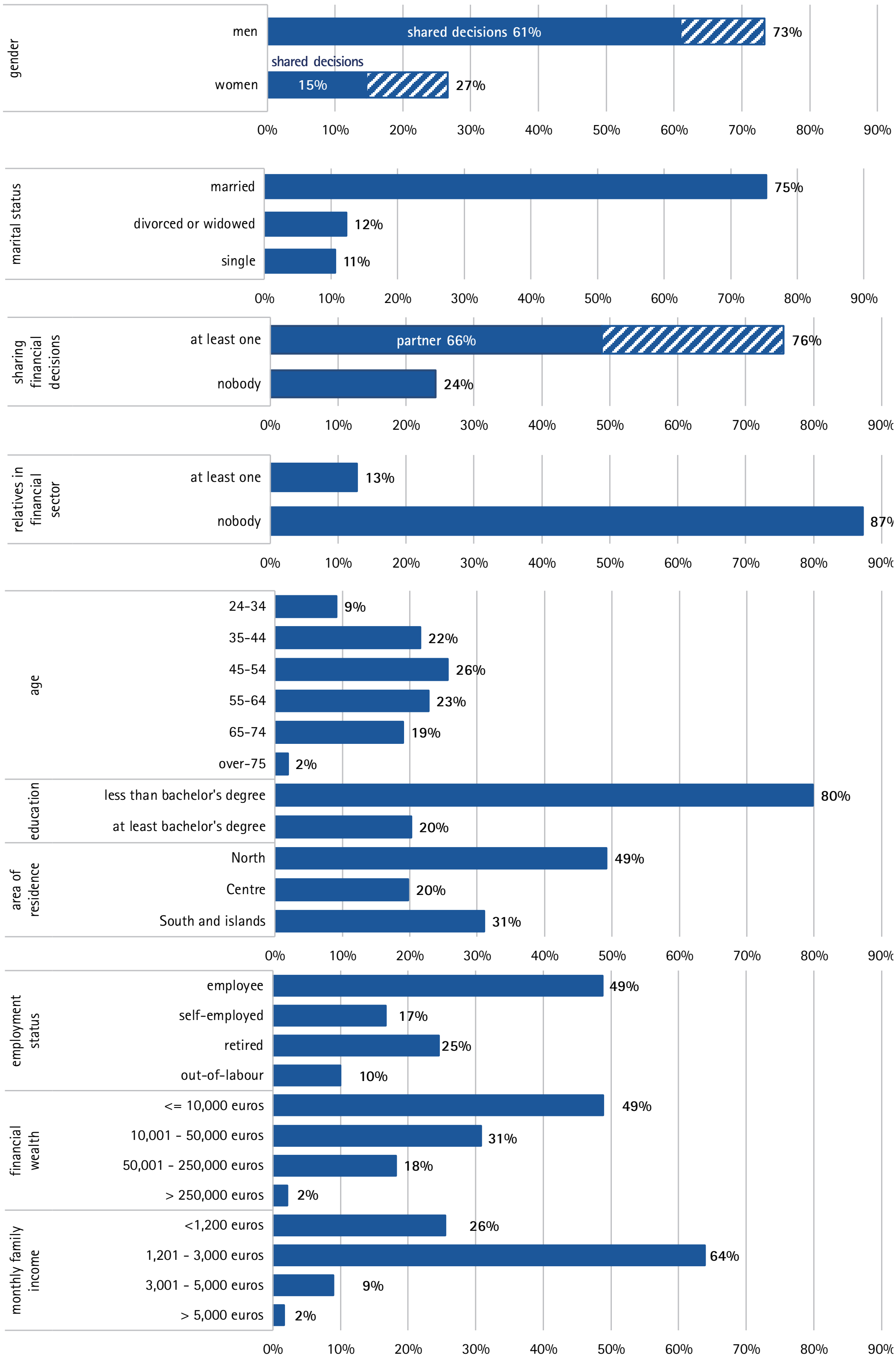



Source: calculations on CONSOB supervisory data.

# Socio-demographics and personal traits

The 2020 Observatory on 'The approach to finance and investment of Italian households' collects data about 3,274 respondents. 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 male family members), aged between 18 and 74. Men remain the lead financial decision-makers (73%), although in most cases they share their decisions with their partner or with relatives.

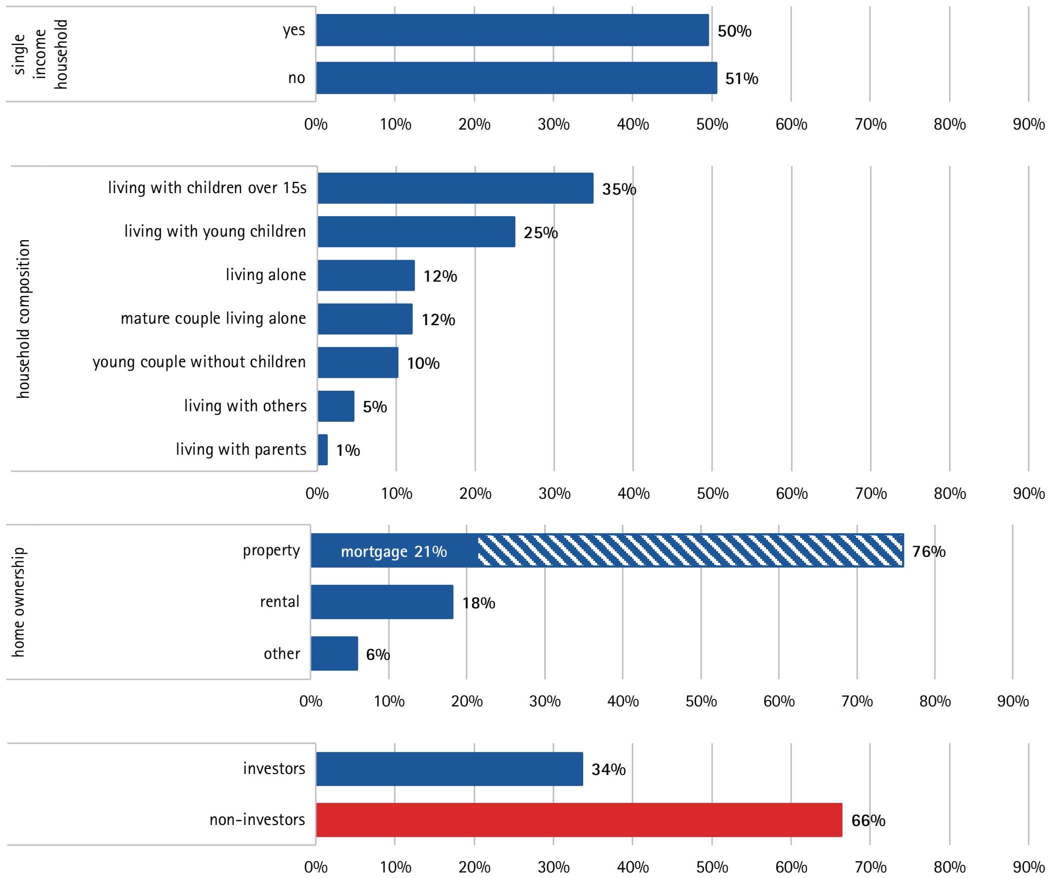
**Fig. 3.1 – The sample**




*- cont. -*

Compared to 2018, the most notable differences in the sample characteristics concern the percentage of single-income households, that has increased by 7 percentage points, and the proportion of investors, that has risen from 30% to 34%.

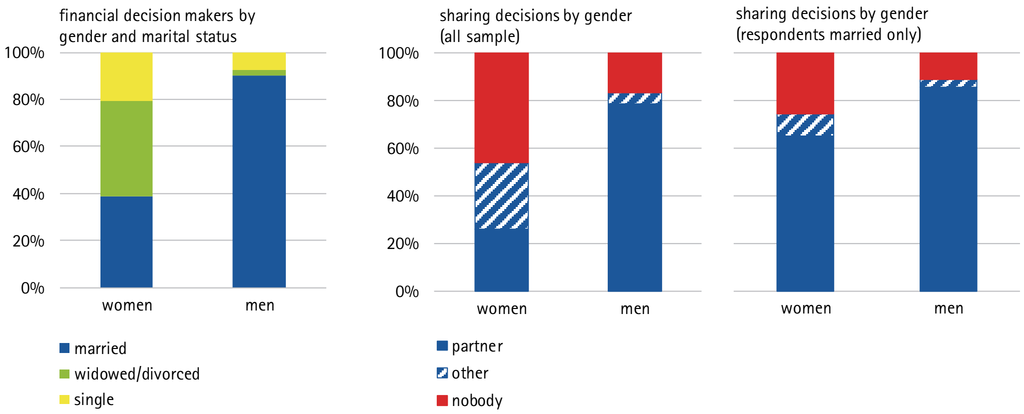
*cont. Fig. 3.1 – The sample*




The sample (hereafter also cross-section) includes a panel component (i.e., 1,105 individuals interviewed in 2018, 2019 and 2020; 2,207 individuals interviewed in 2019 and 2020) and a fresh component (1,067 individuals interviewed only in 2020). The sample does not include bank employees, insurance company employees and financial advisors. As for 'marital status' the total does not sum up to 100% because of 'refusals'. 'Married' includes both married respondents and respondents in domestic partnership. 'Out-of-labour' includes housewives, students and unemployed. 'Investors' includes all the financial decision-makers that hold at least one financial asset except for current account, insurance and pension products. Rounding may cause discrepancies in the figures. For details see Methodological Notes.

Consistently with previous waves of the Survey, female decision-makers are mainly single, divorced or widowed women, while the most part of male respondents are married and share their financial choices with their partner.

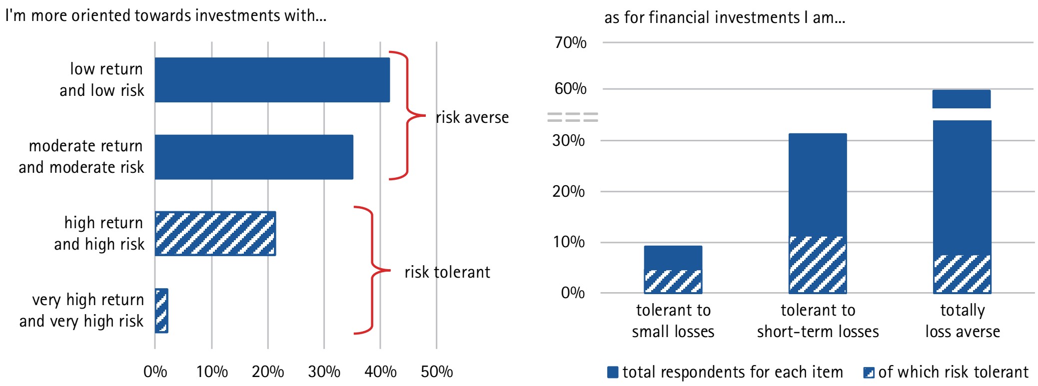
**Fig. 3.2 – Shared financial decision making**




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

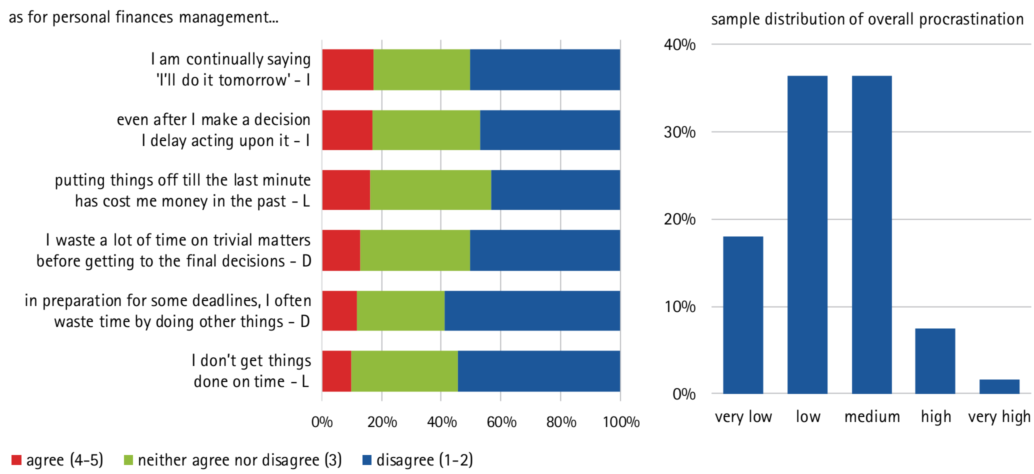
About one fourth of interviewees can be defined as 'risk tolerant', as they declare to be oriented towards investments with high or very high return and risk. As for losses, 60% of the sample assert to be totally loss averse.

**Fig. 3.3 – Risk aversion and loss aversion**




As for personal finance management, more than half of the sample seem to exhibit a low overall propensity towards financial procrastination as summarised through a synthetic indicator.

**Fig. 3.4 – Procrastination**




In the figure on the left-hand side, letter 'I' indicates items addressing implemental delay, letter 'D' indicates items addressing decisional procrastination and letter 'L' indicates items addressing lateness. Figure on the right-hand side refers to the overall indicator of the attitude towards procrastination (for details see Methodological Notes).

About 45% of respondents are quite confident about their ability to manage money, as shown by the distribution of the indicator of overall self-efficacy. Nonetheless, a proportion of interviewees ranging from 50% to more than 70% of them are worried about their living standards in retirement, struggle with unexpected expenses and find hard to progress towards their financial goals.

**Fig. 3.5 – Financial self-efficacy**

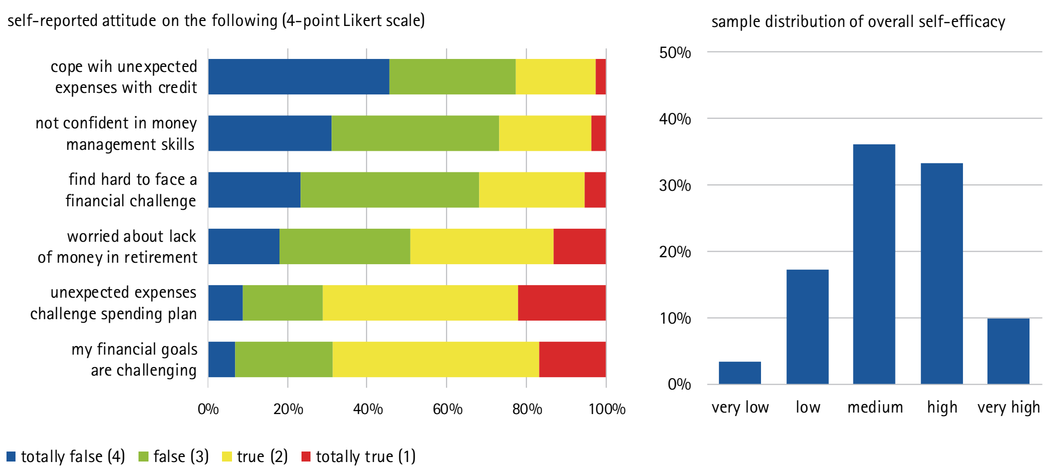
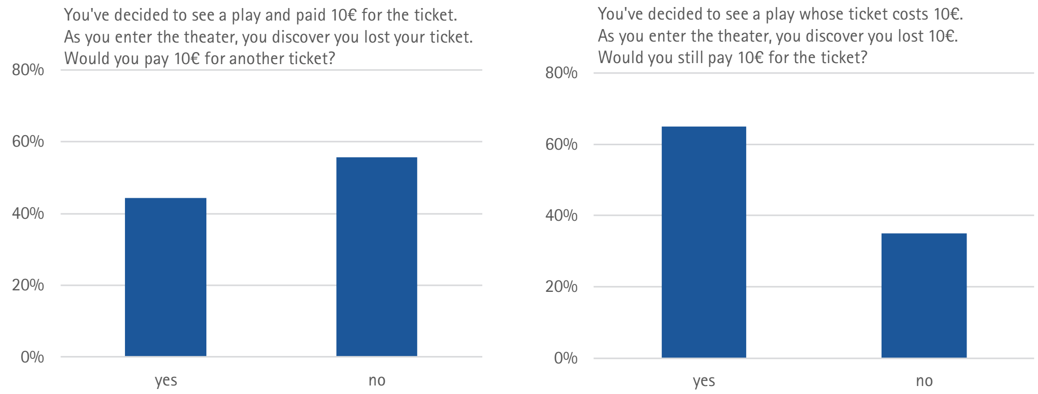



Figure on the right-hand side refers to the overall indicator of financial self-efficacy (for details see Methodological Notes).

Respondents seem to be inclined towards mental accounting, as shown by the evidence on their propensity to react differently to a given event depending on the way they classify their money.

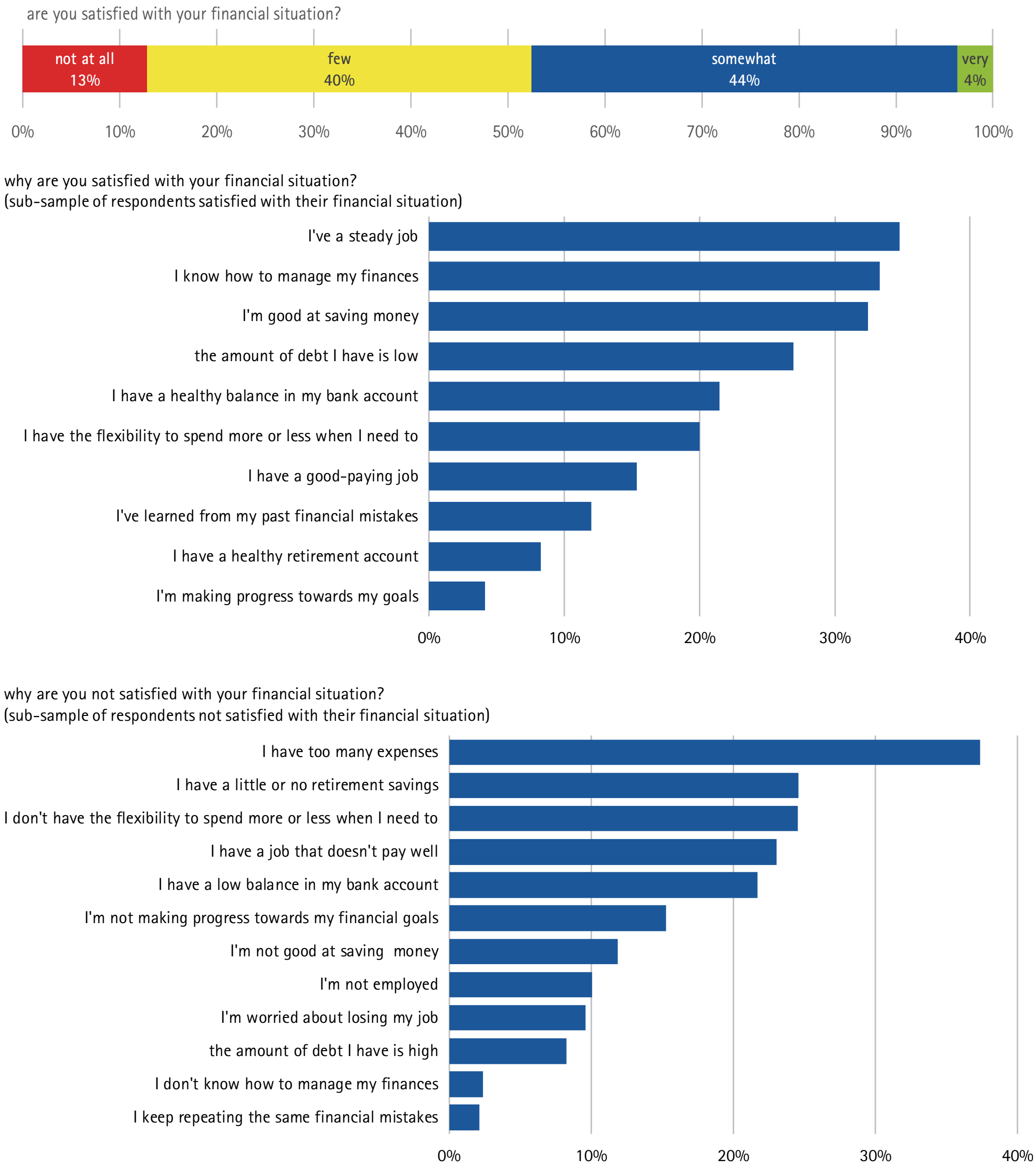
**Fig. 3.6 – Attitude towards mental accounting**




Note: The questions shown in the figures have been randomly administered to two independent sub-samples (for details see Methodological Notes).

Less than half of respondents are (somewhat or totally) satisfied with their financial situation, mainly thanks to a steady job and personal abilities in managing their finances and in saving. Among those who are dissatisfied, the main concerns are connected to the incurred expenses, inadequacy of retirement savings and tightness of the household budget.

**Fig. 3.7 – Financial satisfaction**



The sample distribution of the overall financial anxiety indicator shows that only about 10% of interviewees exhibits a high or a very high propensity to feel discomfort when managing personal finances. Inspection of the main signals of such a feeling unveils that the prevailing emotional states for a proportion ranging between 20% and 25% of the sample are anxiety, hopelessness and stress, whilst guiltiness or disengagement are less frequent.

**Fig. 3.8 – Financial anxiety**

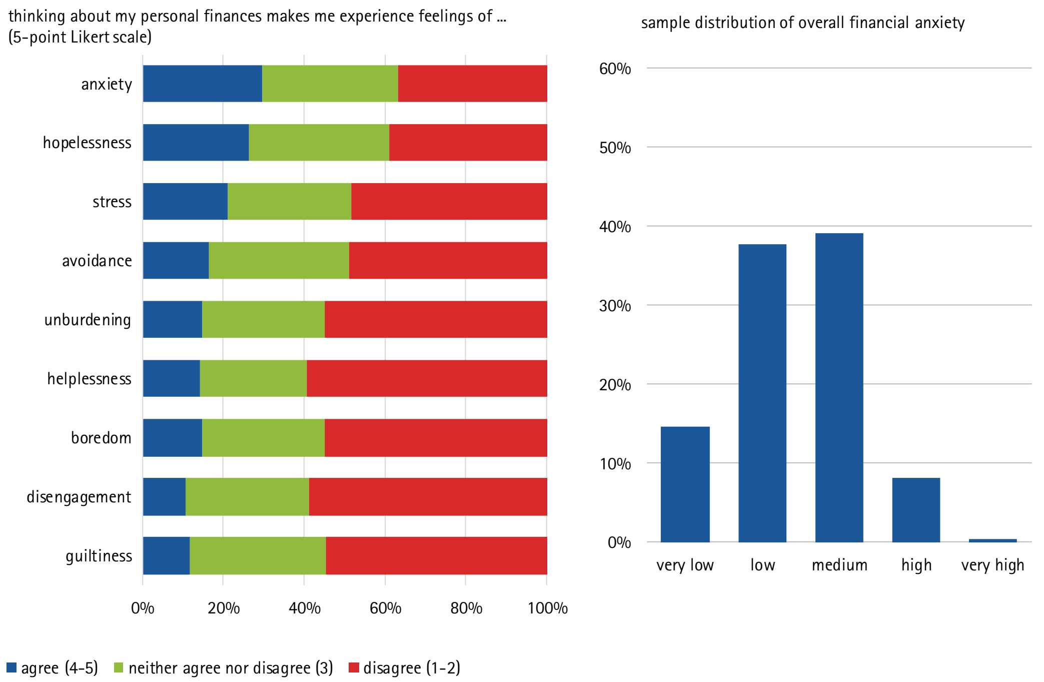
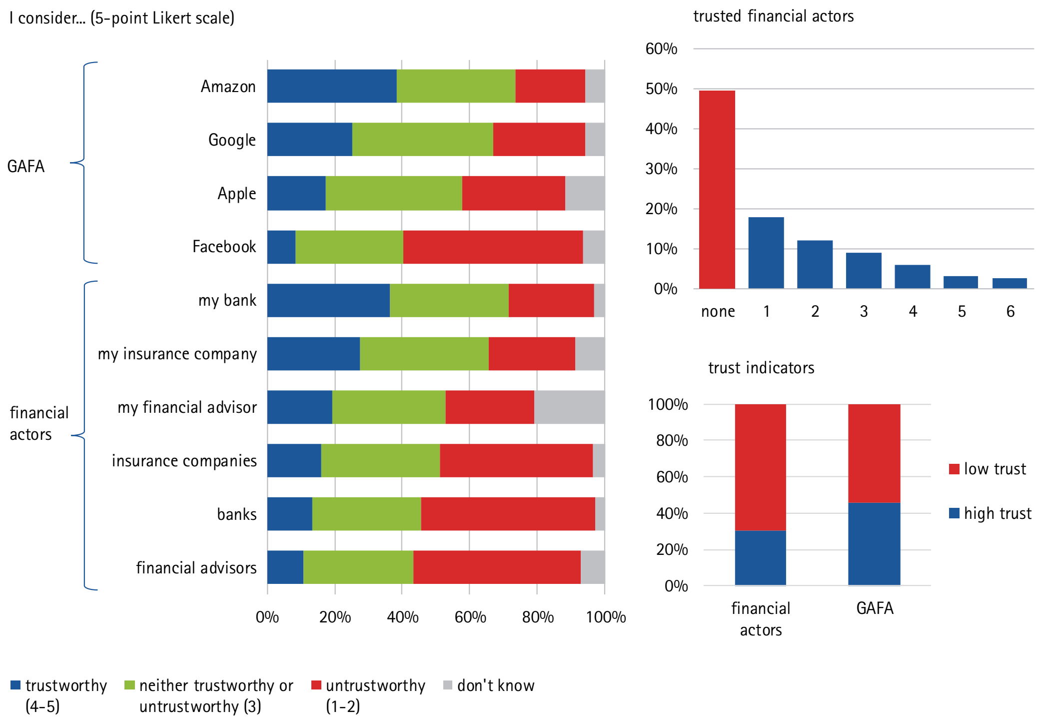



Figure on the right-hand side refers to the overall indicator of financial anxiety (for details see Methodological Notes).

One respondent out of two does not exhibit any trust in financial actors, with the category of financial advisors considered as the least reliable. Among the remaining respondents, about 40% deem their own bank trustworthy. This proportion is similar to the one referable to Amazon, that records the highest rate of appreciation among the so-called GAFAs. Notably, GAFAs as a whole are identified as highly reliable more frequently than financial actors.

**Fig. 3.9 – Trust**



Loss and risk aversion result to be less widespread among men, highly educated people and those who declare to be satisfied with their financial situation, whilst they are more frequent among individuals prone to financial anxiety.

**Fig. 3.10 – Correlations among loss aversion, risk aversion and selected background factors**
(blue stands for positive correlations and light blue stands for negative correlations)

| | LOSS AVERSION | TOLERANCE TO SMALL LOSSES | TOLERANCE TO SHORT-TERM LOSSES | RISK AVERSION |
|---|---|---|---|---|
| SOCIO-DEMOGRAPHICS | age, South&islands, out-of-labour, retired**, widowed/divorced, single-income | man**, education**, financial wealth, income | man, partner**, man sharing decisions, education, financial wealth, income, employee, relatives in financial sector, married**, home ownership | age, out-of-labour, retired**, widowed/divorced, single-income |
| | man, partner*, men sharing decisions, education, financial wealth, income, employee, relatives in financial sector, married, home ownership | | age, South&islands, out-of-labour, retired**, widowed/divorced, single-income | man, shared decisions**, partner*, men sharing decisions*, education**, financial wealth, income, employee, relatives in financial sector**, married**, home ownership**, sons* |
| PERSONAL TRAITS | procrastination, anxiety, risk aversion | self-efficacy, financial satisfaction, financial trust** | self-efficacy, financial satisfaction, financial trust | anxiety*, loss aversion |
| | self-efficacy, financial satisfaction, financial trust, small & s/t losses tolerance | anxiety, risk aversion, loss aversion, s/t losses tolerance | procrastination, anxiety, risk aversion, loss aversion, small losses tolerance | procrastination, financial satisfaction, financial trust, small & s/t losses tolerance |

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). For details see Methodological Notes.

The perception to be effective in one's own financial choices, more likely among men, educated and elder people, is negatively correlated with the attitude towards procrastination and financial anxiety. The propensity towards trust in financial actors is more common among wealthy people and interviewees declaring themselves satisfied with their current financial situation.

**Fig. 3.11 – Correlations among selected personal traits and socio-demographics**
(blue stands for positive correlations and light blue stands for negative correlations)

| | PROCRASTINATION | FINANCIAL SELF-EFFICACY | FINANCIAL ANXIETY | FINANCIAL SATISFACTION | FINANCIAL TRUST |
|---|---|---|---|---|---|
| SOCIO-DEMOGRAPHICS | out-of-labour | man*, age**, education, financial wealth, income, retired, relatives in financial sector, married*, home ownership | South&islands, out-of-labour, single**, single-income | man, shared decisions*, partner**, man sharing decisions, education, North**, financial wealth, income, retired**, employee, relatives in financial sector, married, home ownership | education, North, financial wealth, income, employee**, relatives in financial sector, home ownership |
| | age**, education*, income, retired, home ownership | South&islands**, out-of-labour, single**, single-income | man**, education, North**, financial wealth, income, employee, relatives in financial sector*, married*, home ownership | South&islands, self-emplyment**, out-of-labour, single, widowed/divorced**, single-income | South&islands, out-of-labour, single-income |
| PERSONAL TRAITS | anxiety, loss aversion | financial satisfaction, financial trust, small & s/t losses tolerance | procrastination, risk aversion, loss aversion | self-efficacy, financial trusty, small & s/t losses tolerance | self-efficacy, financial satisfaction, small losses tolerance**, s/t losses tolerance |
| | self-efficacy, financial satisfaction, risk aversion**, s/t losses tolerance | procrastination, anxiety, loss aversion | self-efficacy, financial satisfaction, financial trust, small & s/t losses tolerance | procrastination, anxiety, risk aversion, loss aversion | anxiety, risk aversion, loss aversion |

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). For details see Methodological Notes.

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# Financial knowledge

The proportion of interviewees correctly answering questions on financial basics concepts ranges from less than 40% to 60%, with the concept of portfolio diversification remaining the most difficult to grasp (only 38% of right answers).

**Fig. 4.1 – Actual financial knowledge**

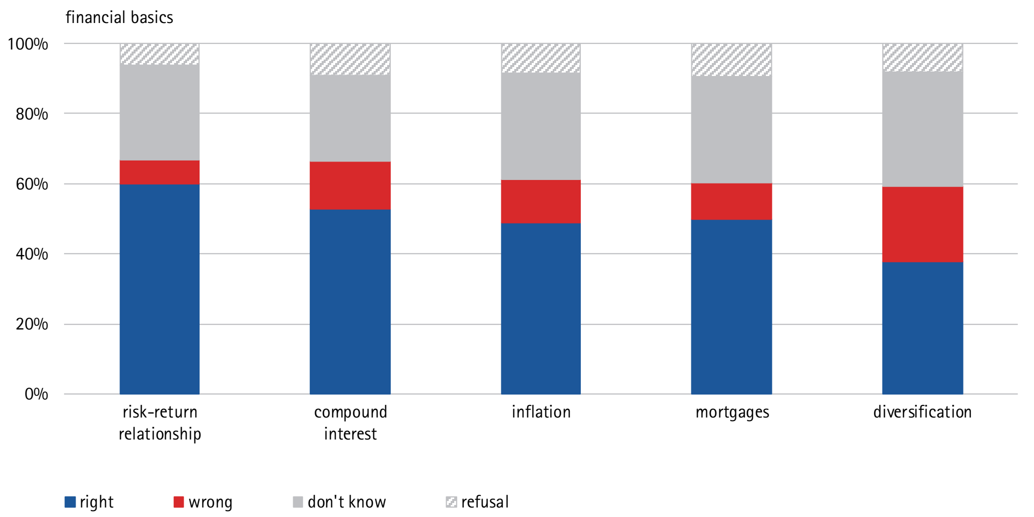
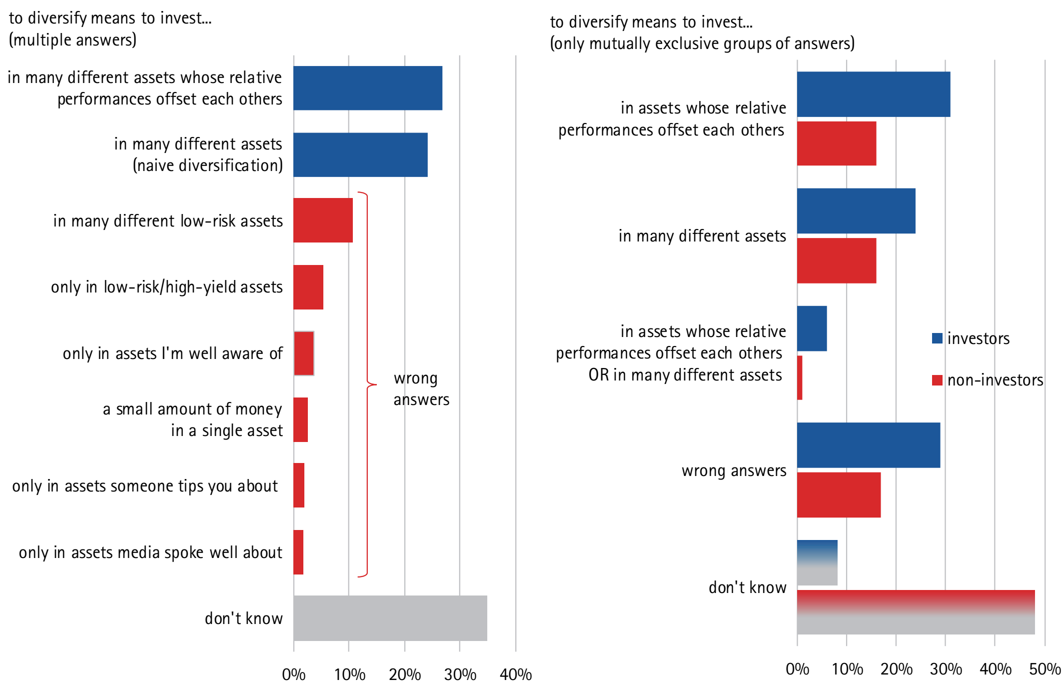



Figure reports responses to questions on the following notions: risk/return relationship (Q1); compound interest (Q2); inflation (Q3); mortgage characteristics (Q4); portfolio diversification (Q5). For details see Methodological Notes.

Delving deeper into knowledge of portfolio diversification shows that, beyond those correctly identifying the notion, one fourth of the sample mistakenly refers to naïve diversification while more than half of respondents answers 'don't' know' or selects options that are totally wrong.

**Fig. 4.2 – Understanding of portfolio diversification (financial competence)**



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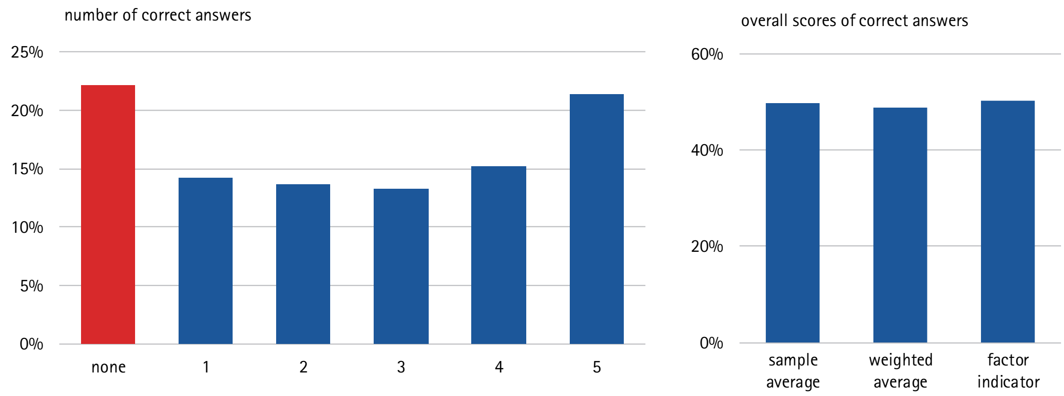
The sample average of correct answers is 49%, with 21% of respondents correctly answering all questions and 22% always failing.

**Fig. 4.3 – Scores of actual financial knowledge**




For details about the overall scores see Methodological Notes.

Over the last two years, financial basic knowledge has slightly risen, as signalled by the scores computed with respect to different sub-samples of interviewees.

**Fig. 4.4 – Basic financial knowledge over time**

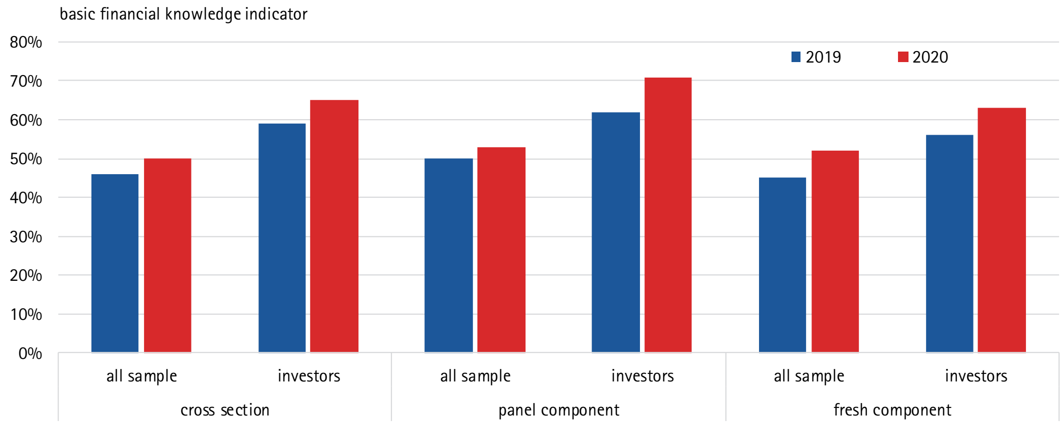
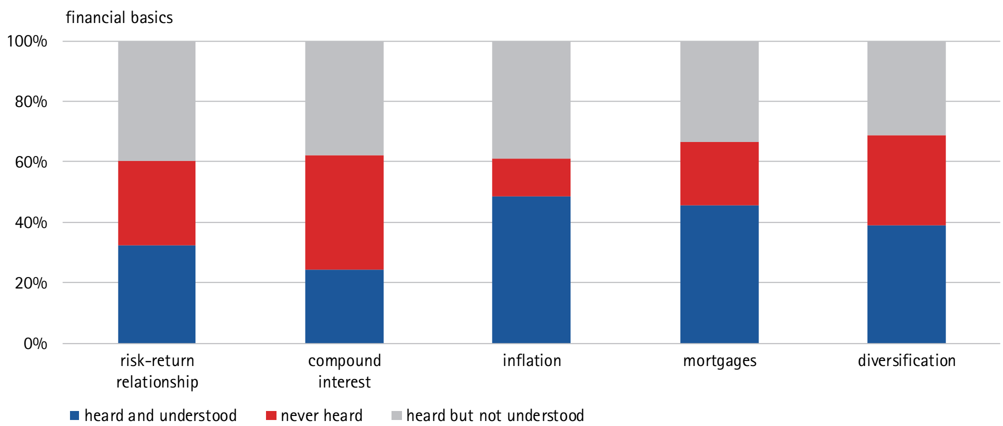



Figure refers to the sample as a whole (2019 and 2020 cross-sections), to the 2019 and to the 2020 panel component and to the fresh component of both 2019 and 2020 waves. The basic financial knowledge indicator measures the sample percentage of the correct answers. For details about the basic financial score see Methodological Notes.

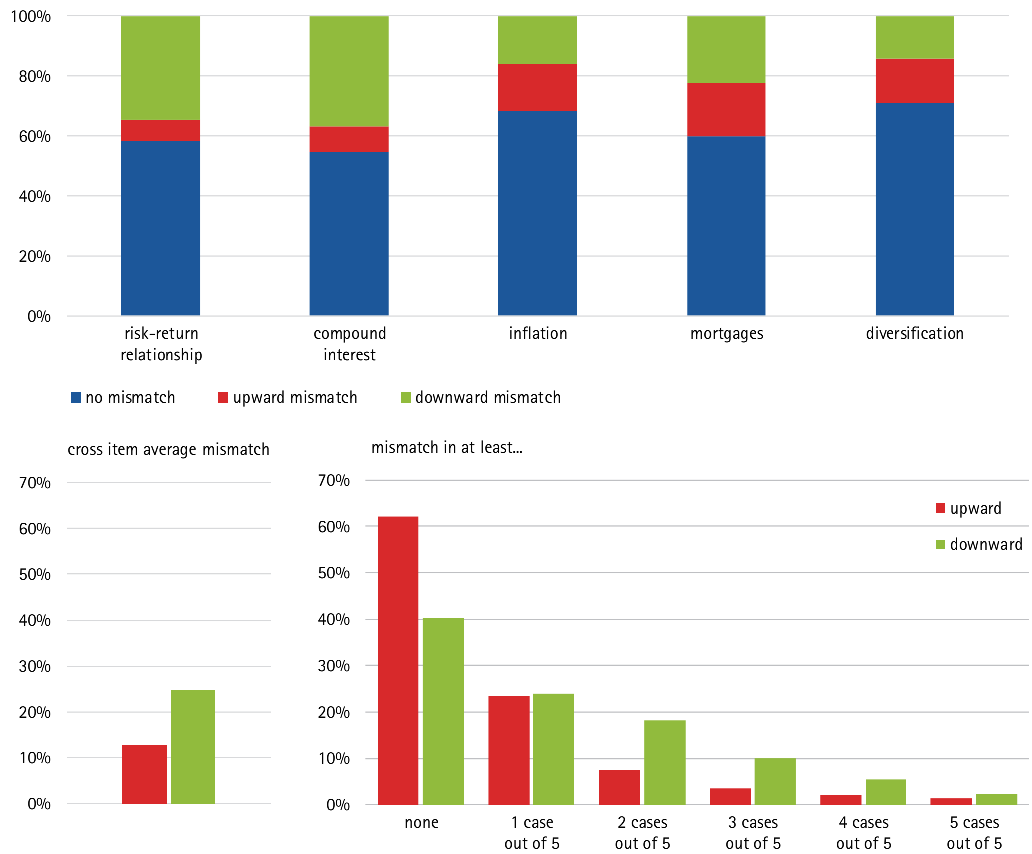
Perceived financial knowledge (as self-assessed before the quiz) hits the highest frequency with respect to inflation and its lowest value with respect to compound interest.

**Fig. 4.5 – Ex-ante self-assessment of financial knowledge (perceived financial knowledge)**



The comparison between perceived and actual financial knowledge shows that participants seem to be less frequently prone to an upward mismatch (led by an ex-ante optimistic self-assessment) and more frequently inclined to a downward mismatch (led by an ex-ante pessimistic self-assessment).

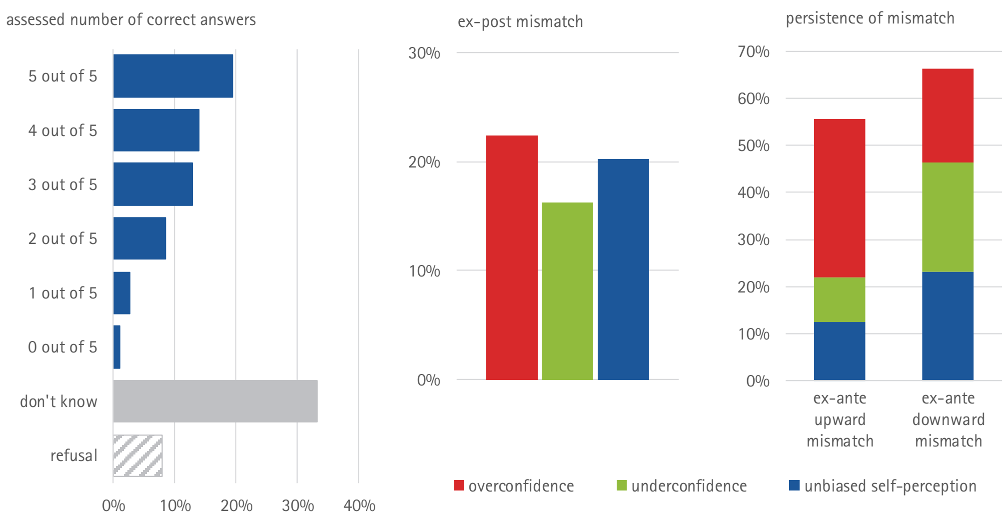
**Fig. 4.6 – Mismatch between perceived and actual financial knowledge**




Mismatch refers to inconsistencies between perceived and actual financial knowledge of the items reported in Fig. 4.1. '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).

When comparing the perceived number of right answers to the quiz with the actual score (ex-post self-assessment), individuals turn to be prone to an over-valuation of their financial literacy in more than 20% of cases, while in about 40% of cases respondents are not able to assess how they fared in the test. Interestingly, the propensity to overcome the ex-ante mismatch is low, as half of the respondents turn their mis-alignment (either upward or downward) into overconfidence.

**Fig. 4.7 – 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. 4.1. As for the underconfidence/overconfidence indicator and the downward/upward mismatch indicator see Methodological Notes.

In order to proxy the proportion of individuals who answered correctly the financial knowledge test without guessing, the distribution of correct answers was computed by excluding the share of interviewees who weren't able to assess their performance in the test. The average proportion of correct answers declines from 50% to 37%, while...

**Fig. 4.8 – Actual financial knowledge net of 'don't know' answers in the ex-post self-assessment**

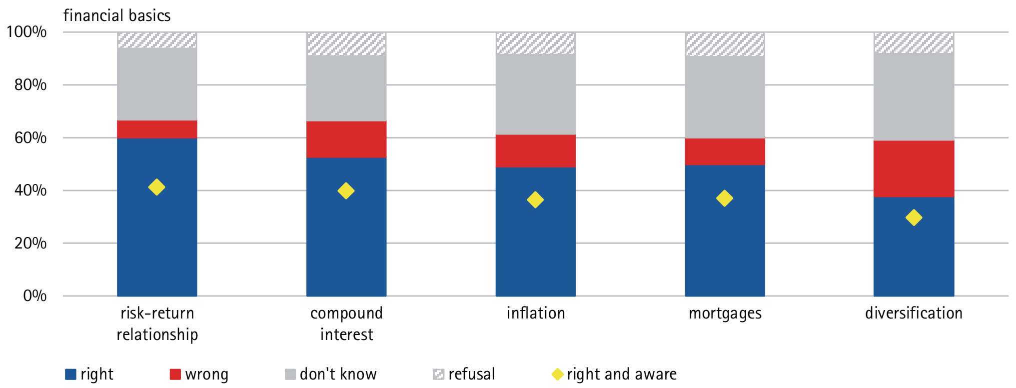



Figure reports responses to questions on the following notions: risk/return relationship (Q1); compound interest (Q2); inflation (Q3); mortgage characteristics (Q4); portfolio diversification (Q5). Yellow diamonds refer to the percentage of correct answers net of the percentage of 'don't know' answers and 'refusals' in the ex-post assessment shown in Fig. 4.7. For details see Methodological Notes.

... the increase in the basic financial knowledge over time keeps holding.

**Fig. 4.9 – Basic financial knowledge over time net of 'don't know' answers in the ex-post self-assessment**

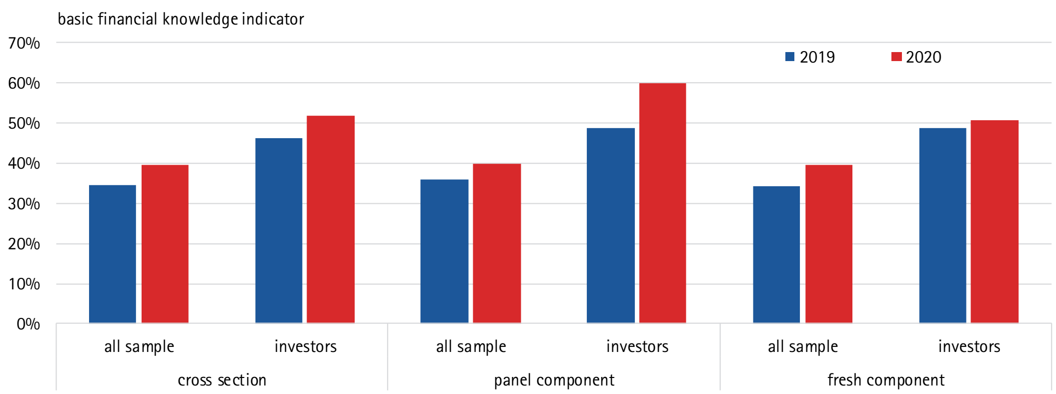
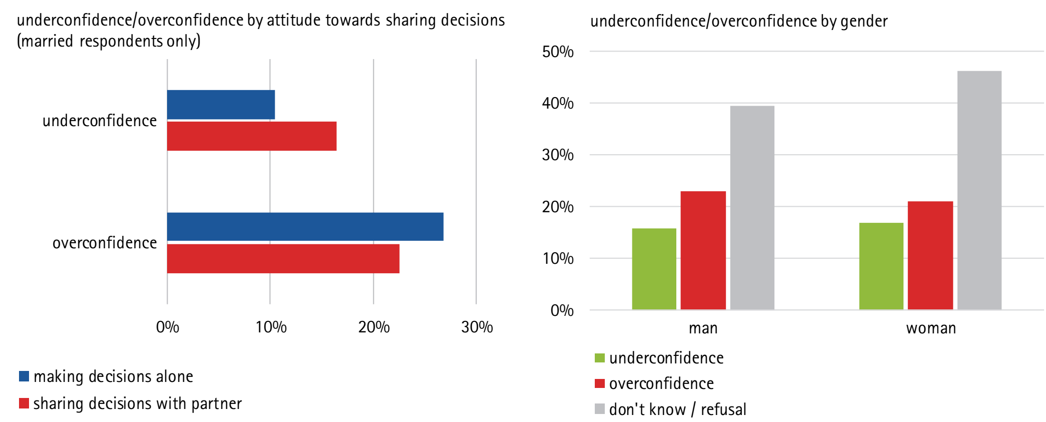



Figure refers to percentage of correct answers net of the percentage of 'don't know' answers and 'refusals' in the ex-post assessment shown in Fig. 4.4. For details see Methodological Notes.

The propensity to be overconfident appears to be more frequent among interviewees reporting to make their economic decisions alone.

**Fig. 4.10 – Ex-post self-assessment of financial knowledge by shared financial decision-making and gender**

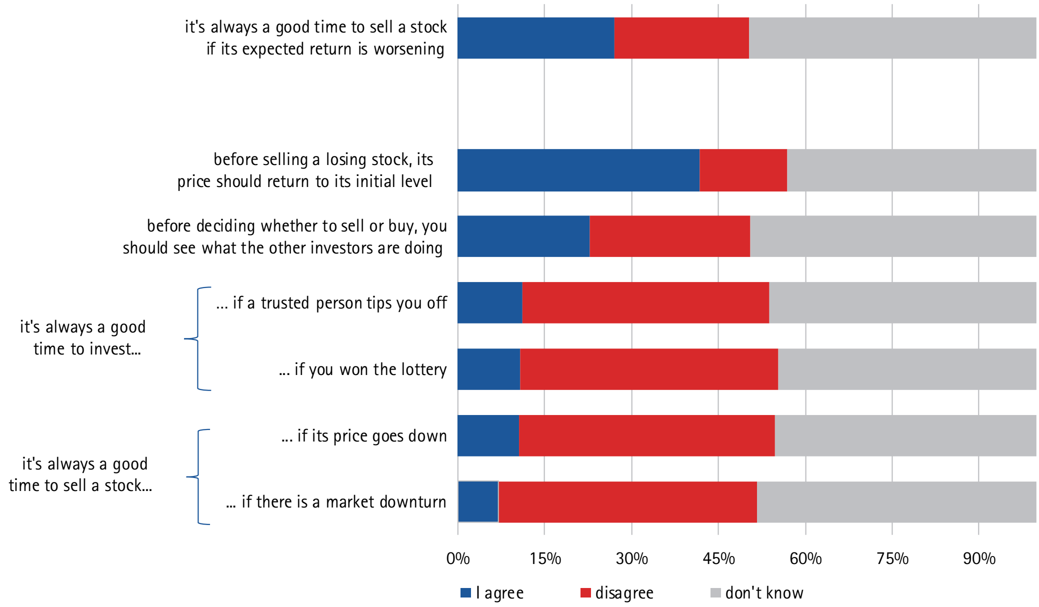



Figures refer to respondents' assessment of the number of correct answers given to financial knowledge questions shown in Fig. 4.1. As for the underconfidence/overconfidence indicator see Methodological Notes.

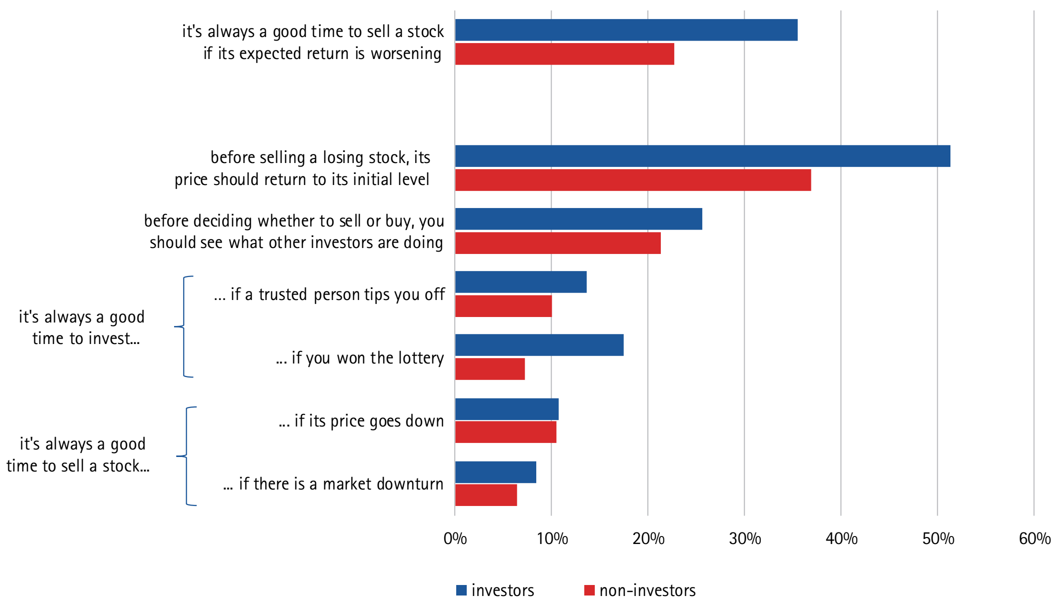
When coming to investment decisions that may be prompted by movements in stock market price, the proportion of 'don't know' answers ranges from 52% to 42%. Notably, 43% of the sample stick to the initial purchase price, while about 22% seems to be inclined to a herding effect.

**Fig. 4.11 – Trading in the stock market: biases and misconceptions (financial competence)**

agreement on the following (all sample)




comparison across investors and non-investors sub-samples (agreement answers only)



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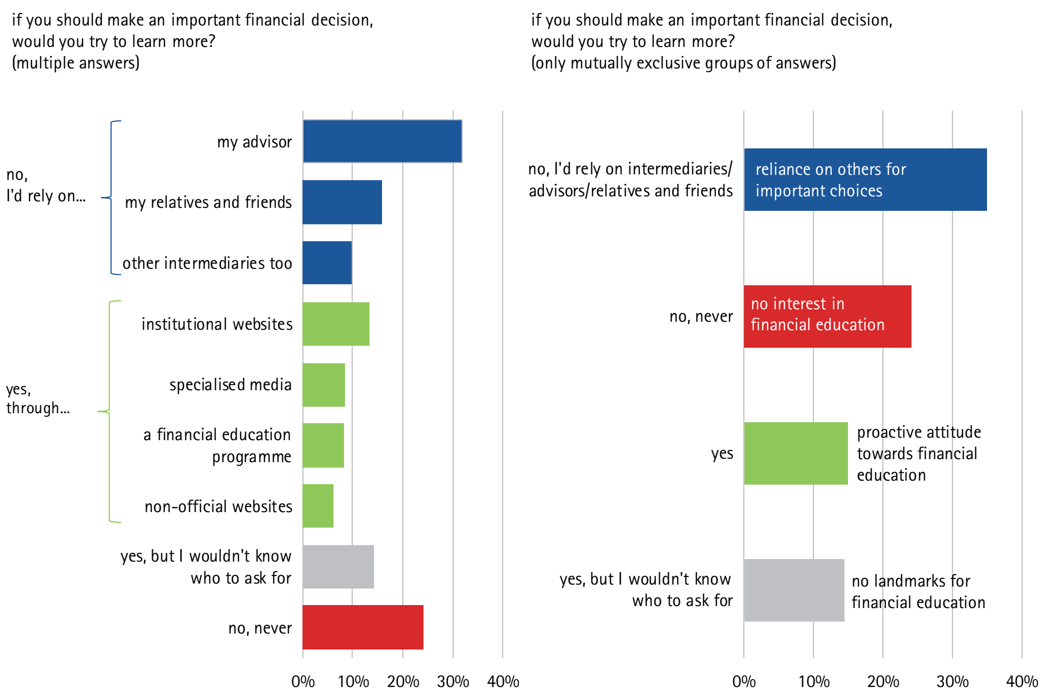
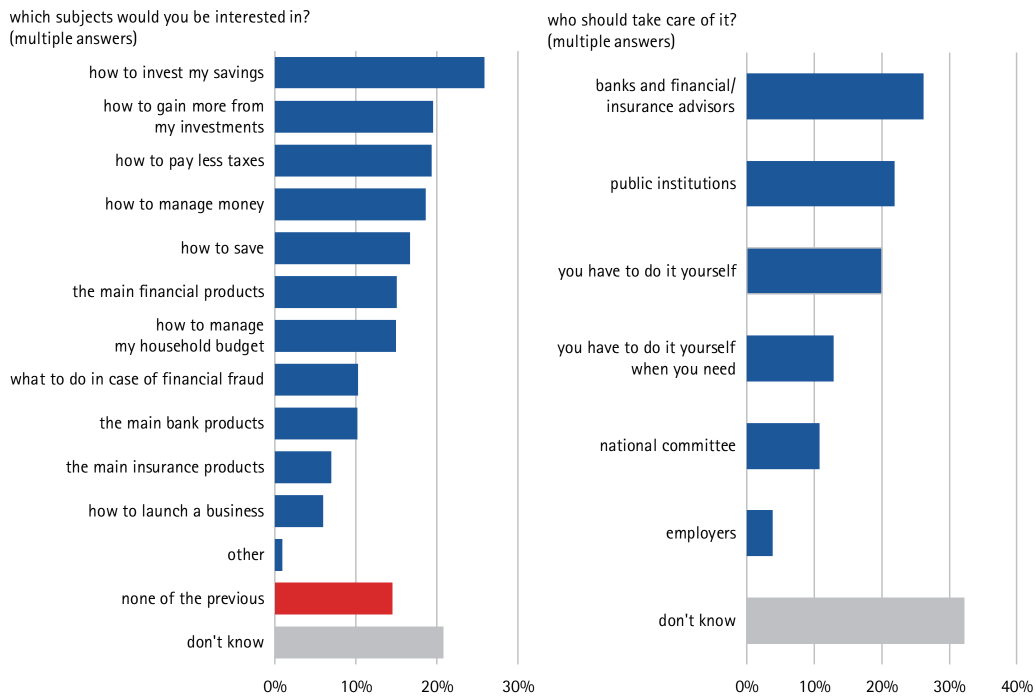
When making an important financial decision, about 60% of respondents declare to be willing to try to learn more, although some of them would also rely on advisors and trustworthy people and 15% of the sample is not able to identify a point of reference.

**Fig. 4.12 – Financial education: attitude**



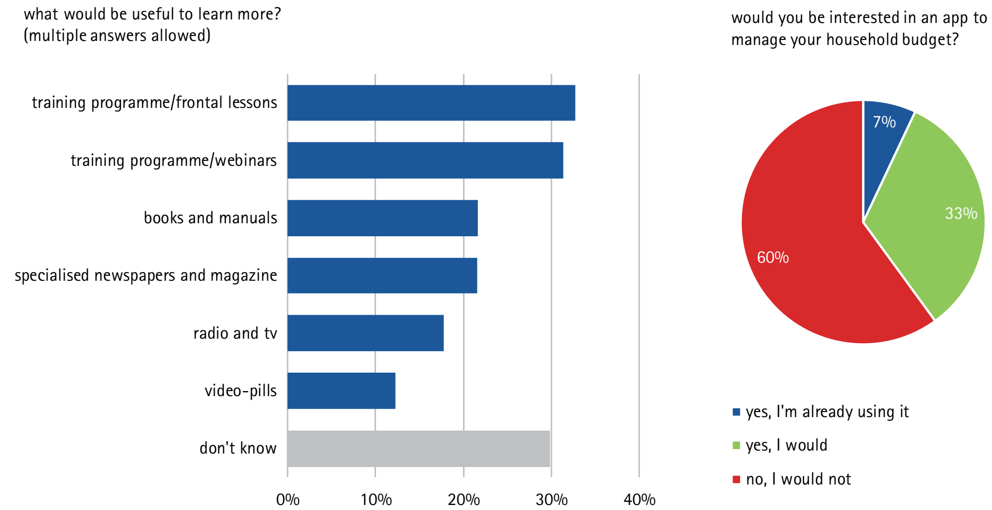

The subject that arouses most interest is investment (how to do it and how to gain more from it). Slightly more than 20% of the sample doesn't know what to answer while 15% is not interested at all. Intermediaries and financial advisors are most frequently identified as potential promoters of educational initiatives, followed by public institutions.

**Fig. 4.13 – Financial education: preferred subjects and promoters**



With regard to favourite financial education tools, most of interviewees prefer face-to-face and online lessons, followed by books/manuals and newspapers. However, about 30% of the sample doesn't answer. In addition, beyond those already using it, only 33% of respondents show a potential interest in an app to manage the household budget.

**Fig. 4.14 – Financial education: preferred tools**




Figures refer to the sub-sample of respondents interested in learning more.

Financial knowledge and competence are higher among man, respondents with higher formal education and wealthier individuals.
In addition, financial knowledge results to be negatively correlated with loss aversion and attitude towards procrastination and financial anxiety.

**Fig. 4.15 – Correlations among financial knowledge, competence and selected background factors**
(blue stands for positive correlations and light blue stands for negative correlations)

| | FINANCIAL KNOWLEDGE | OVERCONFIDENCE | COMPETENCE (diversification and trading in the stock market) |
|---|---|---|---|
| SOCIO-DEMOGRAPHICS | man*, age*, education, North, Centre, financial wealth, income, employee**, single*, home ownership | South&islands, financial wealth**, relatives in financial sector, married* | man**, age, education, North**, Centre, financial wealth, income, employee, home ownership |
| | South&islands, out-of-labour, single-income, sons | North*, Centre*, single-income* | South&islands, out-of-labour, single-income |
| PERSONAL TRAITS | small & s/t losses tolerance, self-efficacy, financial satisfaction, financial trust | procrastination, financial anxiety** | small & s/t losses tolerance, self-efficacy, financial satisfaction, financial trust** |
| | loss aversion, procrastination, anxiety | risk aversion | loss aversion, risk aversion, procrastination, anxiety |
| FINANCIAL KNOWLEDGE | small & s/t losses tolerance, self-efficacy, competence, proactive fin. education, fin. education app, reliance on others for important choices | upward mismatch, proactive fin. education | financial knowledge, proactive fin. education, fin. education app, reliance on others for important choices |
| | overconfidence, upward mismatch, no landmarks for fin. education**, no interest in fin. education | financial knowledge, competence, no landmarks for fin. education* | overconfidence, upward mismatch**, no landmarks for fin. education, no interest in fin. education |

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). For details see Methodological Notes.

A proactive attitude towards learning more about financial matters, also through apps for mobile devices useful to manage household budget, is generally more widespread among younger respondents, individuals with higher formal education, wealthy people as well as among those satisfied with their financial situation. Interestingly, the propensity towards financial education seems to be lower among risk averse and loss averse interviewees.

**Fig. 4.16 – Correlations among attitude towards financial education and selected background factors**

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

| | PROACTIVE FIN. EDUCATION | FIN. EDUCATION APPs FOR MOBILE DEVICES |
|---|---|---|
| SOCIO-DEMOGRAPHICS | education**, financial wealth, income, employee, relatives in financial sector | education, North**, Centre*, financial wealth, income, employee, relatives in financial sector**, single |
| | age*, out-of-labour*, retired**, widowed/divorced, single-income | age, South&islands, out-of-labour*, retired, widowed/divorced, single-income**, sons* |
| PERSONAL TRAITS | small** & s/t* losses tolerance, self-efficacy**, financial satisfaction | small & s/t losses tolerance, procrastination*, financial trust |
| | loss aversion, risk aversion | loss aversion, risk aversion, anxiety** |
| FINANCIAL KNOWLEDGE | financial knowledge, overconfidence, upward mismatch**, competence, fin. education app | financial knowledge, overconfidence, competence, proactive fin. education, reliance on others for important choices* |
| | reliance on others for important choices, no landmarks for fin. education, no interest in fin. education | upward mismatch*, no interest in fin. education |

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). For details see Methodological Notes.

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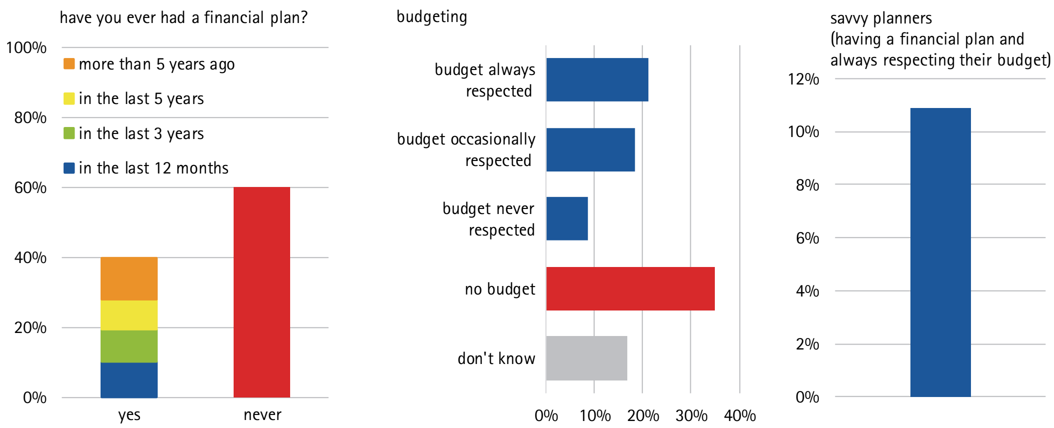
# Financial control and saving

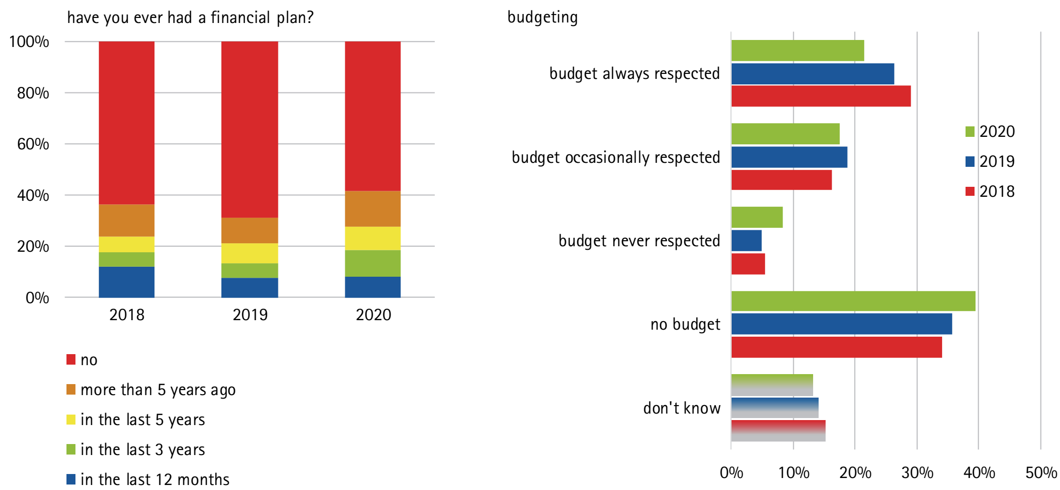
While 60% of interviewees has never had a financial plan, slightly more than 40% state to have and respect a budget, either always or occasionally. Only about 10% of the sample declare to have both a financial plan and a budget always respected.

**Fig. 5.1 – Experience in financial planning and budgeting**




It is interesting to check whether the behaviour of households has changed over time. The panel data, referring to the sub-sample of the households surveyed in the 2018-2020 waves, highlight a slight increase both in the proportion of individuals having a plan and in the percentage of respondents that do not have a budget or that never respect it.

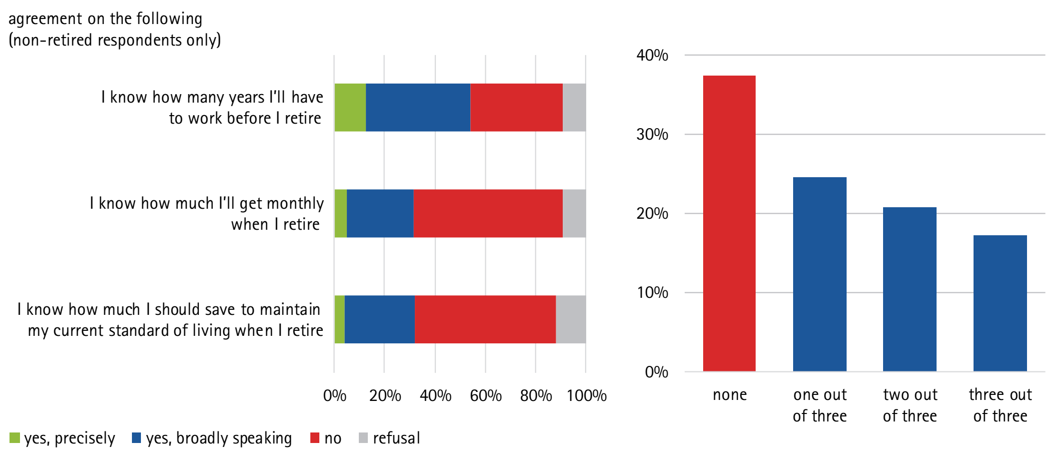
**Fig. 5.2 – Financial planning and budgeting over time**
(panel component)




Figures refer to the sub-sample of respondents covered in 2018 - 2020 waves of the survey (panel component composed of 1,105 individuals).

Attitude towards planning seems to be even lower when referred to retirement, as less than 20% of respondents assert to know (precisely or broadly speaking) how many years they have to work before retiring, how much they are going to get monthly and how much they should save to maintain the current standard of living.

**Fig. 5.3 – Awareness about retirement**



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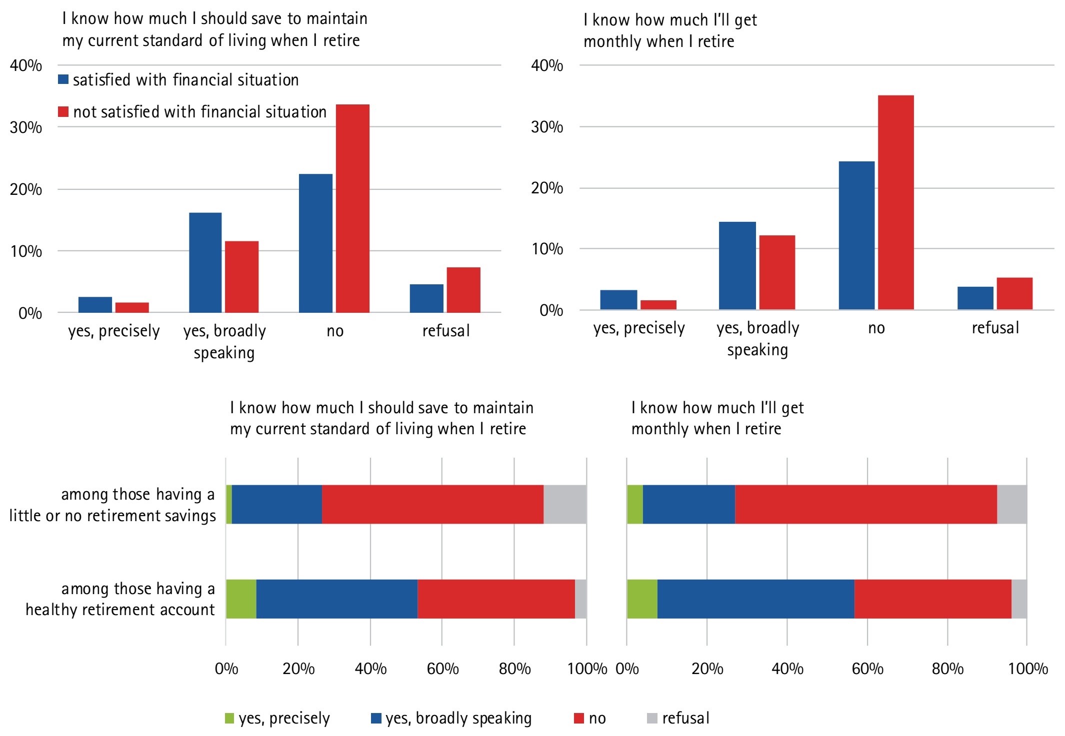
Lack of a clear vision of retirement is more frequent among those who are not satisfied with their financial situation and among those who are not saving enough for retirement.

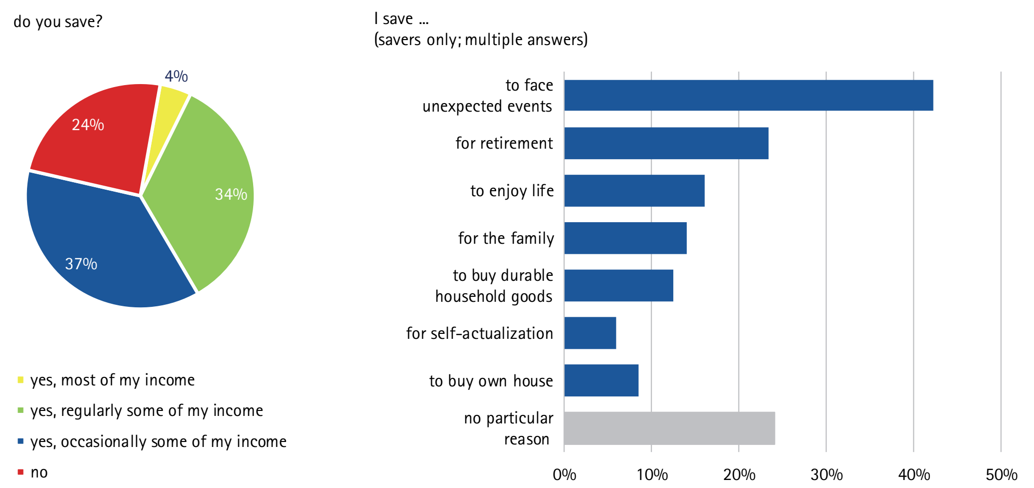
## Fig. 5.4 – Vision and saving for retirement and financial satisfaction




'Satisfied with financial situation' includes respondents somewhat or very satisfied with their financial situation. 'Not satisfied with financial situation' includes respondents few or not at all satisfied with their financial situation (Fig. 3.7).

More than 60% of respondents state to save (either regularly or occasionally), mainly to face unexpected events, although...

## Fig. 5.5 – Saving habits




For details about the saving goals reported in the figure on the right-hand side see Methodological Notes.

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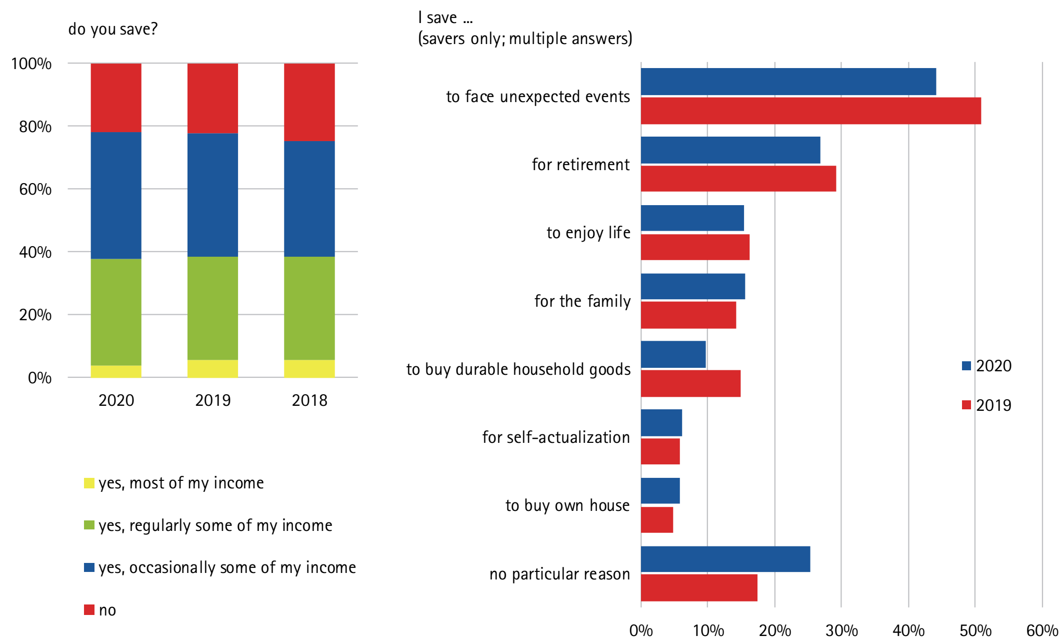
... among the sub-sample of the households in the panel component, saving for no particular reason recorded an upsurge of 8 percentage points.

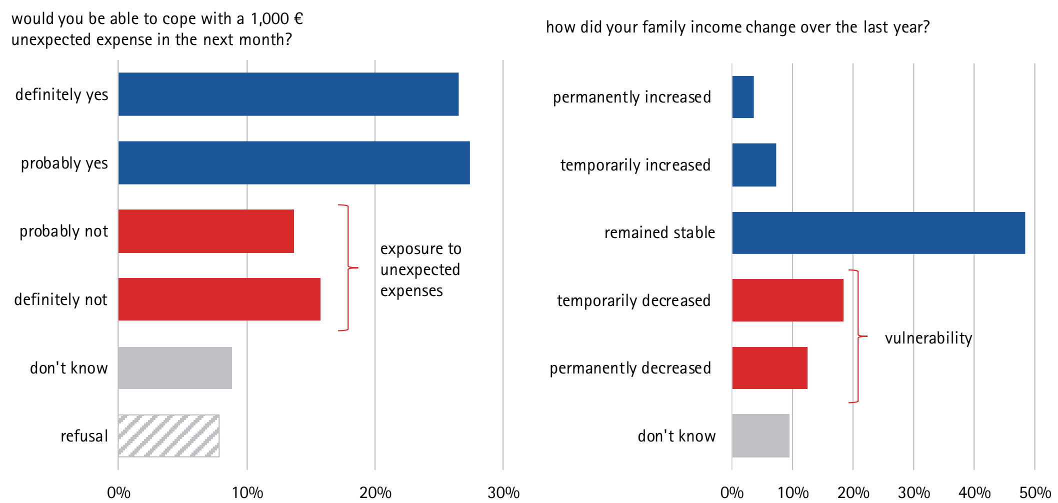
## Fig. 5.6 – Saving habits over time




Figures refer to the sub-sample of respondents covered both in 2019 and 2020 waves of the survey (panel component composed of 2,207 individuals).

About 30% of respondents declare they might not be able to cope with an expected expense of 1,000 euros, while 31% of the people recorded a decrease in their income (either temporary or permanent).

## Fig. 5.7 – Resilience and financial vulnerability



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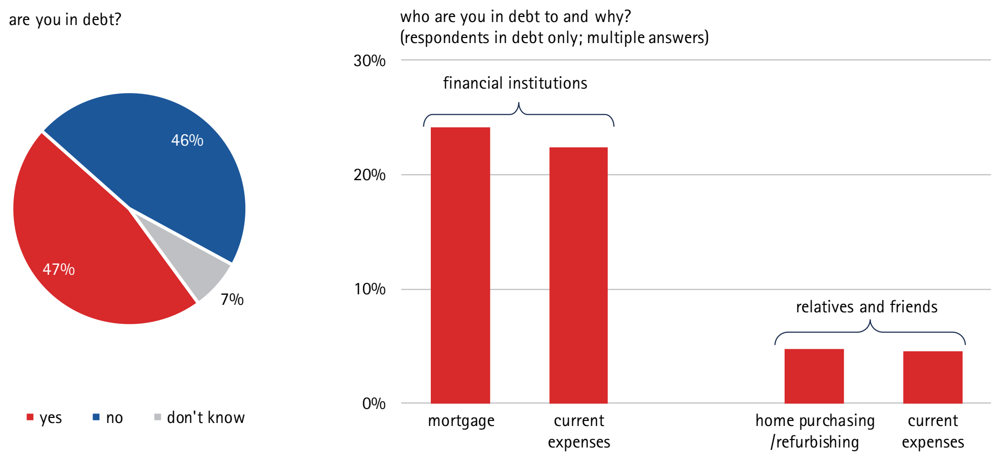
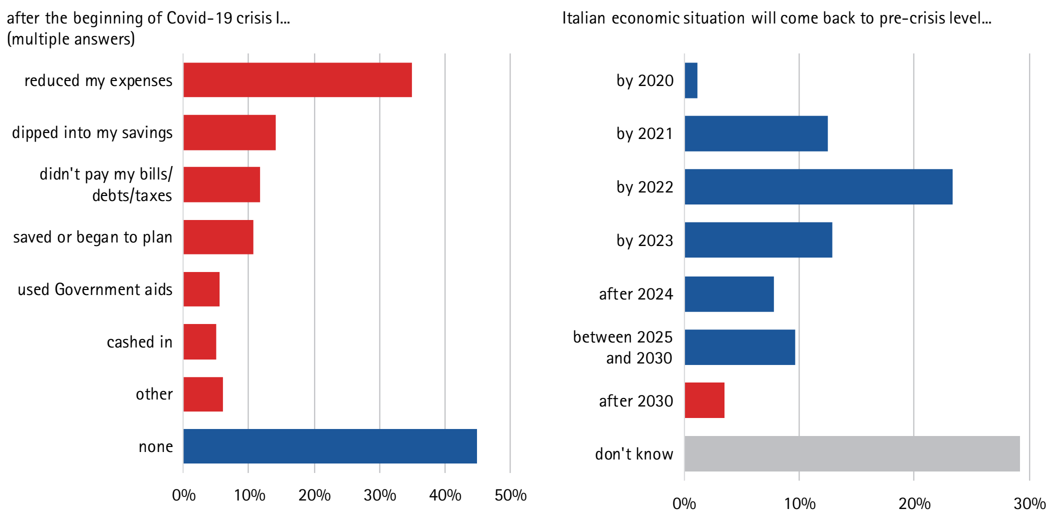
Borrowing, mainly from financial institutions, is reported by 47% of respondents to cover mortgages (24% of cases) and current expenses (22%).

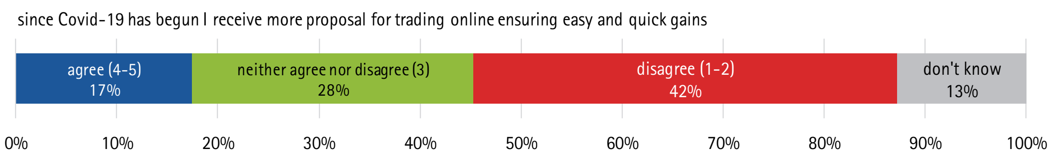
**Fig. 5.8 – Household indebtedness**




As for the effects of Covid-19 pandemic, 35% of respondents declare to have reduced their expenses, more that 10% to have dipped into their savings whilst 45% of them haven't changed their behaviours since the beginning of the crisis. Since pandemic has begun, 17% of interviewees received more proposal for trading online ensuring easy and quick gains. There is widespread pessimism about the economic recovery, that in most cases is expected after 2022.

**Fig. 5.9 – Post Covid-19 behaviours and expectations**




As for the figure on the left-hand side, 'cashed in' includes 'divested to have more cash', 'took a loan' and 'sold family properties'; 'other' includes 'took out insurance', 'divested for fear' and 'used digital financial services'.

**Best practices in financial control are more widespread among individuals with higher formal education and wealth, whilst they are less common among out-of-labour respondents. Among personal traits, attitude towards financial control is negatively associated with risk aversion and loss aversion, while, on the contrary, results to be higher among individuals declaring to be financially effective and satisfied and trusting the financial system.**

**Fig. 5.10 – Correlations among financial control and selected background factors**
(blue stands for positive correlations and light blue stands for negative correlations)

| | | FINANCIAL PLANNING | BUDGET ALWAYS RESPECTED | AWARENESS ABOUT RETIREMENT | SAVING |
|---|---|---|---|---|---|
| SOCIO-DEMOGRAPHICS | positive (blue) | man*, education, North**, financial wealth, income, employee, relatives in financial sector, married**, home ownership | age, financial wealth, home ownership*, single-income* | man, shared decisions*, sharing decisions with partner, man sharing decisions, age, education, North, financial wealth, income, employee, relatives in financial sector, married**, home ownership | shared decisions*, education, North, financial wealth, income, employee**, relatives in financial sector, home ownership |
| SOCIO-DEMOGRAPHICS | negative (light blue) | age, South&islands, out-of-labour, retired**, widowed/divorced, single-income | relatives in financial sector**, sons* | South&islands, self-employment**, out-of-labour, single, single-income | age**, South&islands, out-of-labour, single-income, sons** |
| PERSONAL TRAITS | positive (blue) | small* and s/t losses tolerance, self-efficacy, financial satisfaction, financial trust | risk aversion**, self-efficacy, financial satisfaction, financial trust** | small** & s/t losses tolerance, self-efficacy, financial satisfaction, financial trust | small & s/t losses tolerance self-efficacy, financial satisfaction, financial trust |
| PERSONAL TRAITS | negative (light blue) | risk aversion, loss aversion, anxiety | procrastination, anxiety | loss aversion, risk aversion, procrastination, anxiety | loss aversion, risk aversion, procrastination, anxiety |
| FINANCIAL KNOWLEDGE | positive (blue) | financial knowledge, overconfidence, upward mismatch, competence, proactive fin. education, fin. education app, reliance on others for important choices | financial knowledge, competence, proactive fin. education, fin. education app* | financial knowledge, overconfidence, competence, proactive fin. education, fin. education app, reliance on others for important choices | financial knowledge, overconfidence*, competence, proactive fin. education, fin. education app, reliance on others for important choices |
| FINANCIAL KNOWLEDGE | negative (light blue) | no landmarks for fin. education, no interest in fin. education | no interest in fin. education | no landmarks for fin. education, no interest in fin. education | no landmarks for fin. education, no interest in fin. education |
| FINANCIAL CONTROL | positive (blue) | budget always respected, awareness about retirement, saving, in debt | having financial plan, awareness about retirement, saving | having financial plan, budget always respected, saving, in debt | having financial plan, budget always respected, awareness about retirement |
| FINANCIAL CONTROL | negative (light blue) | vulnerability**, uncertainty on post-Covid recovery | exposure to unexpected expenses, uncertainty on post-Covid recovery | vulnerability, exposure to unexpected expenses, uncertainty on post-Covid recovery | vulnerability, exposure to unexpected expenses, in debt, uncertainty on post-Covid recovery |

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). For details see Methodological Notes.

On the opposite, vulnerability and exposure to unexpected expenses are higher among out-of-labour and single-income decision makers, loss averse and risk averse people as well as among respondents with lower propensity towards financial control.

**Fig. 5.11 – Correlations among vulnerability, exposure to unexpected expenses, indebtedness and selected background factors**

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

| | VULNERABILITY | EXPOSURE TO UNEXPECTED EXPENSES | IN DEBT |
|---|---|---|---|
| SOCIO-DEMOGRAPHICS | age*, self-employment, out-of-labour**, widowed/divorced*, single-income | South&islands**, out-of-labour*, relatives in financial sector, single*, single-income | man, shared decisions, partner, man sharing decisions, North, income, employee, relatives in financial sector, married, sons |
| | man, South&islands*, financial wealth, income, retired**, employee**, relatives in financial sector, married** | age, education, North**, financial wealth, income, retired, home ownership | age, South&islands, out-of-labour, retired, single*, widowed/divorced, single-income |
| PERSONAL TRAITS | loss aversion, risk aversion, anxiety | loss aversion, procrastination, anxiety | s/t losses tolerance**, anxiety, financial trust |
| | small* & s/t losses tolerance, self-efficacy, financial satisfaction, financial trust | s/t losses tolerance, self-efficacy, financial satisfaction, financial trust | loss aversion**, risk aversion, self-efficacy, financial satisfaction |
| FINANCIAL KNOWLEDGE | financial knowledge, no landmarks for fin. education** | overconfidence, no landmarks for fin. education | financial knowledge, overconfidence, competence**, proactive fin. education, fin. education app, reliance on others for important choices |
| | overconfidence**, no interest in fin. education* | financial knowledge, competence, reliance on others for important choices | no interest in fin. education |
| FINANCIAL CONTROL | exposure to unexpected expenses, in debt** | vulnerability, in debt | having financial plan, awareness about retirement, vulnerability**, exposure to unexpected expenses |
| | having financial plan**, awareness about retirement, saving, uncertainty on post-Covid recovery* | budget always respected, awareness about retirement, saving | saving, uncertainty on post-Covid recovery |

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). For details see Methodological Notes.

2020
Survey

1. Macro environment
2. Trends in household wealth and savings
3. Socio-demographics and personal traits
4. Financial knowledge
5. Financial control and saving
6. Investment choices and investment habits
7. Focus: ESG investing
8. Focus: the financial digitalisation

# Investment choices and investment habits

Among investors (around 34% of financial decision makers), 2020 survey data show that, after bank and postal savings, the most frequently held products are mutual funds and Italian government bonds.

**Fig. 6.1 – Financial market participation and financial asset holdings**

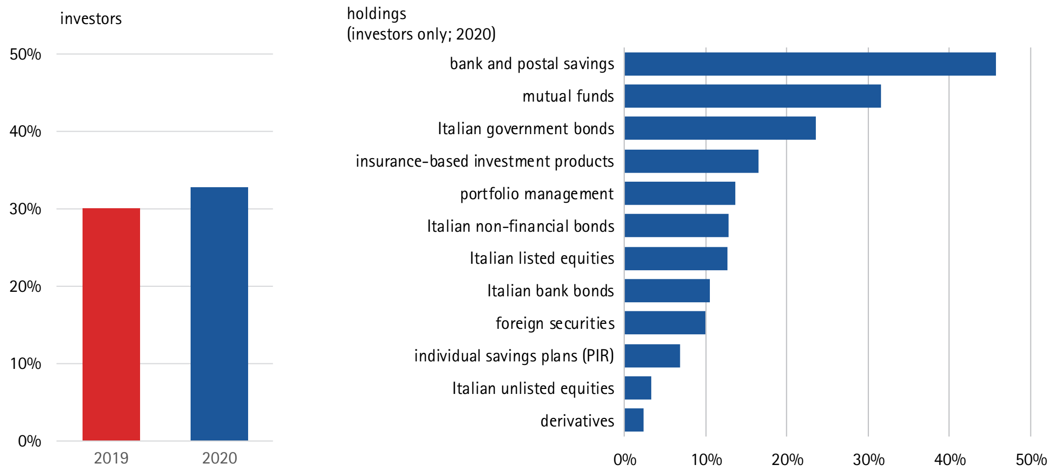
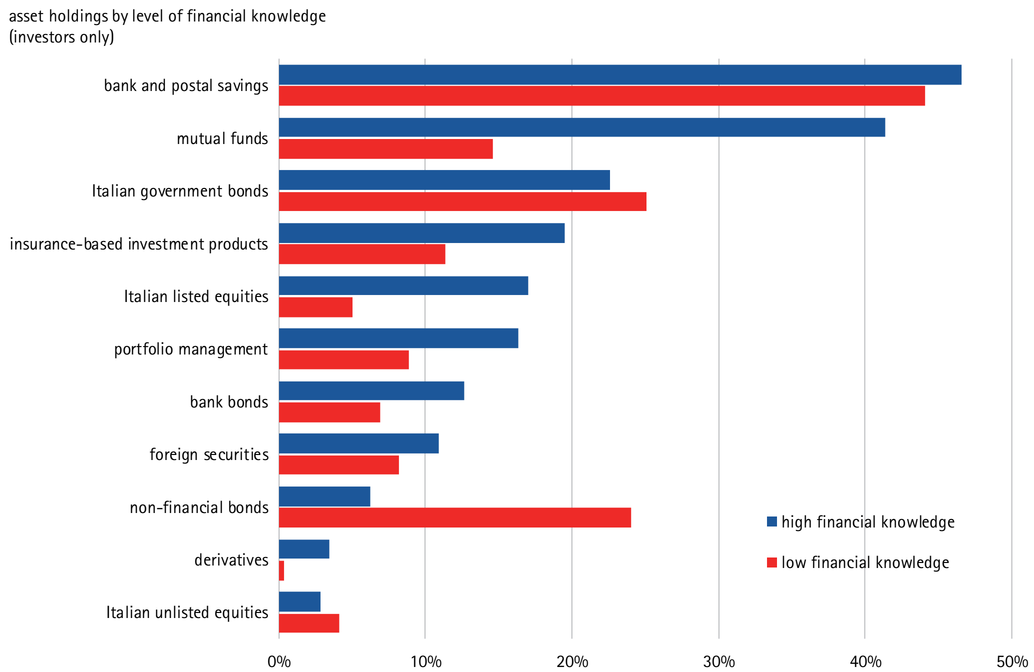



Figure on the left-hand side refers to the subsample of '2020 investors' who do not hold crypto-assets. Figure on the right-hand side refers to the following definitions: 'Bank and postal savings' includes bank deposit certificates and postal saving certificates; 'mutual funds' includes also ETF; 'insurance-based investment products' includes unit-linked and index-linked policies; 'foreign securities' includes foreign sovereign bonds, corporate bonds, bank bonds and equities; 'derivatives' includes binary options and certificates. For details see Methodological Notes.

Holdings of mutual funds, insurance-based investment products and Italian listed equities are more frequent among investors exhibiting high levels of financial knowledge.

**Fig. 6.2 – Asset holdings by financial knowledge**




Financial knowledge is high (low) if the factor indicator of financial literacy is higher (lower) than its sample median (for details on the definition of the factor indicator of financial literacy see Methodological Notes).

Over the last two years, the main deterrent from financial investment has remained the lack of savings, although factors such as lack of trust, of information and of support to decision-making have been increasingly mentioned. In addition, the proportion of non-investors who are not able to answer has risen as well.

**Fig. 6.3 – Deterrents from financial investment**

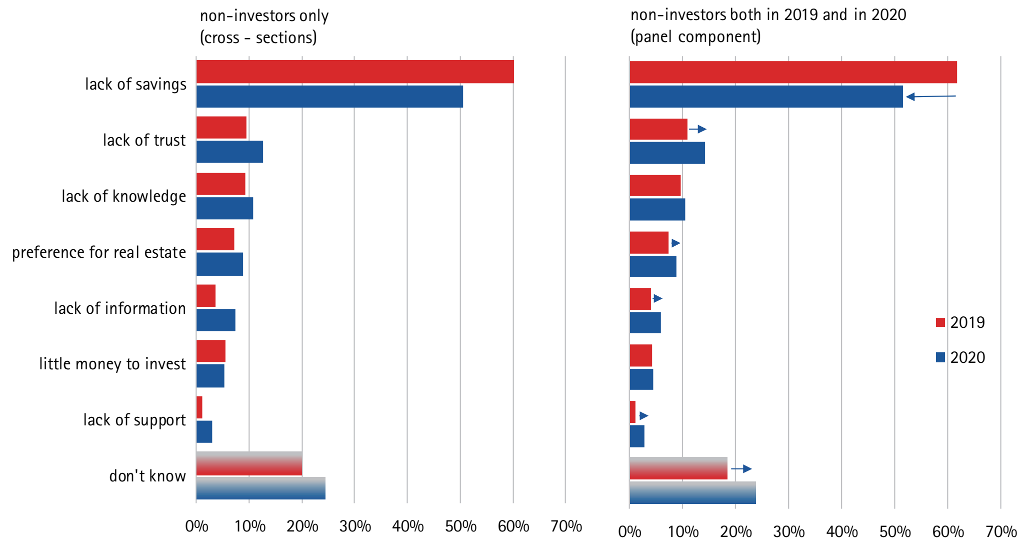



Figure on the left-hand side refers to the population of financial decision makers. Figure on the right-hand side refers to the sub-sample of non-investors covered both in 2019 and 2020 waves of the survey (panel component composed of 1,042 individuals). Arrows indicate year-on-year changes that are statistically significant at least at 10% level on the basis of the difference between means test.

The analysis of the 2019-2020 panel component shows that 13% of financial decision makers can be classified as 'new investors' entering the markets in 2020. About 40% of them are highly financially literate, while 35% declare to be digitally literate. Around 39% are tolerant to short-term losses and 31% is risk-averse.

**Fig. 6.4 – Characteristics of 'new investors' in 2020**

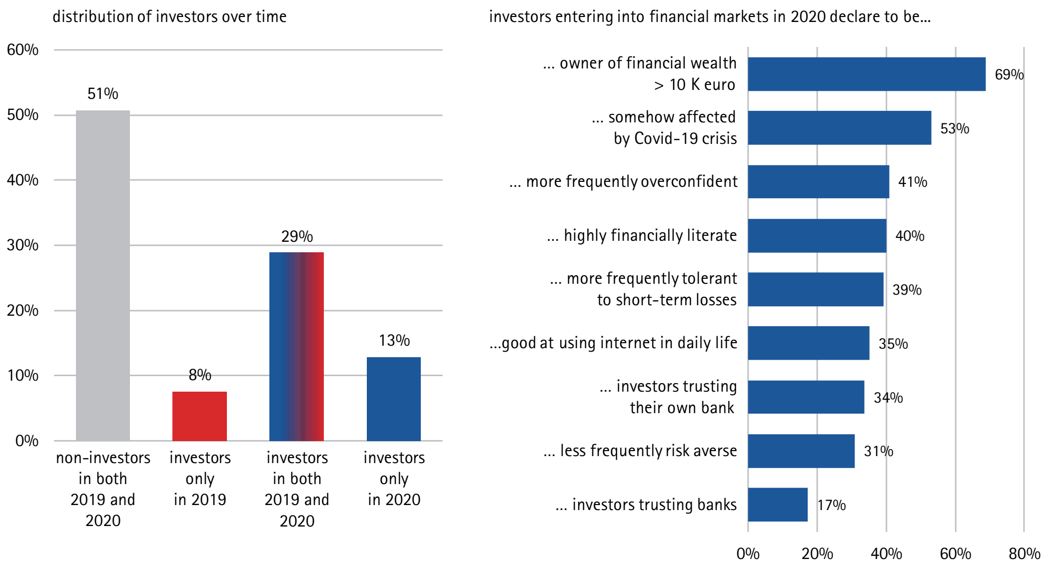



Figure on the left-hand side refers to the 2019-2020 panel component composed of 2,207 individuals. Figure on the right-hand side refers to the subsample of the 2019-2020 panel component composed of the new investors, that is financial decision makers participating in financial market only in 2020. New investors are defined as: 'somehow affected by Covid-19 crisis' if reporting so (Fig. 5.9); 'overconfident' on the basis of the value of the mismatch indicator (Fig. 4.7); 'highly financially literate' if the financial literacy factor indicator is higher than its sample median (Fig. 4.3; for details on the definition of the factor indicator of financial literacy see Methodological Notes); 'tolerant to short-term losses' if reporting so (Fig. 3.3); 'investors trusting their own bank' if reporting so (Fig. 3.9); 'risk averse' if they prefer low return and low risk (Fig. 3.3); 'investors trusting banks' if reporting so (Fig. 3.9); 'good at using internet in daily life' if they report so (Fig.8.1).

In 2020, both the proportion of investors accessing financial information and the proportion of investors using multiple information sources before taking financial decisions rose with respect to the previous year.

**Fig. 6.5 – Diversification of information sources**

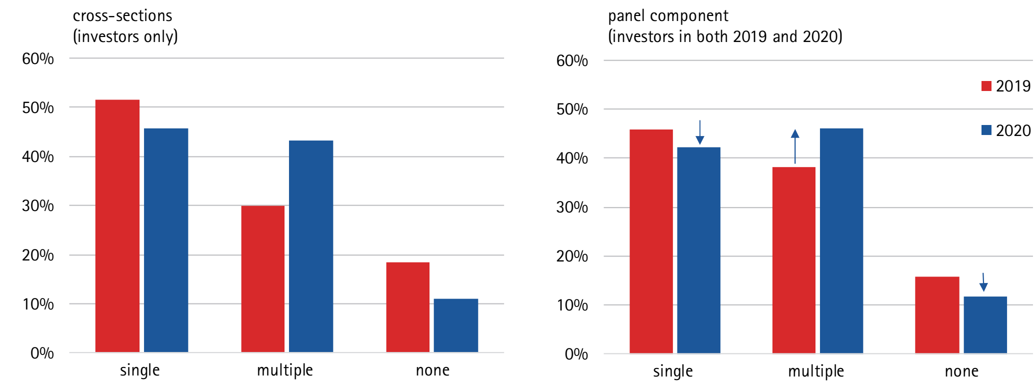
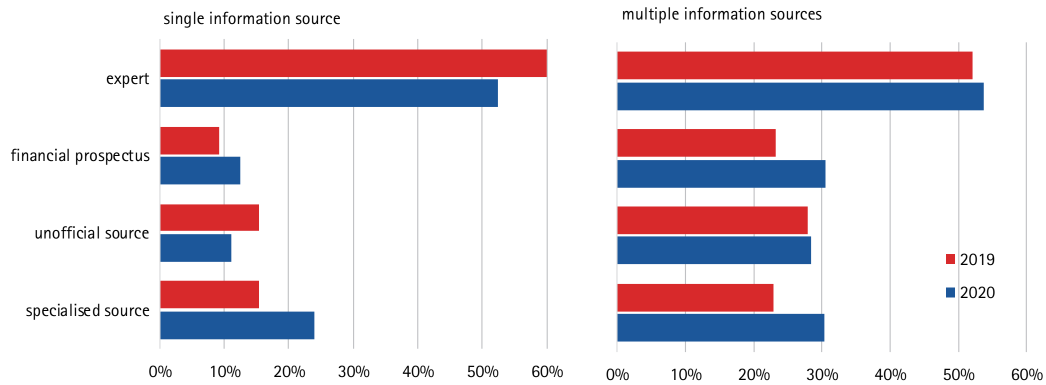



Figure on the left-hand side refers to the population of financial decision makers. Figure on the right-hand side refers to the sub-sample of investors covered both in 2019 and 2020 waves of the survey (panel component composed of 636 individuals; asset holdings are matched without considering crypto-assets). The arrows indicate changes that are statistically significant at least at 10% level (mean difference test).

The financial expert remains the main source of information, also for those who look for alternatives such as the financial prospectus, unofficial and specialised sources.

**Fig. 6.6 – Types of information sources**




Figures refer to the investor sub-sample only. '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.

In 2020, investors report to follow multiple investment styles more frequently than they did in 2019. In addition, over the time period considered, reliance on professional support has significantly increased from 30% to around 41%, to the expense of self-managed decisions declining from 40% to about 29%. Reliance on informal advice has risen too, with...

**Fig. 6.7 – 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).

... relatives, friends and colleagues, acting as informal advisors, mainly deemed trustworthy and well informed.

**Fig. 6.8 – Perceived characteristics of 'informal advisors'**
(multiple answers)

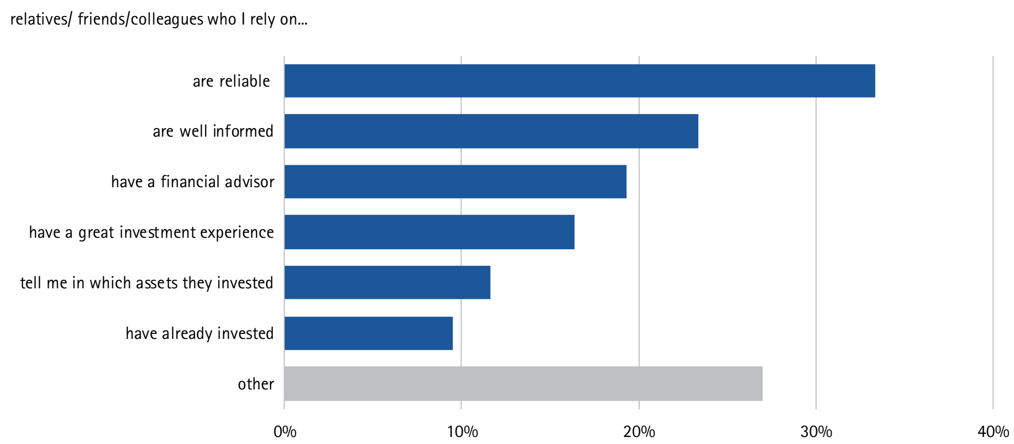
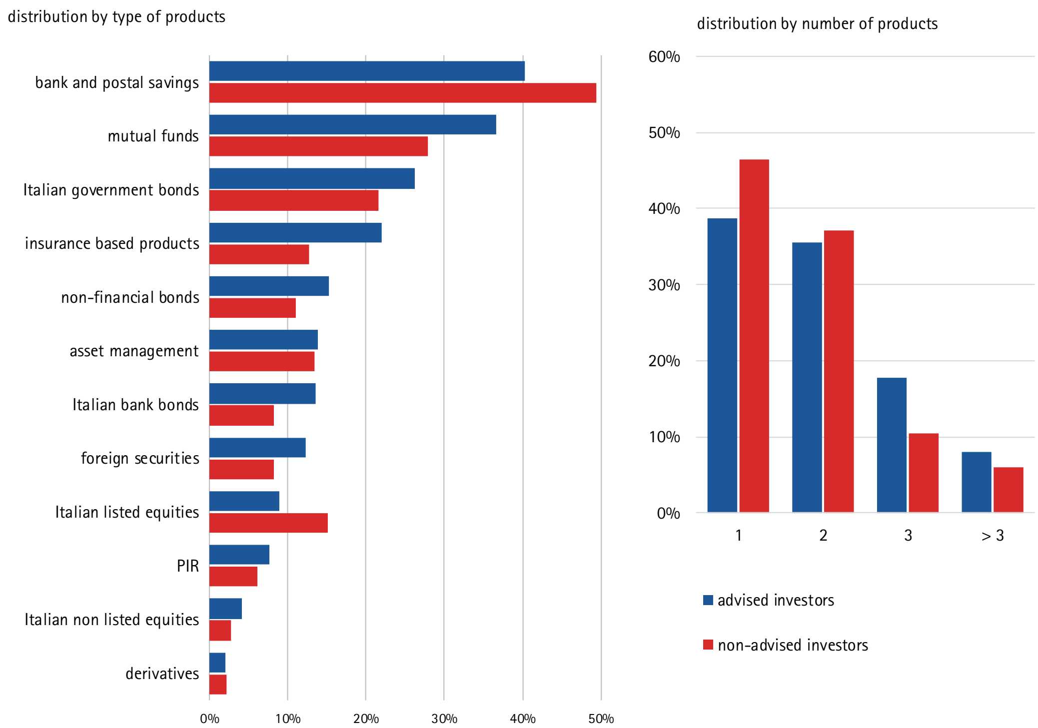



Figure refers to the sub-sample of investors seeking for informal advice.

Holdings of bank and postal savings are less common among advised investors (relative to non-advised ones), who more frequently report also holdings of mutual funds, Italian government and corporate bonds and foreign securities.

**Fig. 6.9 – Holdings of financial product by professional support**



**Among financial decision makers seeking for professional support 'for the first time' (i.e. in 2020 and not in 2019), equal to 23% of the 2019-2020 panel sample, around 40% was not investors in 2019, about 38% were self-managed investors, 58% declares to have been somehow affected by Covid-19, 44% trusts their own banks, 47% is highly financially literate. The net demand for professional support increased by around 14%.**

## Fig. 6.10 – New demand of professional support

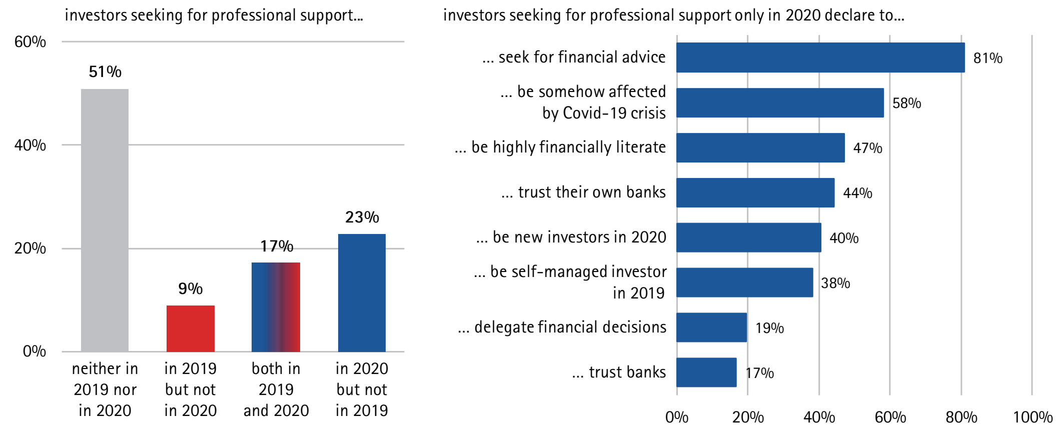
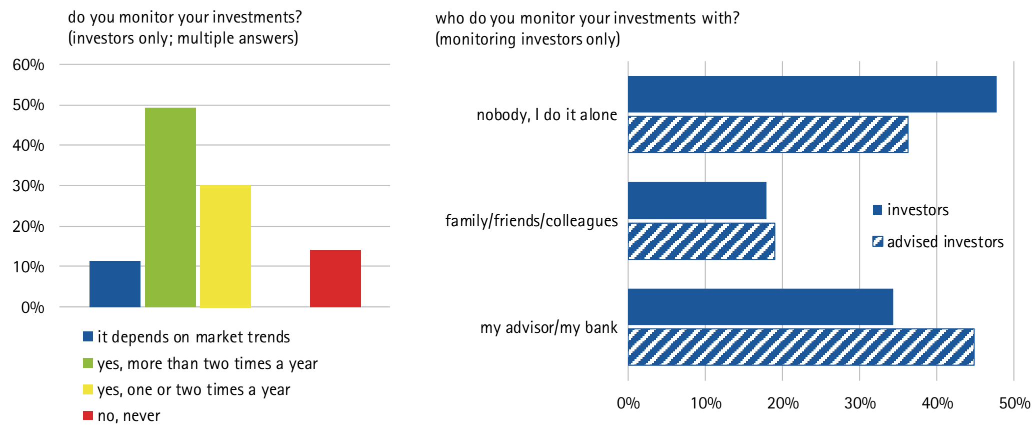



Figure on left-hand side refers to the sub-sample of the 2019-2020 panel component classified as investors in 2020 (920 individuals). 'Professional support' includes investors either relying on investment advice or support from the bank staff or delegating to a portfolio manager. Figure on the right-hand side refers to the subsample of the 2019-2020 panel component composed of investors seeking for advice in 2019 but not in 2020. New investors seeking for professional support are defined as: 'somehow affected by Covid-19 crisis' if reporting so (Fig. 5.9); 'highly financially literate' if the financial literacy factor indicator is higher than its sample median (Fig. 4.3; for details on the financial literacy factor indicator see Methodological Notes); 'trusting in their own bank' if reporting so (Fig. 3.9).

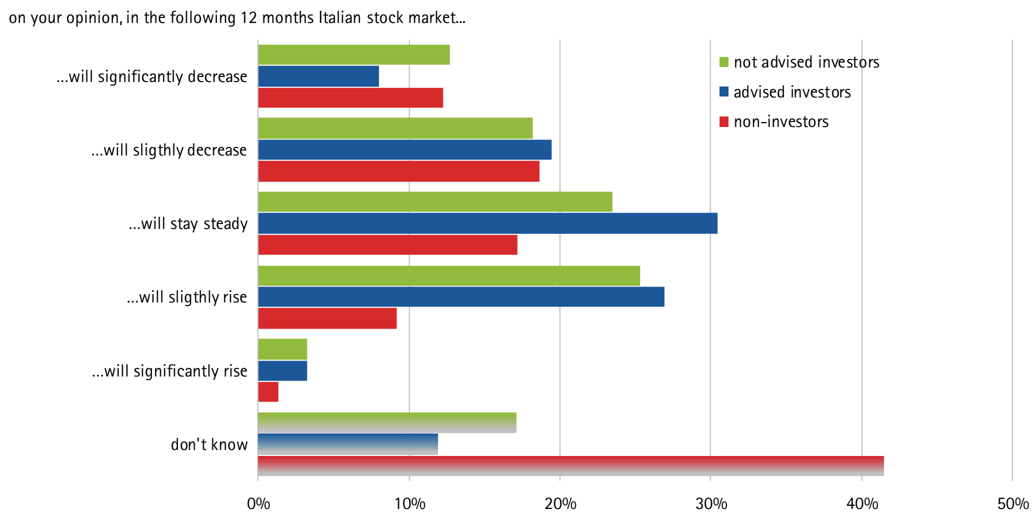
**While 85% of investors monitor their investments, 49% do it more than twice a year and 11% more often than usual during market turmoil. Monitoring alone is reported by about 48% of the sample (36% among advised investors).**

## Fig. 6.11 – Investment monitoring




**As for expectations on stock market recovery in a year's time, investors show to have a clearer view in comparison with non-investors. In addition, advised investors are relatively more optimistic than non-advised ones.**

## Fig. 6.12 – Expectations on the recovery of the Italian stock market



Financial market participation is more frequent among male interviewees, wealthier and more educated individuals. In addition, personal attitudes such as self-efficacy, financial satisfaction, trust and high financial knowledge show a positive correlation. When investing, less educated, less financially literate and less wealthier individuals tend to make financial decisions without consulting any source of information. Self-directed investors are more frequent among wealthier and less vulnerable households and among interviewees that are more financially literate, less prone to procrastination, anxiety and risk and loss aversion. Finally, investment monitoring is positively correlated with good financial practices (i.e., having a financial plan, budget always respected, awareness about retirement, saving).

**Fig. 6.13 – Correlations among investments habits and selected background factors**
(blue stands for positive correlations and light blue stands for negative correlations)

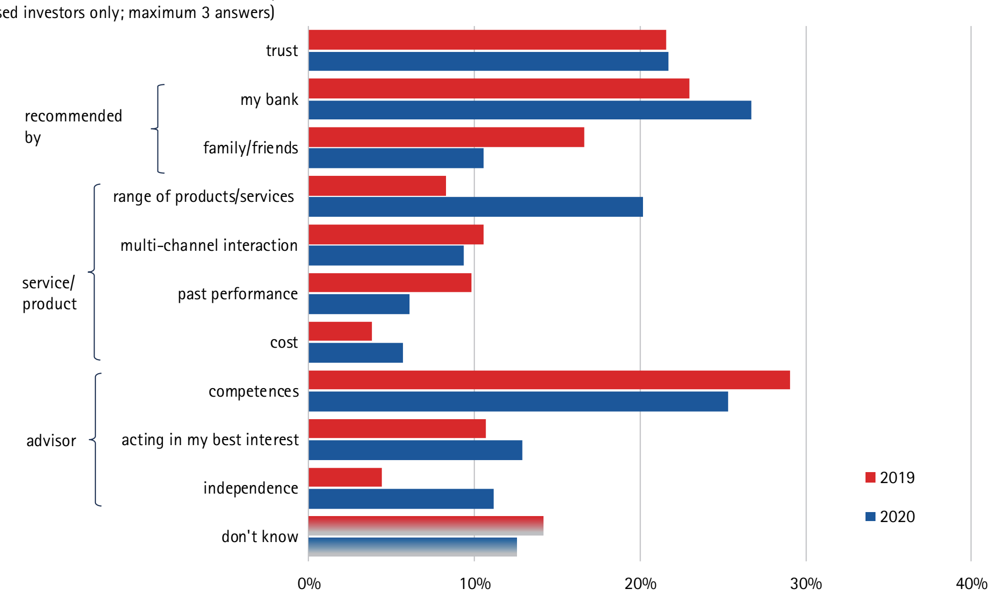
| | FINANCIAL INVESTMENT | NO SOURCE OF INFORMATION | SELF-MANAGED | MONITORING INVESTMENTS |
|---|---|---|---|---|
| SOCIO-DEMOGRAPHICS | man*, education, North, Centre**, financial wealth, income, employee, relatives in financial sector, married**, home ownership | self-employment**, employee**, shared decisions* | education, financial wealth**, single, married, partner, man sharing decisions | man*, education, North, financial wealth, income, employee, relatives in financial sectors, married*, home ownership |
| | age**, South&islands, self-employment, widowed/divorced, single-income, sons** | education, North*, financial wealth, income, relatives in financial sector | retired, employee*, shared decisions, relatives in financial sector** | age**, South&islands, self-employment, out-of-labour, shared decisions**, widowed/divorced, single-income, sons** |
| PERSONAL TRAITS | self-efficacy, financial satisfaction, financial trust, s/t losses tolerance | risk aversion, loss aversion | small losses tolerance | self-efficacy, financial satisfaction, financial trust, small losses tolerance, s/t losses tolerance |
| | anxiety, risk aversion, loss aversion | financial satisfaction, financial trust, s/t losses tolerance | procrastination**, anxiety, risk aversion**, loss aversion | anxiety, risk aversion, loss aversion |
| FINANCIAL KNOWLEDGE | financial knowledge, overconfidence, competence, proactive fin. education, fin. education app | | financial knowledge, competence, fin. education app* | financial knowledge, competence, proactive fin. education, fin. education app |
| | | financial knowledge, competence, proactive fin. education, fin. education app** | overconfidence, upward mismatch**, attitude toward financial education | |
| FINANCIAL CONTROL | having financial plan, budget always respected*, awareness about retirement, saving | uncertainty on post-Covid recovery, no Covid effects* | budget always respected*, awareness about retirement, no Covid effects** | having financial plan, budget always respected**, awareness about retirement, saving |
| | | having financial plan, budget always respected*, awareness about retirement**, saving**, in debt*** | vulnerability**, exposure to unexpected expenses | |

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). For details see Methodological Notes.

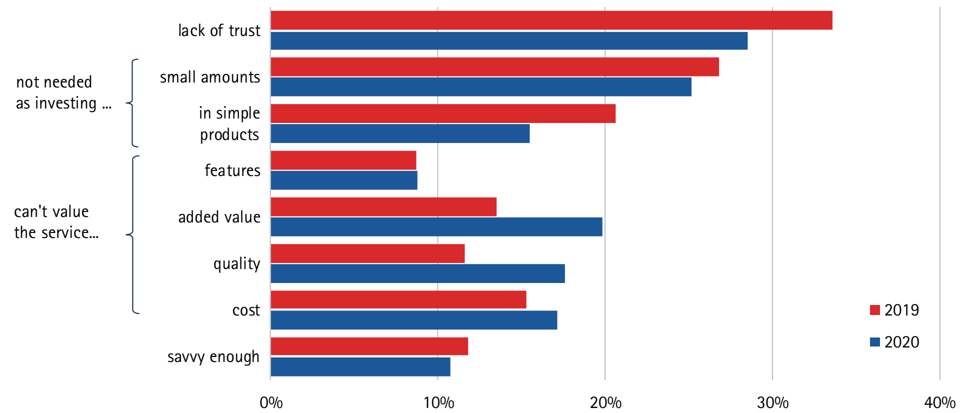
Recommendation by one's own bank along with the advisor's competences remain the main drivers in the selection of the professional.
As for deterrents from financial advice, lack of trust is the factor most frequently mentioned followed by the belief that the service is not needed, given the small amount invested, and by the lack of understanding of the added value of the service.

**Fig. 6.14 – Financial advice: drivers and deterrents**

which factors have influenced the choice of your advisor?
(advised investors only; maximum 3 answers)



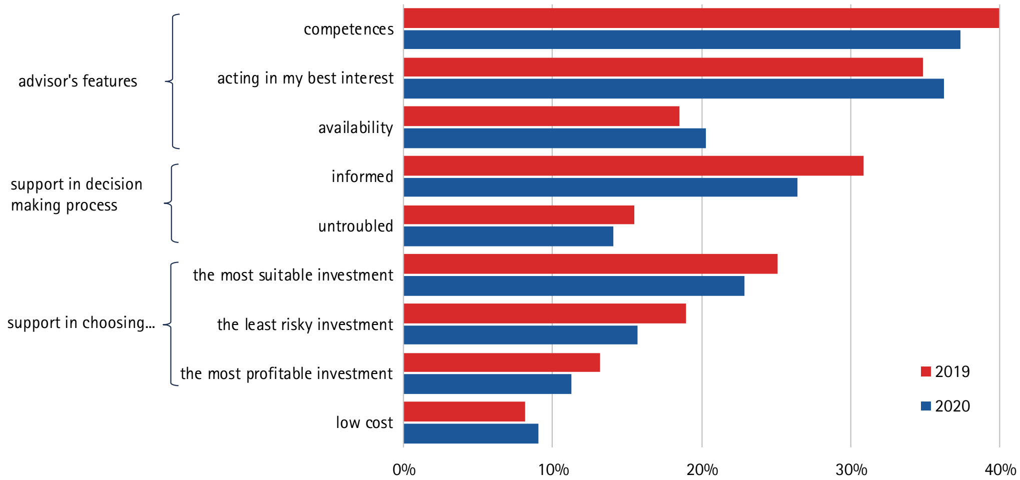

which factors prevent you from seeking for investment advice?
(non-advised investors only; maximum 3 answers)




Competence and unbiased advice remain the expectations most frequently mentioned by investors when thinking of professional support, followed by the help needed to make informed decisions.

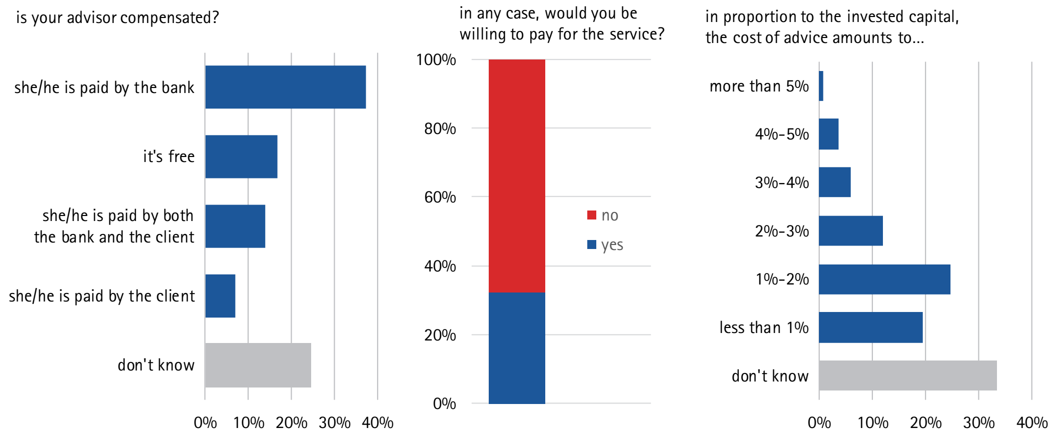
**Fig. 6.15 – Expectations from investment advice**

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



While most of advised investors are aware of the fact that financial advisors are compensated, about 40% think that they are paid only by the bank and only 32% of them are willing to pay for the service.

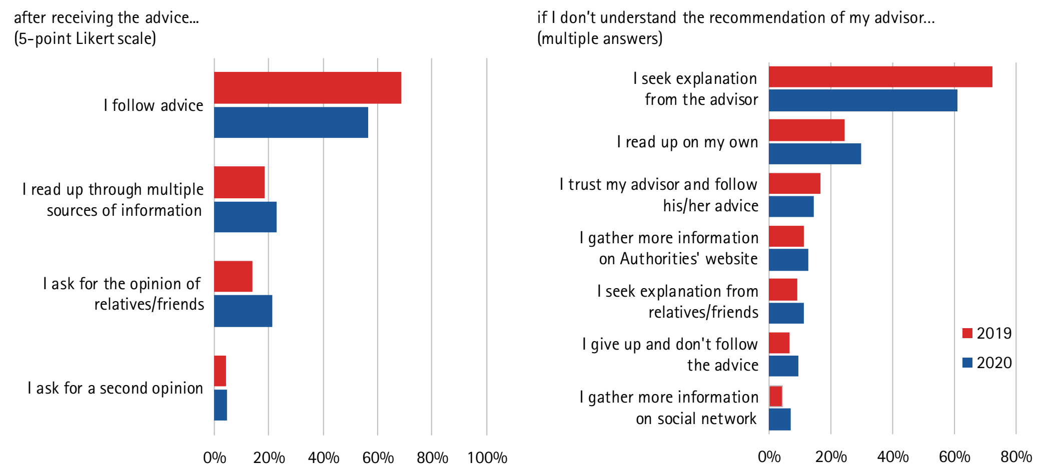
## Fig. 6.16 – Compensation of advice in the opinion of investors




Figures refer to the sub-sample of advised investors only.

Most of advised investors declare to follow the recommendation received by their advisor, that remains the main point of reference also when the advice is not understood.

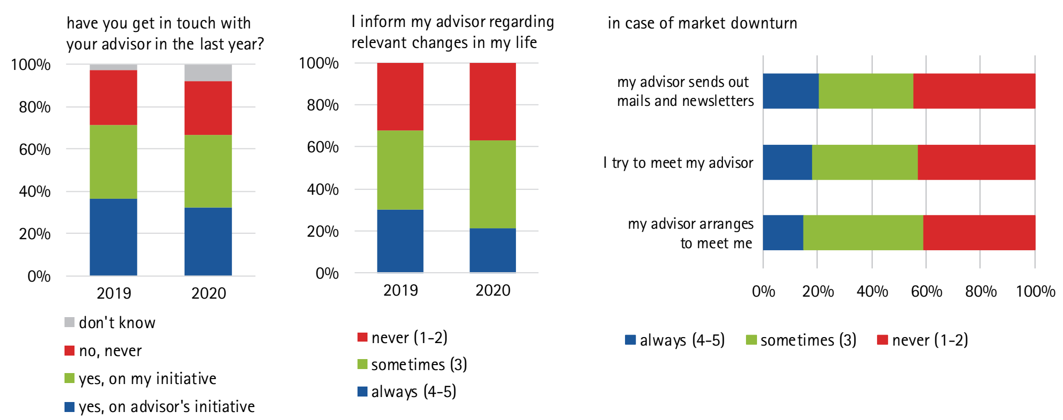
## Fig. 6.17 – Propensity to follow the advisor's recommendation




Figures refer to the sub-sample of advised investors only. Figure on the left-hand side refers to a 5-point Likert scale ranging from 1 – 'never' to 5 – 'always'; only 4 and 5 answers are reported.

The majority of investors report to have got in touch with their advisors at least once over the last year. However, 40% of the sample state that no interaction takes place during market downturn.

## Fig. 6.18 – Client-advisor interaction

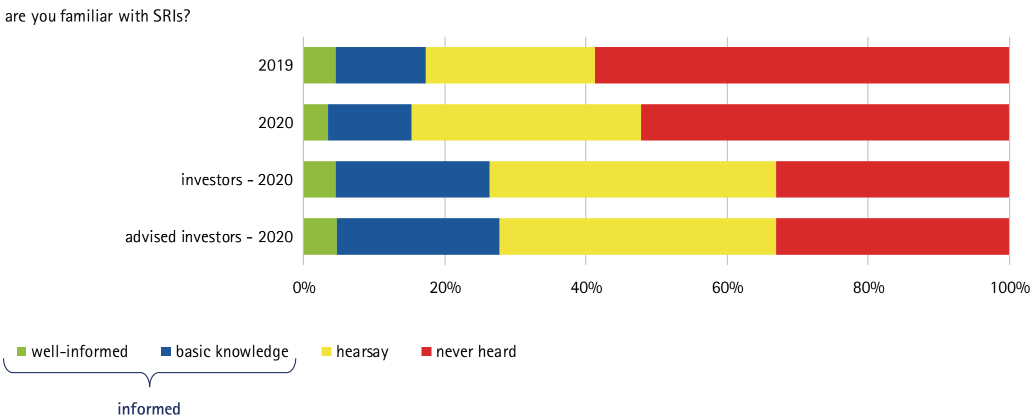



Figures refer to the sub-sample of advised investors only.

# Focus: ESG investing

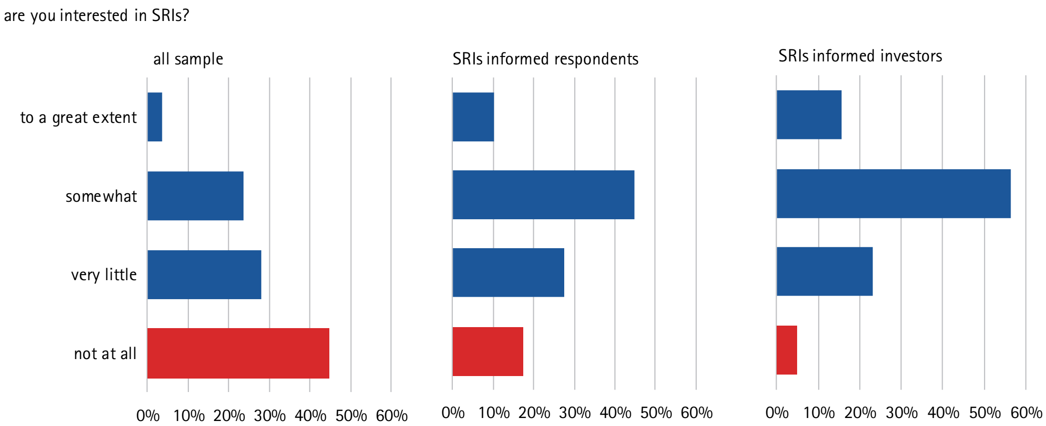
While the proportion of interviewees declaring to be knowledgeable about SRIs (either well-informed or with a basic knowledge) has remained substantially stable over time, the fraction of decision makers who have at least heard about sustainable products has risen.

**Fig. 7.1 – Familiarity with sustainable and responsible investments (SRIs)**




More than 40% of the sample is not interested in SRIs. However this proportion more than halves among informed interviewees and shrinks further to 5% among informed investors.

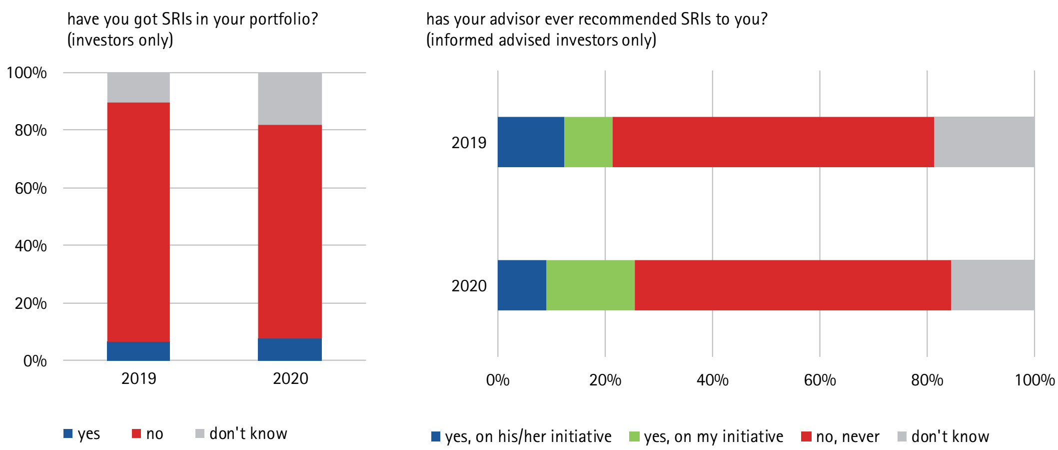
**Fig. 7.2 – Interest in SRIs**




'SRIs informed respondents' are financial decision makers declaring to be either well-informed or to have at least a basic knowledge of SRIs.

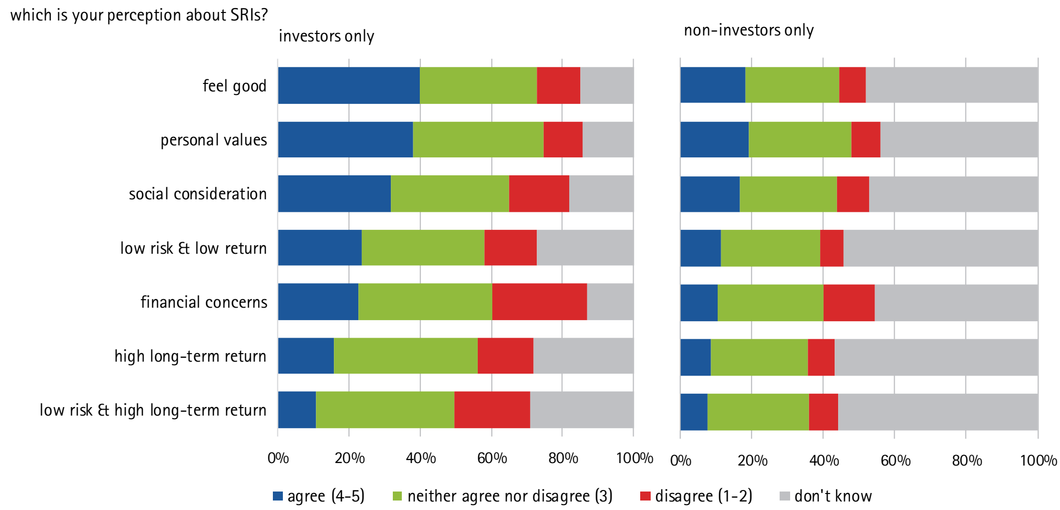
While the frequency of holdings of SRIs has not substantially changed over the last two years, advised investors seem to have been more proactive in seeking for SRI products from their advisor.

**Fig. 7.3 – Holding of SRIs**



When coming to perceived characteristics of SRIs, among investors emotional and ethical factors ('feel good', 'personal values', 'social consideration') tend to prevail with respect to financial features, while non-investors much more frequently are unable to identify any feature.

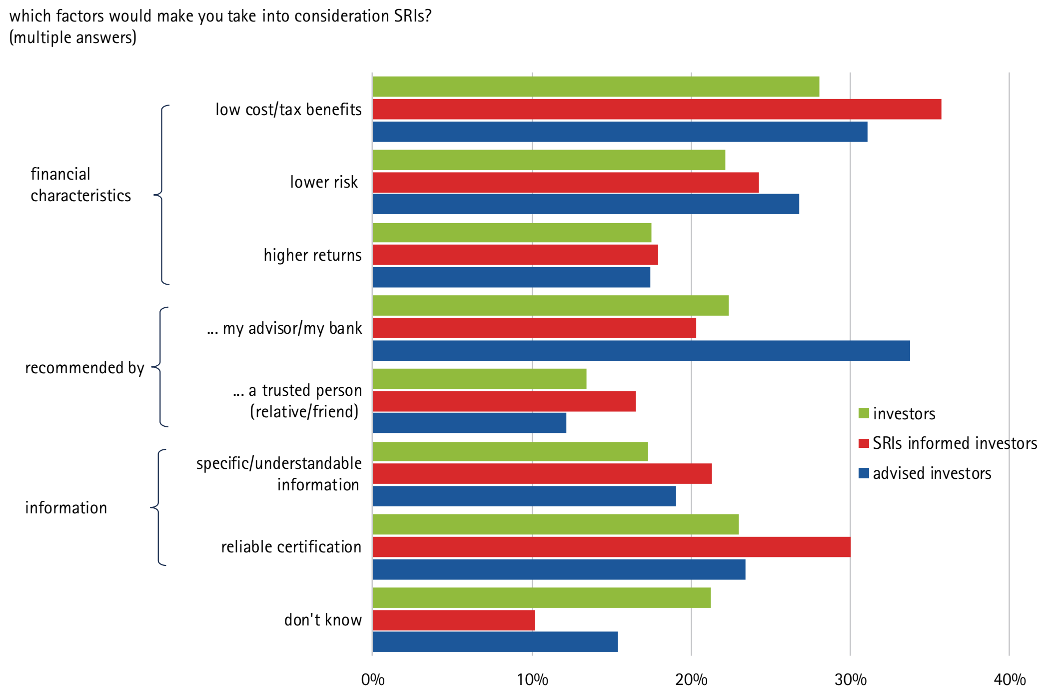
**Fig. 7.4 – Values and perception associated with SRIs**




For details see Methodological Notes.

Incentives to invest in SRIs products show a variation across segments of financial decision makers. Beyond financial elements such as low costs and tax benefits, informed investors point to reliable certification. Not surprisingly, advised investors would show interest in SRIs mainly if they were recommended by their advisors or their bank's staff.

**Fig. 7.5 – Potential drivers of interest in SRIs**




'SRIs informed investors' are investors declaring to have at least a basic knowledge of SRIs. 'Advised investors' are investors declaring to seek for professional support before making their financial choices.

1. Macro environment
2. Trends in household wealth and savings
3. Socio-demographics and personal traits
4. Financial knowledge
5. Financial control and saving
6. Investment choices and investment habits
7. Focus: ESG investing
8. Focus: the financial digitalisation

SRIs familiarity, interest and holdings are positively correlated with wealth and financial resilience as well as behavioural attitudes such as self-efficacy, financial satisfaction and trust. Financial knowledge and financial control show a positive association too.

**Fig. 7.6 – Correlations among attitude towards SRIs and selected background factors**
(blue stands for positive correlations and light blue stands for negative correlations)

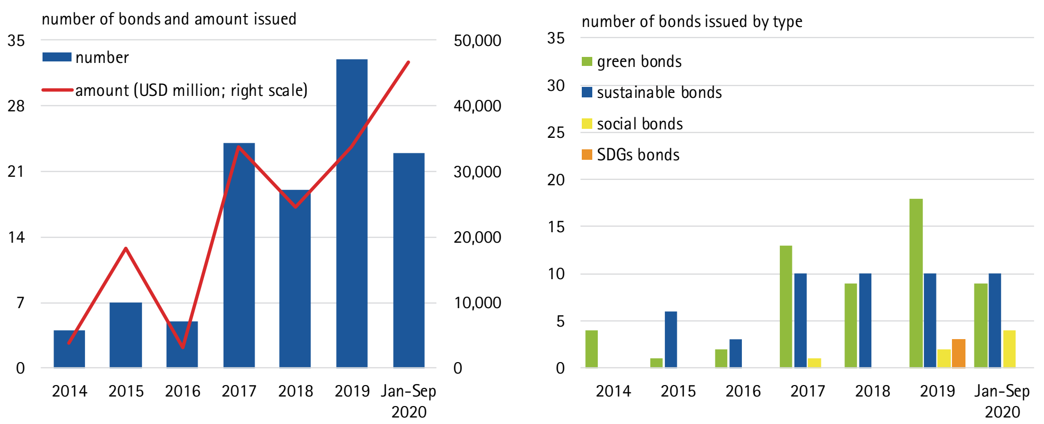
| | | FAMILIARITY WITH SRIs | INTEREST IN SRIs | HOLDING SRIs |
|---|---|---|---|---|
| SOCIO-DEMOGRAPHICS | positive | man**, education, North**, financial wealth, income, self-employment**,employee**, relatives in financial sector | education, North, financial wealth, income, self-employment**, employee, shared decisions, relatives in financial sector, single | education **, North, financial wealth, income, relatives in financial sector*, home ownership |
| | negative | age, South&islands**, out-of-labour, retired, shared decisions, widowed/divorced, single-income, partner** | age, South&islands, out-of-labour*, retired, widowed/divorced**, single-income, sons**, partner, man sharing decisions | South&islands, single-income* |
| PERSONAL TRAITS | positive | self-efficacy, financial satisfaction, financial trust** | procrastination*, financial satisfaction, financial trust, s/t losses tolerance | self-efficacy*, financial satisfaction, financial trust, small losses tolerance**, s/t losses tolerance |
| | negative | anxiety, risk aversion, loss aversion, small losses tolerance**, s/t losses tolerance | risk aversion, loss aversion | anxiety, risk aversion, loss aversion |
| FINANCIAL KNOWLEDGE | positive | overconfidence, upward mismatch, competence, proactive fin. education | financial knowledge, overconfidence, competence, proactive fin. education, fin. education app | financial knowledge, competence, proactive fin. education, fin. education app** |
| | negative | | | upward mismatch |
| FINANCIAL CONTROL | positive | having financial plan, awareness about retirement, saving | having financial plan, awareness about retirement, saving, in debt | having financial plan, budget always respected *, awareness about retirement **, saving |
| | negative | no Covid effects | vulnerability**, no Covid effects | exposure to unexpected expenses |

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). For details see Methodological Notes.

## Green and social bonds listed in Italy

**Since March 2017, Borsa Italiana has identified a list of instruments (Green and Social Bonds List) issued in order to finance projects having environmental and/or social goals (green and social bonds, respectively). After the increase recorded in recent years, during the first nine months of 2020 ESG issuances have shown a further speed-up.**

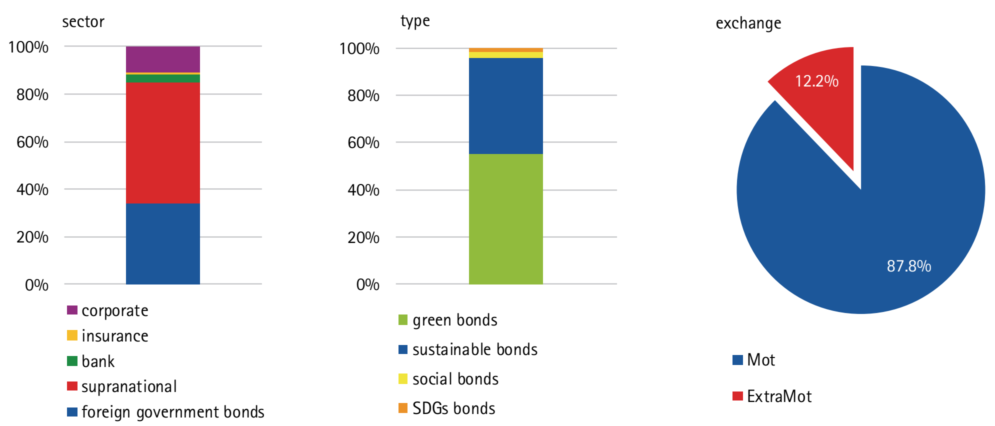
**Fig. 7.7 – ESG bonds listed on Borsa Italiana**




Source: our elaborations on Borsa Italiana data. SDGs stands for Sustainable Development Goals bonds. Data as of 30 September 2020.

**Supranational entities and foreign Governments represent by far the main issuers of ESG bonds. Green and sustainable bonds account for more than 95% of the total amount issued. Almost 90% of the ESG bonds included in the list are traded on Mot exchange.**

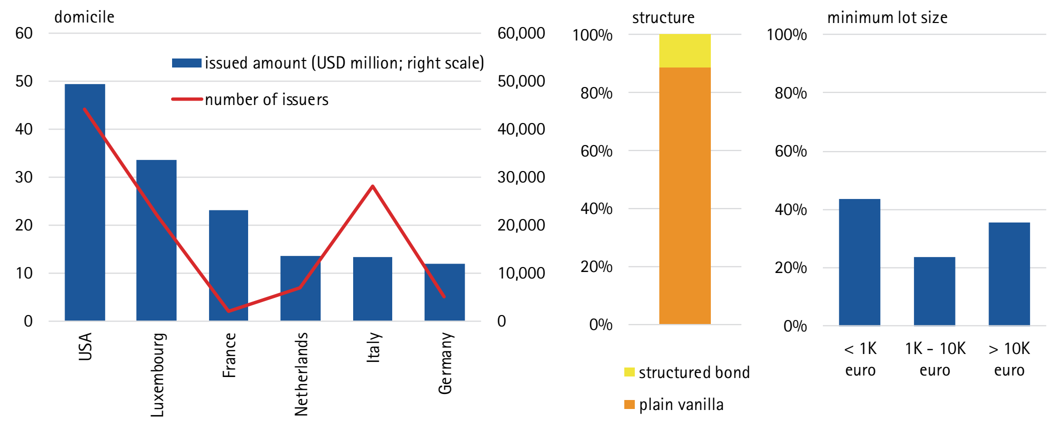
**Fig. 7.8 – Amount issued by type of issuers, bonds and trading venues**




Source: our elaborations on Borsa Italiana data. SDGs stands for Sustainable Development Goals bonds. Data as of 30 September 2020.

**The US issuers dominate in terms of amount issued, although the number of the Italian issuers is the second highest. Most ESG bonds are plain vanilla (89%), while the minimum lot size is lower than 1.000 euros in 41% of cases.**

**Fig. 7.9 – Amount issued by issuers' domicile, structure and minimum lot size**

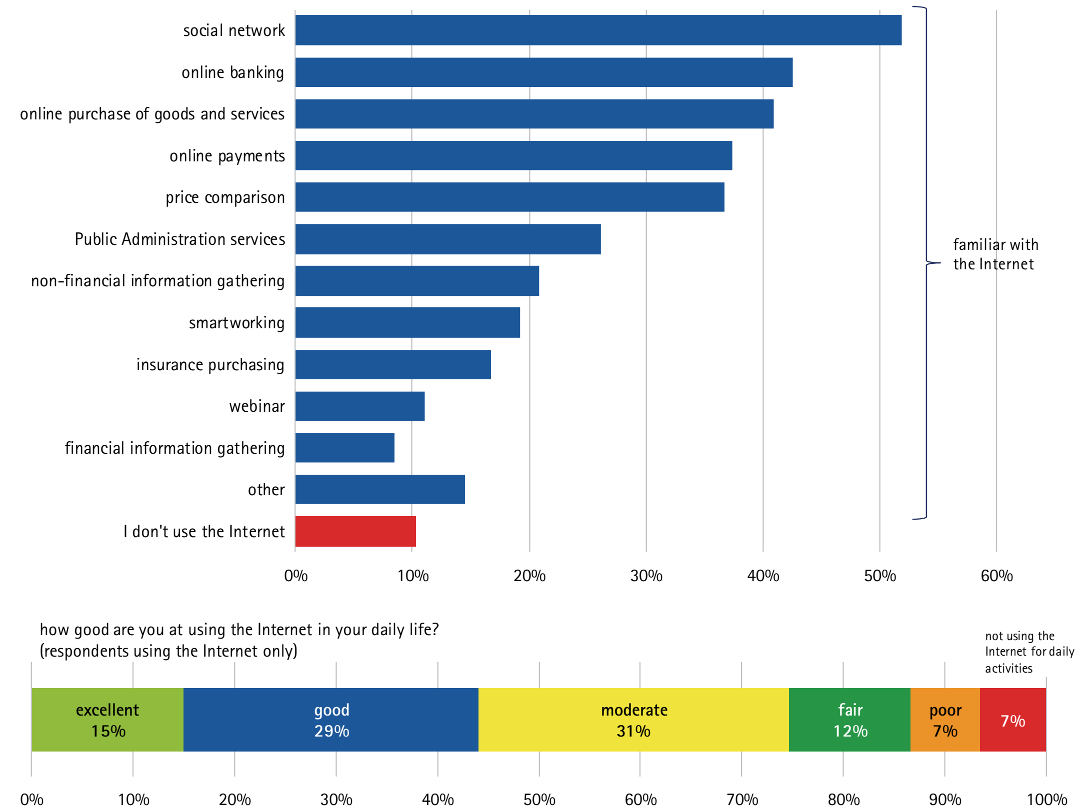



Source: our elaborations on Borsa Italiana data. Data as of 30 September 2020.

# Focus: the financial digitalisation

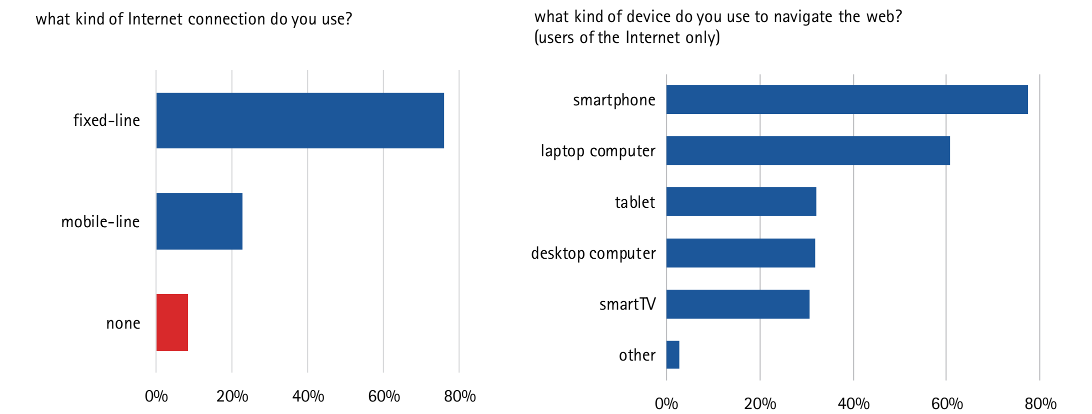
**The use of the Internet for financial matters is reported by a proportion of interviewees ranging between 8% (information gathering) and 42% (online banking), as compared with 52% of the sample navigating social networks. Almost 45% of individuals assesses their skills in using the Internet in their daily life either good or excellent.**

**Fig. 8.1 – Use of the Internet and self-assessed skills**
(multiple answers)



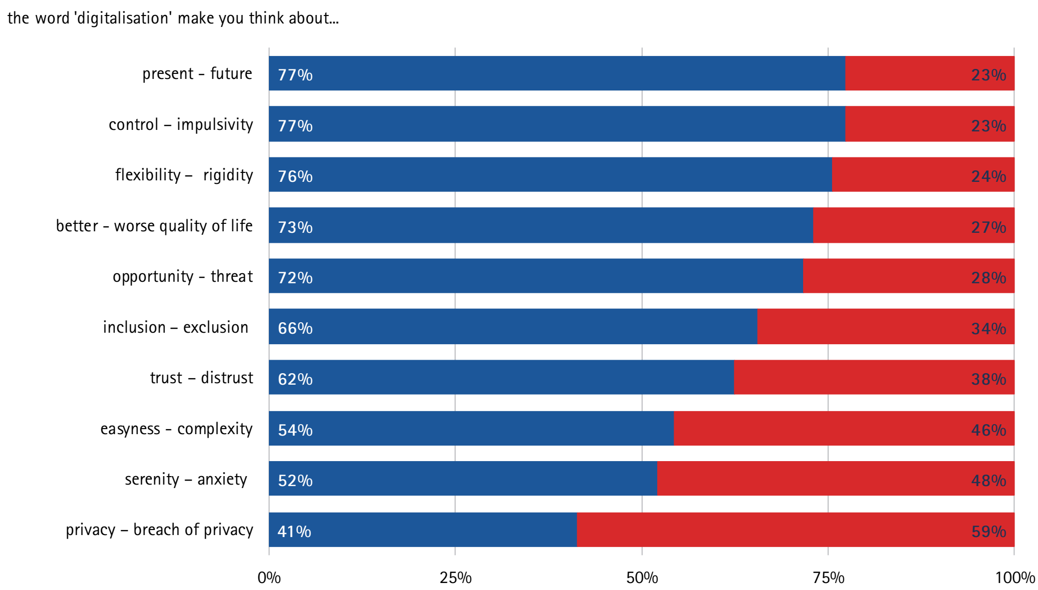

**The Web is navigated mainly through fixed-line connection and devices such as the smartphone and the laptop computer.**

**Fig. 8.2 – Connectivity and devices used to navigate the Internet**



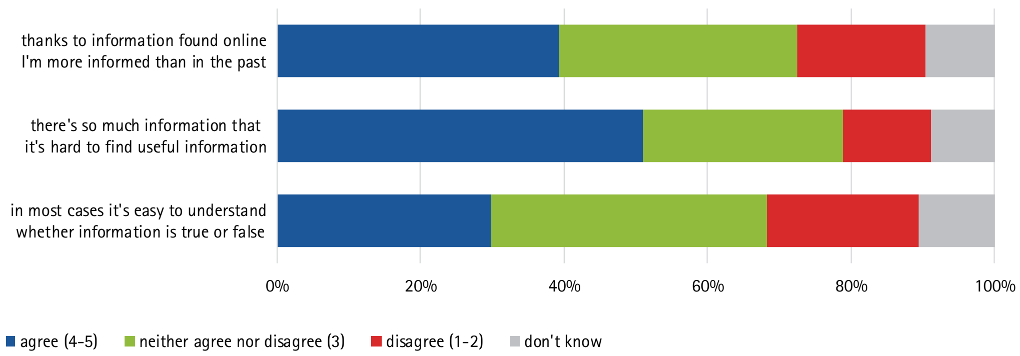
Digitalisation is perceived as already part of one's daily life, allowing control (versus impulsivity) and flexibility. More than 70% of the sample regards digitalisation as an opportunity, leading to a better quality of life. However, a proportion ranging from 46% to 59% of interviewees unveils concerns about complexity and data protection which may prompt anxiety.

**Fig. 8.3 – Thinking of digitalisation**



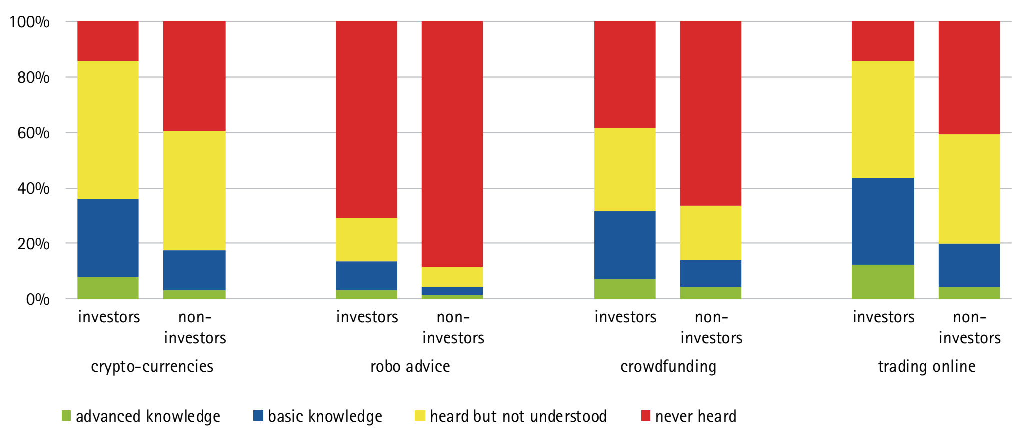

About 40% of interviewees regard themselves as more informed than in the past thanks to the Internet. However, about 50% of individuals have a hard time finding useful pieces of information among all those available and 30% of them find it difficult to understand whether a piece of information is reliable.

**Fig. 8.4 – Perception of the digital channel as a source of information**



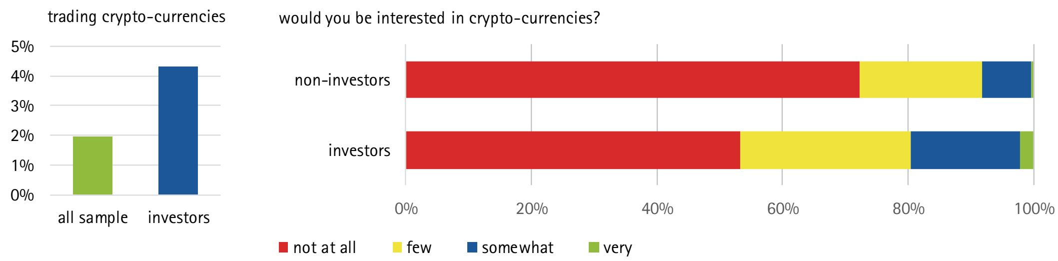

The most part of the sample is not familiar with crypto-currencies and some selected digital financial services, i.e. trading online, crowdfunding and robo advice. The percentage of respondents stating to have at least a basic knowledge rises among investors, ranging from 13% for robo advice to about 40% for trading online and crypto-currencies.

**Fig. 8.5 – Self-assessed knowledge of crypto-currencies and of selected digital financial services**

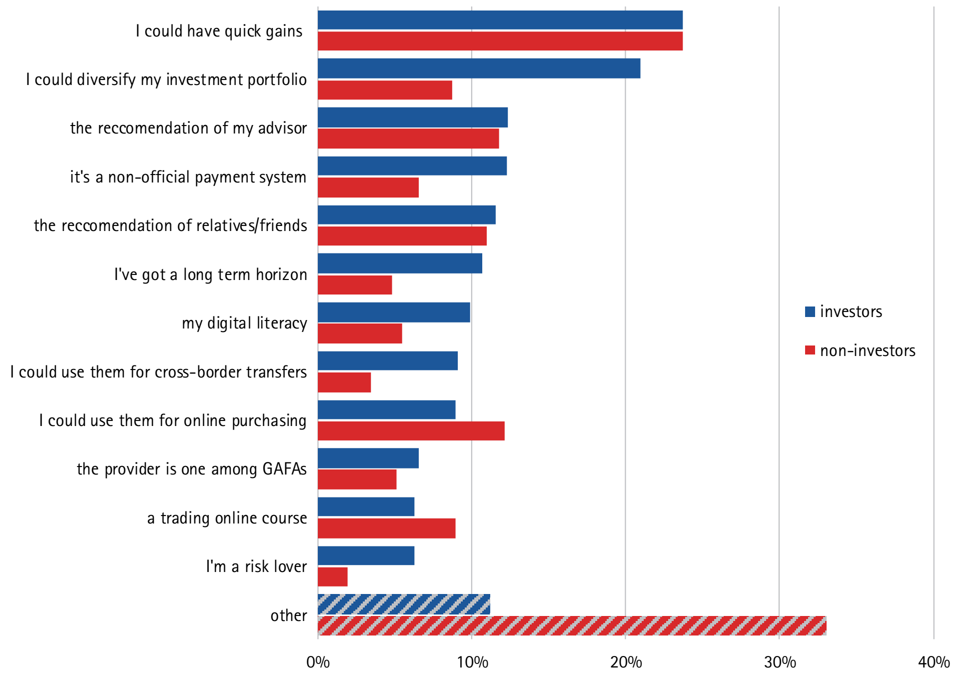


**Interest in crypto-currencies, traded by only 2% of the sample, is higher among investors, that value the chance to pocket quick gains as well as to diversify their portfolio the most, while pointing to the fear of frauds and to their risk as the main deterrents.**

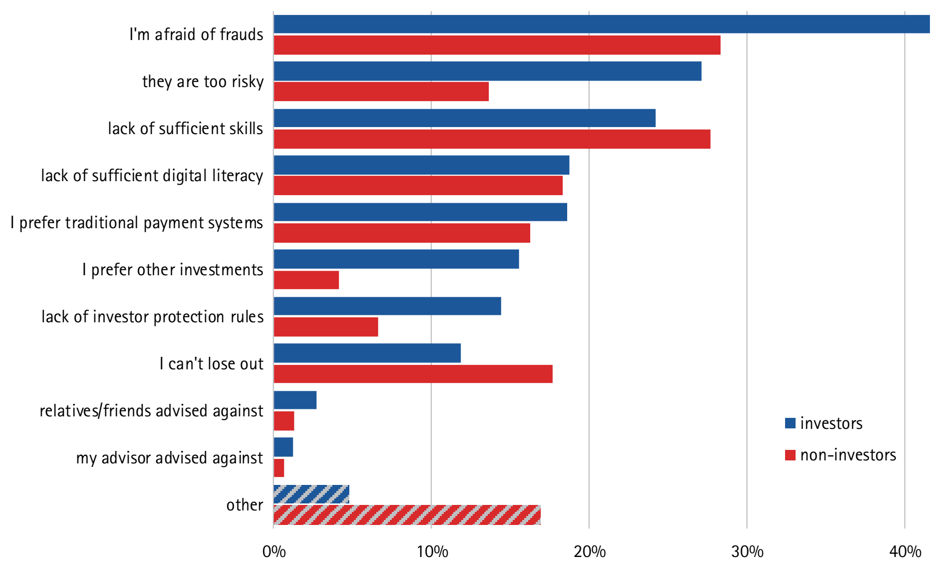
## Fig. 8.6 – Interest in crypto-currencies




which factors would drive you to buy crypto-currencies?

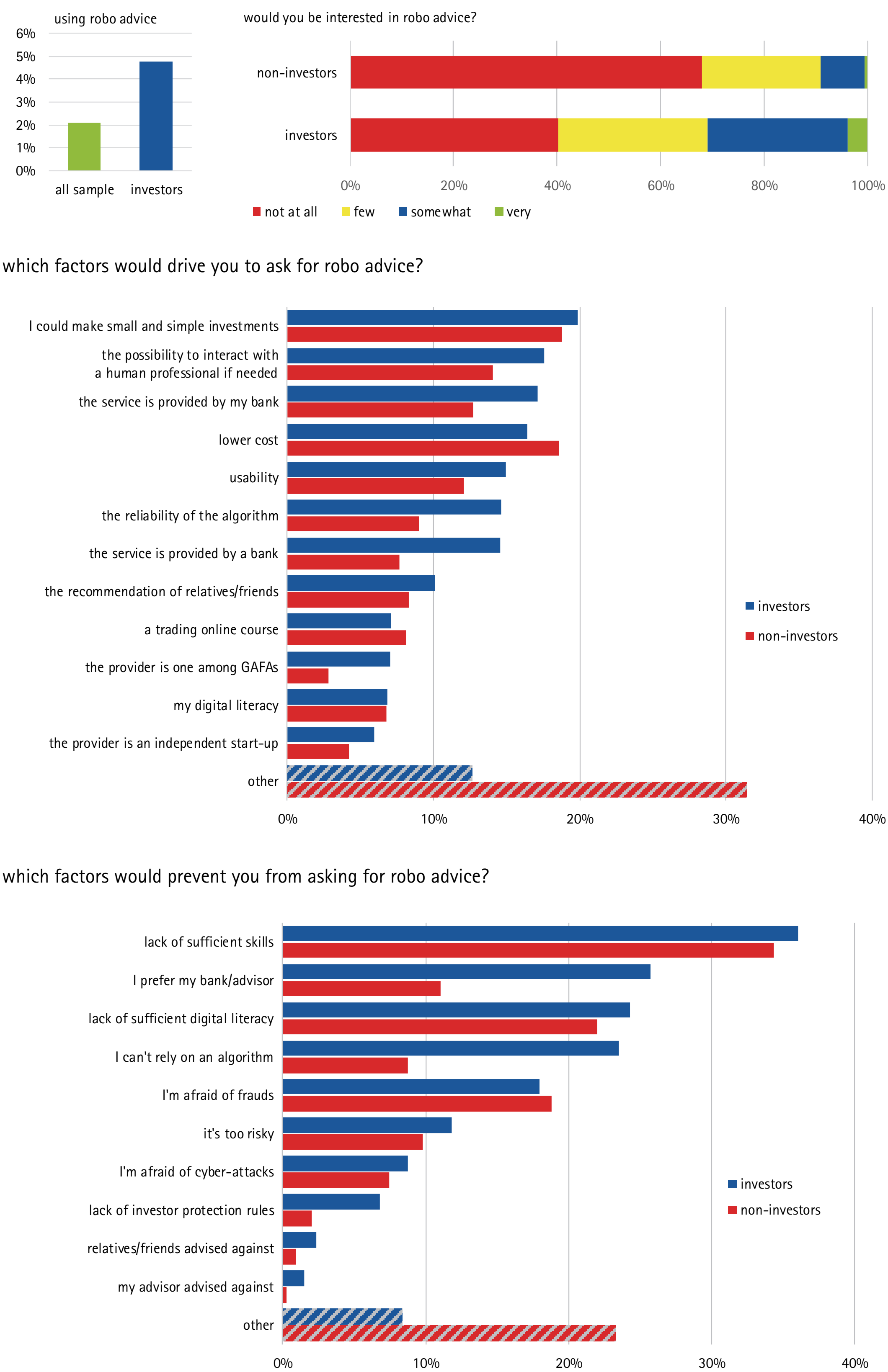



which factors would prevent you from buying crypto-currencies?



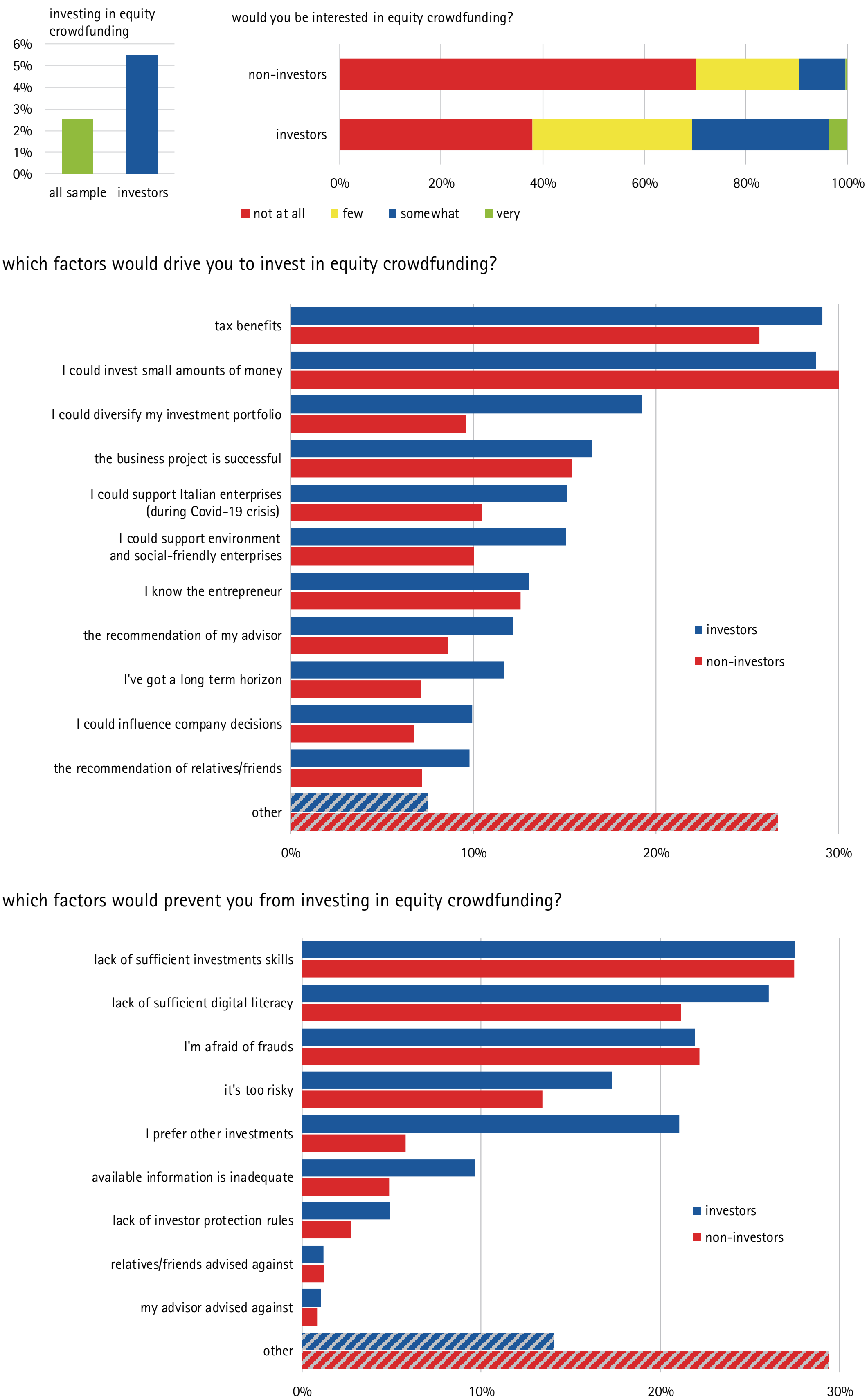
Robo advice, currently used by only 2% of the sample, is potentially interesting to about 30% of investors, as it could allow simple and small investments at a lower cost; additional drivers could be the possibility to interact with a human advisor if needed and the supply of the service by one's own bank. Lack of both financial and digital skills as well as mistrust towards the algorithm providing the recommendation are mentioned among the main factors that could prevent from asking for robo advice.

**Fig. 8.7 – Interest in robo advice**



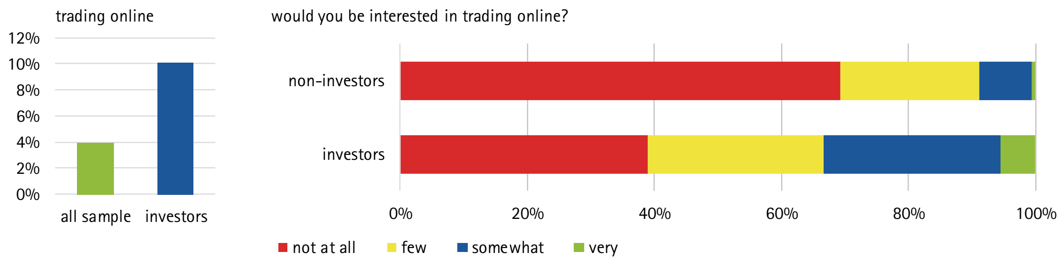
Drivers towards and deterrents from equity crowdfunding are similar to those mentioned with respect to robo advice, with the access to tax benefits representing an additional incentive.

**Fig. 8.8 – Interest in equity crowdfunding**

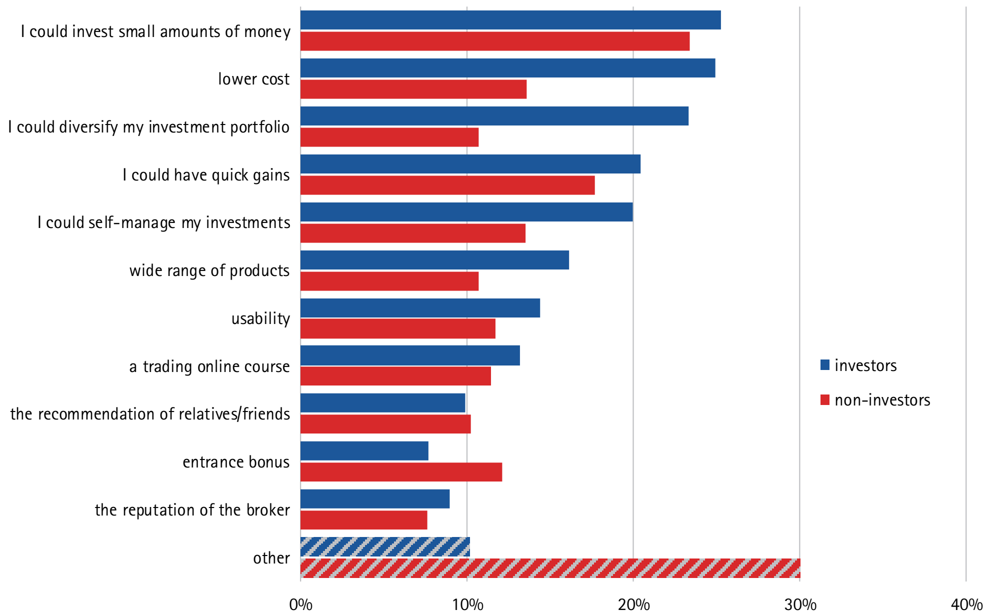


As for trading online, potentially attractive to about 35% of investors, the possibility to access to financial markets with small investments is appreciated the most, while lack of digital competencies and fear of frauds are identified as the main deterrents.

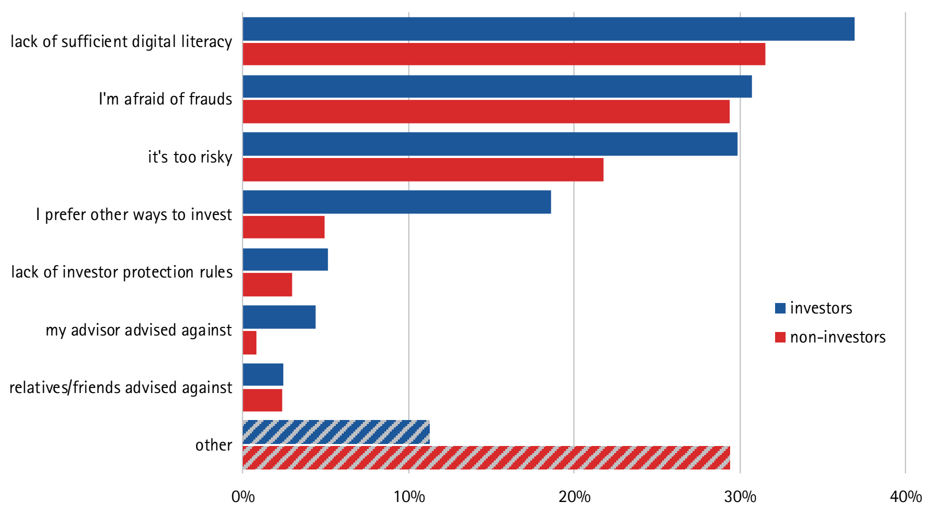
**Fig. 8.9 – Interest in trading online**




which factors would drive you to invest your money by trading online?




which factors would prevent you from trading online?



Technological acceptance and the positive assessment of advantages connected to the use of financial digital services are more frequent among men, people with higher level of formal education and wealthy individuals, whilst they decrease with age. As for personal traits, interest in digital financial services is higher among respondents trusting financial intermediaries, declaring financial satisfaction and tolerant towards short-term losses, while being lower among loss and risk averse individuals. Overconfidence and the proactive attitude towards financial education exhibit positive correlations too as well as financial control. Not surprisingly attitude towards trading online is higher among investors preferring self-managed investment decisions.

**Fig. 8.10 – Attitude towards digitalisation by selected background factors**
(blue stands for positive correlations and light blue stands for negative correlations)

| | INTEREST IN CRYPTO-CURRENCIES | INTEREST IN ROBO ADVICE | INTEREST IN CROWDFUNDING | INTEREST IN TRADING ONLINE |
|---|---|---|---|---|
| SOCIO-DEMOGRAPHICS | man, financial wealth, employee, relatives in financial sector, married** | man, education, financial wealth, income, employee, relatives in financial sector, married** | education, North, financial wealth, income, employee, relatives in financial sector, single | man, education, North*, financial wealth, income, employee, relatives in financial sector, single**, married**, sons** |
| | age, out-of-labour**, retired, widowed/divorced, single-income | age, out-of-labour, retired, widowed/divorced, single-income | age, South&islands, out-of-labour, retired, widowed/divorced, single-income | age, South&islands, self-employment**, out-of-labour, retired, widowed/divorced, single-income |
| PERSONAL TRAITS | s/t losses tolerance, procrastination, anxiety**, financial satisfaction**, financial trust* | s/t losses tolerance, procrastination, financial satisfaction, financial trust | s/t losses tolerance, procrastination, financial satisfaction, financial trust | small & s/t losses tolerance, procrastination**, self-efficacy**, financial satisfaction, financial trust |
| | loss aversion, risk aversion, self-efficacy** | loss aversion, risk aversion, self-efficacy* | loss aversion, risk aversion | loss aversion, risk aversion, anxiety |
| FINANCIAL KNOWLEDGE | overconfidence, upward mismatch, proactive fin. education, fin. education app | overconfidence, upward mismatch, proactive fin. education, fin. education app | overconfidence, competence, proactive fin. education, fin. education app, reliance on others for important choices* | financial knowledge, overconfidence, competence, proactive fin. education, fin. education app, reliance on others for important choices** |
| | financial knowledge, competence**, no interest in fin. education** | no landmarks for fin. education, no interest in fin. education | no landmarks for fin. education, no interest in fin. education | no landmarks for fin. education, no interest in fin. education |
| FINANCIAL CONTROL | having financial plan, awareness about retirement, saving, exposure to unexpected expenses**, in debt | having financial plan, awareness about retirement, saving, exposure to unexpected expenses, in debt | having financial plan, awareness about retirement, saving, in debt | having financial plan, awareness about retirement, saving, in debt |
| | vulnerability, uncertainty on post-Covid recovery | vulnerability, uncertainty on post-Covid recovery | vulnerability, uncertainty on post-Covid recovery | vulnerability*, uncertainty on post-Covid recovery |
| INVESTMENT HABITS | interested in SRIs, monitoring investments | interested in SRIs, monitoring investments | interested in SRIs, monitoring investments | self-managed, interested in SRIs, monitoring investments |
| | | | informal advice** | informal advice**, professional support** |

Pairwise correlations significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%). All the reported variables are also found to be positively mutually correlated (pairwise correlation available upon request). For details see Methodological Notes.

1. Macro environment
2. Trends in household wealth and savings
3. Socio-demographics and personal traits
4. Financial knowledge
5. Financial control and saving
6. Investment choices and investment habits
7. Focus: ESG investing
8. Focus: the financial digitalisation

# Methodological Notes

## About the data

| | | average | lower-bound 5% confidence level | upper-bound 95% confidence level |
|---|---|---|---|---|
| gender | men | 73.35 | 70.95 | 75.62 |
| | women | 26.65 | 24.38 | 29.05 |
| age | 24-34 | 9.14 | 7.55 | 11.03 |
| | 35-44 | 21.56 | 19.75 | 23.49 |
| | 45-54 | 25.66 | 23.84 | 27.57 |
| | 55-64 | 22.76 | 20.96 | 24.68 |
| | 65-74 | 18.98 | 17 | 21.13 |
| | over-75 | 1.89 | 1.30 | 2.73 |
| education | less than bachelor's degree | 79.8 | 77.8 | 81.66 |
| | at least bachelor's degree | 20.2 | 18.34 | 22.2 |
| area of residence | North | 49.2 | 46.84 | 51.56 |
| | Centre | 19.74 | 17.96 | 21.65 |
| | South and Islands | 31.06 | 29.05 | 33.16 |
| employment status | employee | 48.79 | 46.44 | 51.14 |
| | self-employed | 16.7 | 14.95 | 18.61 |
| | retired | 24.5 | 22.5 | 26.62 |
| | out-of-labour | 10.01 | 8.45 | 11.81 |
| financial wealth | <= 10,000 euros | 48.81 | 45.69 | 51.93 |
| | 10,001 - 50,000 euros | 30.82 | 28.13 | 33.65 |
| | 50,001 - 250,000 euros | 18.24 | 15.63 | 21.18 |
| | > 250,000 euros | 2.13 | 1.56 | 2.90 |
| monthly family income | < 1,200 euros | 25.51 | 23.44 | 27.69 |
| | 1,201 - 3,000 euros | 63.88 | 61.57 | 66.13 |
| | 3,001 - 5,000 euros | 8.98 | 7.80 | 10.32 |
| | > 5,000 euros | 1.64 | 1.19 | 2.25 |
| non-investors | 66.38 | 64.18 | 68.51 | 66.38 |
| investors | 33.62 | 31.49 | 35.82 | 33.62 |

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.

## Risk aversion (Fig. 3.3)

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 (Fig. 3.4 – Fig. 3.8)

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. 3.4)**

Respondents are asked to state their opinion on the following items addressing decisional and implemental delay, as well as lateness: 'I don't get things done on time (lateness); In preparation for some deadlines, I often waste time by doing other things (decisional); I waste a lot of time on trivial matters before getting to the final decisions (decisional); Putting things off till the last minute has cost me money in the past (lateness); Even after I make a decision I delay acting upon it (implemental delay); I am continually saying 'I'll do it tomorrow'' (implemental delay); scale type: 5-point Likert, from 1 – 'strongly disagree' to 5 – 'strongly agree'. For references see: Svartdal, F. and P. Steel (2017), Irrational delay revisited: examining five procrastination scales in a global sample, Front. Psychol. 8:1927.

**Financial self-efficacy (Fig. 3.5)**

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. 3.8)**

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. Rabbani (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.

**Financial trust (Fig. 3.9)**

Respondents are asked to assess the trustworthiness of ten different subjects on a 5-point Likert, from 1 – 'absolutely untrusthworty' to 5 – 'absolutely trusthworty'. The financial trust indicator accounts for the number of financial actors considered 'trusthworty' (either 'trusthworty' or 'absolutely trusthworty') among the following: 'banks' (or 'my bank'), 'financial advisors' (or 'my financial advisor') and 'insurance companies' (or 'my insurance company') and takes value from 0 to 3. 'High financial trust' indicates a financial trust indicator higher than the sample median.

**Mental accounting (Fig. 3.6)**

For references see: Kahneman, D. and A. Tversky, Choices, values, and frames, American Psychologist, vol. 39, no. 4, pp. 341-350.

**Financial knowledge indicators (Fig. 4.1)**

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 riskier than investments offering lower rates of return; answer options: 1. True; 2. False; 3. Don't know; 4. Refusal.

(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. Refusal.

(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. Refusal.

(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. Refusal.

(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. Refusal.

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: implications for retirement security and the financial marketplace, 17-39, edited by Mitchell, O.S. 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 downward/upward mismatch indicator for financial knowledge (Fig. 4.6)**

The mismatch indicator records discrepancies between the respondents' answers to the financial knowledge questions Q1–Q5 reported in Fig. 4.1 and the respondents' ex-ante self-assessment (i.e., before answering the financial literacy quiz) of their understanding of the notions mentioned in Q1–Q5 as shown in Fig. 4.5. 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 5 questions.

**The under/overconfidence indicator (Fig. 4.7)**

The under/overconfidence indicator is the difference between the number of the correct answers as assessed ex-post (i.e., after answering the financial literacy quiz) and the actual number of correct answers to financial literacy questions (Q1)-(Q5; Fig. 4.1). Underconfidence is detected when the difference between the number of the correct answers as assessed ex-post and the actual number of correct answers is negative; overconfidence is detected when the difference is positive; unbiased self-perception is detected when the number of the correct answers as assessed ex-post is equal to the actual number of correct answers. For references see: Broihanne, M.H., M. Merli and P. Roger (2014), Overconfidence, risk perception and the risk-taking behavior of finance professionals, Finance Research Letters, 11(2), 64-73.

**Saving goals (Fig. 5.5)**

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, 26(2), 129-147.

**Definition of investors (Fig. 6.1)**

In 2020 'investors' are defined as respondents holding at least one of the assets shown in Fig. 6.1, including crypto-assets (investors holding crypto-assets are around 2.7% of the sample). Figures referring to both 2019 and 2020 investors do not include respondents trading crypto-assets in 2020, as this data were not surveyed in 2019, in order to ensure homogeneous comparison over time.

**Perception about SRIs (Fig. 7.4)**

Perception about SRIs is investigated through the following question 'Why does sustainability matter to you? 1. Because of my personal values and ethics (personal values), 2. Means doing good while investing (feel good), 3. Due to the increasing importance of sustainability in society (social consideration), 4. Sustainable investments have higher returns in the longer run (high long-term return), 5. Sustainable investments are less risky than conventional investments, but they give the same return in the longer run (low risk & high long-term return), 6. Sustainable investments have a somewhat lower return than conventional investments, but they are less risky (low risk & low return), 6. Sustainability doesn't matter to me, unless in a purely financial sense (financial concerns)'. For references see: Dorfleitner, G. and M. Nguyen (2016), Which proportion of SR investments is enough? A survey-based approach, Business Research, 9: pp. 1–25.

**Pairwise correlations (Fig. 3.10, Fig. 3.11, Fig. 4.15, Fig. 4.16, Fig. 5.10, Fig. 5.11, Fig. 6.13, Fig. 7.6, Fig. 8.10)**

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.

Pairwise correlations reported in the Report are significant at 1%, except for the items marked ** (significant at 5%) and * (significant at 10%).
The dummies reported in the pairwise correlation tables are defined as in the following table.

| variable | Description |
|---|---|
| married | dummy equal to 1 if respondents are either married or in domestic partnership |
| sons | dummy equal to 1 if respondents have young children and/or children over 15 |
| sharing decisions | dummy equal to 1 if respondents share their financial decisions with their partner or other relatives |
| partner | dummy equal to 1 if respondents share their financial decisions with their partner |
| man sharing | dummy equal to 1 if respondents are men that share their financial decisions with their partner or other relatives |
| education | dummy equal to 1 if respondents have at least a bachelor's degree |
| risk aversion | dummy equal to 1 if respondents declare to be oriented towards investment with low/moderate risk and low/moderate returns (Fig. 3.3) |
| loss aversion | dummy equal to 1 if respondents declare to be totally loss averse (Fig. 3.3) |
| tolerance to short-term losses | dummy equal to 1 if respondents declare to be tolerant to short-term losses (Fig. 3.3) |
| tolerance to small losses | dummy equal to 1 if respondents declare to be tolerant to small losses (Fig. 3.3) |
| procrastination | dummy equal to 1 if the value of corresponding indicator is higher than the sample median (see previous paragraph and Fig. 3.4) |
| financial self-efficacy | dummy equal to 1 if the value of corresponding indicator is higher than the sample median (see previous paragraph and Fig. 3.5) |
| financial anxiety | dummy equal to 1 if the value of corresponding indicator is higher than the sample median (see previous paragraph and Fig. 3.8) |
| financial satisfaction | dummy equal to 1 if respondents declare to be somewath or very satisfied with their financial situation (Fig. 3.7) |
| financial trust | dummy equal to 1 if the financial trust is higher than the sample median (see previous paragraph and Fig. 3.9) |
| financial knowledge | dummy equal to 1 if the value of corresponding indicator is higher than the sample median (see previous paragraph and Fig. 4.1) |
| upward mismatch | dummy equal to 1 if, in at least 2 cases out of 5, individuals give the wrong answer to the financial knowledge questions Q1-Q5 reported in Fig. 4.1, although, before answering the financial literacy quiz, they have stated to 'have heard and understood' the financial notion cited in the question (Fig. 4.6) |
| overconfidence | dummy equal to 1 if the number of the correct answers as assessed ex-post (i.e., after answering the financial literacy quiz) minus the actual number of correct answers is strictly greater than zero (Fig. 4.7) |
| competence | refers to both diversifying and trading in the stock market abilities as measured through the questions reported in Fig. 4.2 and Fig. 4.11 |
| proactive fin. education | dummy equal to 1 if respondents show a proactive attitude towards financial education when answering the following question: 'If you should make an important financial decision, would you try to learn more?' (Fig. 4.12) |
| reliance on others for important choices | dummy equal to 1 if respondents show a propensity to rely on others rather than trying to learn more when answering the following question: 'If you should make an important financial decision, would you try to learn more?' (Fig. 4.12) |
| no landmarks for fin. education | dummy equal to 1 if respondents declare to be interested to learn more but they do not know who to ask for when answering the following question: 'If you should make an important financial decision, would you try to learn more?' (Fig. 4.12) |

*- cont. -*

| variable | Description |
|---|---|
| no interest in fin. education | dummy equal to 1 if respondents show no attitude towards financial education when answering the following question: 'If you should make an important financial decision, would you try to learn more?' (Fig. 4.12) |
| fin. education app | dummy equal to 1 if respondents use an app to manage their finances or could be interested in using it (Fig. 4.14) |
| financial planning | dummy equal to 1 if respondents state to have a financial plan (Fig. 5.1) |
| budget always respected | dummy equal to 1 if respondents declare to have a budget always respected (Fig. 5.1) |
| saving | dummy equal to 1 if respondents state to save either regularly or occasionally (Fig. 5.5) |
| awareness about retirement | variable which takes values from 0 to 3 according to the number of statements on which respondents declare their agreement among the following: 'I know how many years I'll have to work before I retire'; 'I know how much I'll get monthly when I retire'; 'I know how much I should save to maintain my current standard of living when I retire' (Fig. 5.3) |
| exposure to unexpected expenses | dummy equal to 1 if respondents declare they would not be able (either probably or definitely) to cope with an expected expense of 1,000 euros (Fig. 5.7) |
| vulnerability | dummy equal to 1 if respondents declare a decrease in their family income (either temporary or permanent; Fig. 5.7) |
| in debt | dummy equal to 1 if respondents declare to be in debt (Fig. 5.8) |
| no Covid effects | dummy equal to 1 if respondents answer that they did not change their habits due to Covid-19 crisis (Fig. 5.9) |
| uncertainty on post-Covid recovery | dummy equal to 1 if respondents answer 'don't know' to the question on the expected timing of economic recovery following the Covid-19 crisis (Fig. 5.9) |
| financial investment | dummy equal to 1 if respondents hold at least one financial asset except for current account, insurance and pension products (Fig. 6.1) |
| no source of information | dummy equal to 1 if investors declare they do not use any source of information when making investment decisions (Fig. 6.5) |
| self-managed | dummy equal to 1 if investors self-manage their financial choices (Fig. 6.7) |
| informal advice | dummy equal to 1 if investors make their financial choices with family/friends/colleagues (Fig. 6.7) |
| informal advice by expert | dummy equal to 1 if investors make their financial choices with family/friends/colleagues working in the financial sector (Fig. 6.7) |
| professional support | dummy equal to 1 if investors either rely on investment advice or delegate to a portfolio manager (Fig. 6.7) |
| monitoring investments | dummy equal to 1 if respondents declare to monitor their investments (Fig. 6.11) |
| willingness to pay for advice | dummy equal to 1 if respondents declare they would pay for the service (Fig. 6.16) |
| interest in SRIs | dummy equal to 1 if respondents are somewhat or very interested in SRIs (Fig. 7.2) |
| interest in crypto-currencies | dummy equal to 1 if respondents are somewhat or very interested in crypto-currencies (Fig. 8.6) |
| interest in robo advice | dummy equal to 1 if respondents are somewhat or very interested in robo advice (Fig. 8.7) |
| interest in crowdfunding | dummy equal to 1 if respondents are somewhat or very interested in crowdfunding (Fig. 8.8) |
| interest in trading online | dummy equal to 1 if respondents are somewhat or very interested in trading online (Fig. 8.9) |