The ECCU's Financial Literacy and Financial Inclusion

Report on Survey Results
- 2022 / 2023 -

Volume II

Eastern Caribbean Central Bank

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BACKGROUND

The Eastern Caribbean Central Bank (ECCB) partnered with the Organization of the Eastern Caribbean States (OECS) Commission to utilize technical and financial resources available through the World Bank's Caribbean Digital Transformation Project (CARDTP) to conduct a joint survey of Financial Literacy and Financial Inclusion (FLFI).

The objective of this initial survey was to have a baseline analysis relevant to the ECCU that is internationally comparable and:

- captures information about financial behaviour, attitudes and knowledge of individuals;

- ascertain financial awareness and access to financial services and products; and

- help define realistic targets that can be monitored to measure progress over time.

In September 2023, the ECCB made public the first of two volumes which presents the outcomes of the FLFI survey. Volume I summarizes the key findings of the survey. It consists of a general overview of financial literacy at the ECCU level, followed by a more detailed description of financial literacy and inclusion in the ECCU, with country specific examples. The report concludes with a brief assessment of financial resilience in the ECCU.

This report (Volume II), presents more details on the outcomes of the survey, including specific responses to questions used in the computation of key FLFI indicators. All indicator outcomes are presented for each economic territory including the ECCU.

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THE QUESTIONNAIRE

The questionnaire is primarily designed to measure financial literacy in a regionally (for ECCU member states) and an internationally comparable way.

The financial literacy component of the questionnaire reflects the Organization for Economic Co-operation and Development (OECD) definition of financial literacy as included in the 2022 OECD Recommendation on Financial Literacy, namely: 'A combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial well-being.'

The financial literacy questions themselves are largely drawn from existing surveys, and represent good practice in financial literacy and financial inclusion measurement. The financial literacy questions cover:

- Financial behaviours related to financial literacy, such as budgeting, planning and managing finances;
- Financial attitudes related to financial literacy;
- Financial knowledge

The 2022 version of the questionnaire includes questions to measure digital financial literacy, developed with the collaboration of the OECD Working Group on Digital Financial Literacy. These questions cover the two of three components of behaviour, attitudes and knowledge.

In addition, the questionnaire collects information on a number of related outcomes to which financial literacy is expected to contribute, such as financial inclusion, financial resilience, and financial well-being. In particular, the questionnaire includes:

- Questions about choosing and using financial products that can be used to collect information about levels of financial inclusion. This section also includes questions about holding and use of digital financial products and services, and sustainable finance.

- Questions about the availability of financial resources to face income and expenditure shocks, and making ends meet, that can be used to collect information about financial resilience.

- Five financial well-being questions incorporated in the short financial well-being survey developed by the Consumer Financial Protection Bureau in the US, and questions reflecting aspects identified through the OECD work on financial well-being.

- Questions to identify whether respondents have had experiences such as being a victim of a financial scam; questions relating to integrity, trust and financial consumer protection; and questions about attitudes towards sustainable finance.

- Socio-demographic questions.

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METHODOLOGY

The Survey is an assessment of Financial Literacy and Financial Inclusion (FLFI) of the Eastern Caribbean Currency Union (ECCU) adult population (aged 18 and over). Sample selection within each ECCU member country was based on a three-stage, stratified, systematically selected, random sample of clusters of dwelling units. The sample was selected from a frame developed from the 2011 round of Population and Housing Censuses. The sample was then updated using more recent surveys completed by the Central Statistics Offices/Departments across the sub-region.

A three-stage stratified random sampling method was utilized. First, Parishes or Census Divisions served as the initial strata in the sample. Second, Communities or Enumeration Districts within each Parish or Division were chosen systematically based on the average households size. This method ensured that each Parish was accurately represented in the sample according to its population size. In the third stage, households were selected from within each Community or Enumeration District. From these households, one individual aged 18 years or older (the ultimate sampling unit) was chosen and interviewed. Overall, 1,000 adults were targeted in most countries. However, in the smallest ECCU countries, Anguilla and Montserrat, the target sample size was 500 individuals each.

Within the selected communities, an age band and sex quota were enforced based on the a priori known demographic profile of the Parishes or Census Divisions in each country. This method approximates the implementation of the **Kish** method of selecting one respondent per dwelling unit based on the age and sex characteristics of the respondent.

In Anguilla and Montserrat, where the target was 500 respondents, 501 adults participated in the survey. In the other six ECCU countries, where the target was 1,000 adults, participation ranged from 998 in Grenada to 1,022 in Saint Christopher (St Kitts) and Nevis. These deviations from the target are due to minor adjustments for demographic quotas and systematic sampling. The total number of respondents was 7,037, with country-specific details provided on pages 4 and 5.

ECCU Country Codes

AI	Anguilla
AG	Antigua and Barbuda
DM	Commonwealth of Dominica
GD	Grenada
MS	Montserrat
KN	Saint Christopher (St Kitts) and Nevis
LC	Saint Lucia
VC	Saint Vincent and the Grenadines

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DEMOGRAPHICS & SOCIO-ECONOMIC CHARACTERISTICS

Location and Distribution of Respondents*

Anguilla: 501
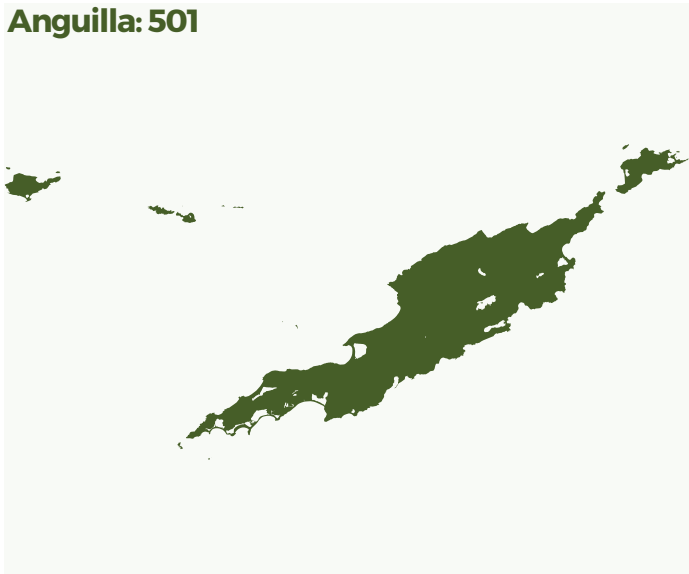
Antigua and Barbuda: 1,002
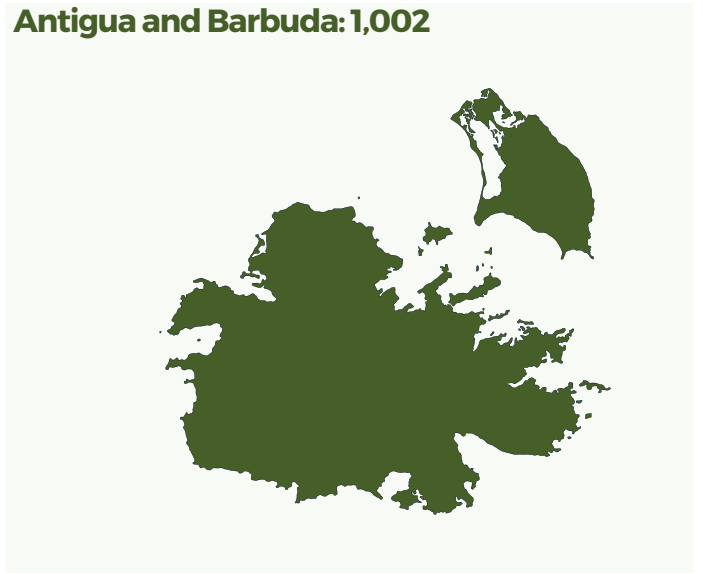
Commonwealth of Dominica: 1,013

Grenada: 998

*Maps are not drawn to scale

Montserrat: 501
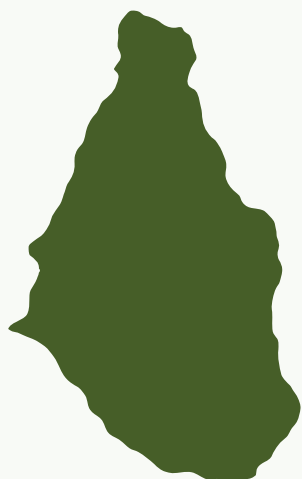
Saint Christopher (St Kitts) and Nevis: 1,022

Saint Lucia: 1,000
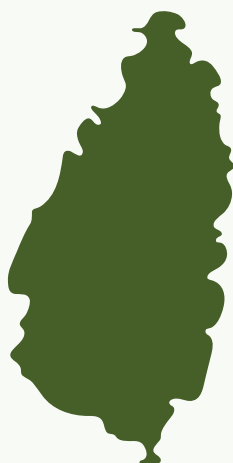
Saint Vincent and the Grenadines: 1,000
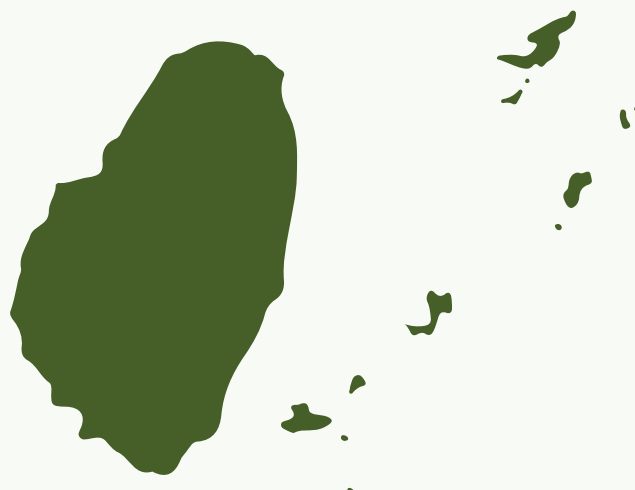
Chart 4.1 - Distribution (%) of the Windward Island respondents by location

■ **Rural**   ■ **Urban**

Location	Urban	Rural
DM	27.9	72.1
GD	49.8	50.2
LC	39.0	61.0
VC	47.3	52.7
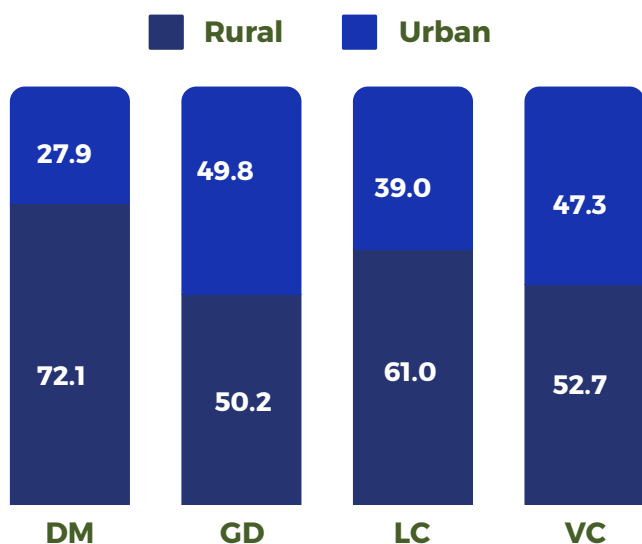
The majority of respondents were from the rural areas in the Windward Island member countries.

The Leeward Island member countries (Anguilla, Montserrat, Saint Christopher (St Kitts) and Nevis and Antigua and Barbuda) do not have urban or rural areas defined.

*Maps are not drawn to scale

Distribution of Respondents by Sex

The ratio between the number of males and number of females were approximately equal. This confirms that the sample is a reasonably accurate representation of the sex ratio of the populations assessed.

Chart 4.2 - Distribution (%) of the respondents by sex

Male   **Female**

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Female	51.7	49.8	50.7	52.1	49.2	49.8	50.3	50.0	50.5
Male	48.3	50.2	49.3	47.9	50.8	50.2	49.7	50.0	49.5
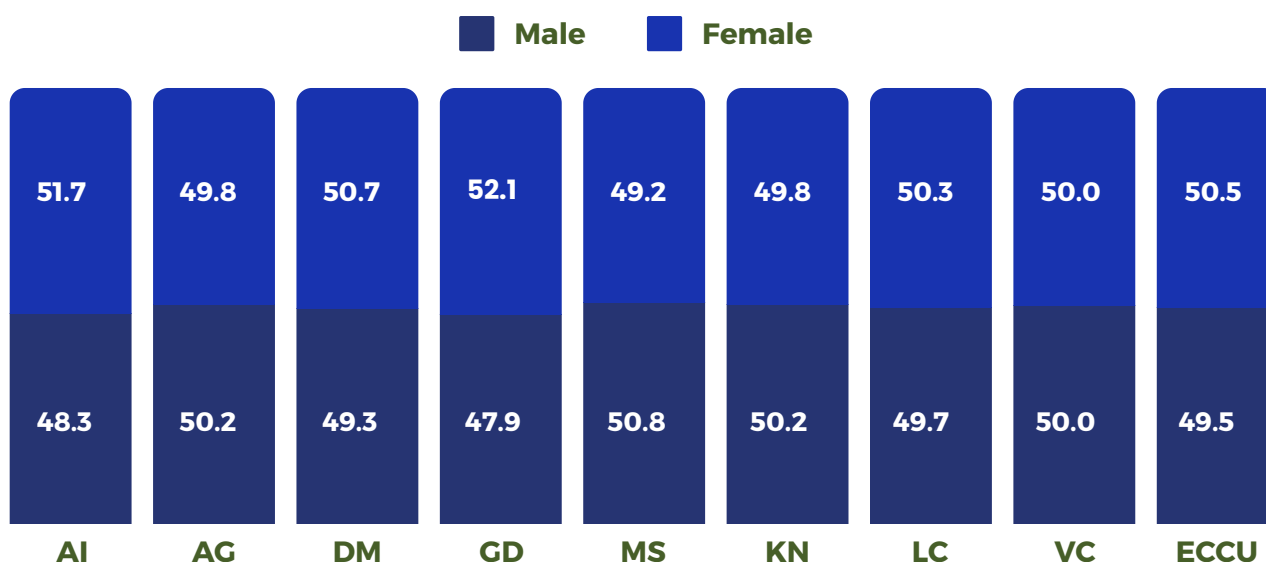
Distribution of Respondents by Age

The largest proportion of respondents for each country except Anguilla, were within the range 30 to 49 years. The majority of respondents in Anguilla were 50 years and older.

Chart 4.3 - Distribution (%) of the respondents by age

18 - 29   **30 - 49**   **50 and Over**

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
50 and Over	40.1	30.9	32.8	35.7	39.8	29.3	39.5	25.1	33.3
30 - 49	38.7	42.3	40.4	36.0	41.8	41.0	39.6	43.3	40.4
18 - 29	21.2	26.7	26.9	28.4	18.4	29.7	20.9	31.6	26.3
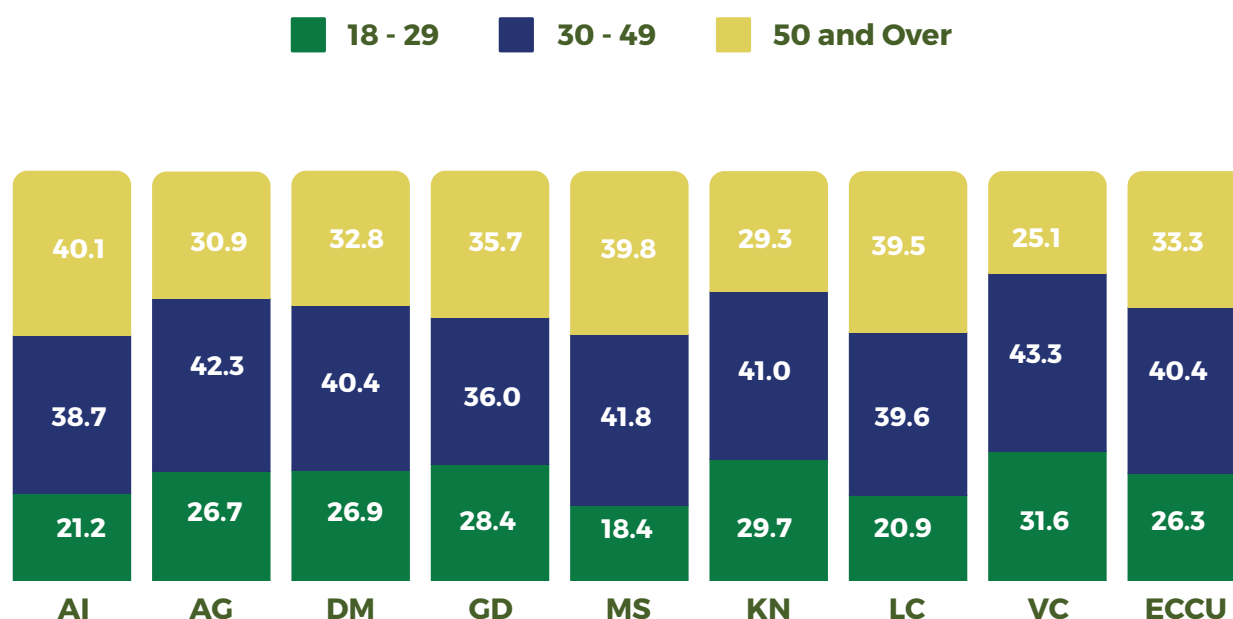
Distribution of Respondents by Living Arrangements

Just over 40 per cent of respondents in the ECCU member countries reported living with other adult relatives, colleagues/students, or unrelated adults. Nearly 30 per cent indicated they were living with a spouse or partner, while 20.5 percent were living alone.

Chart 4.4 - Distribution (%) of the respondents by living arrangements
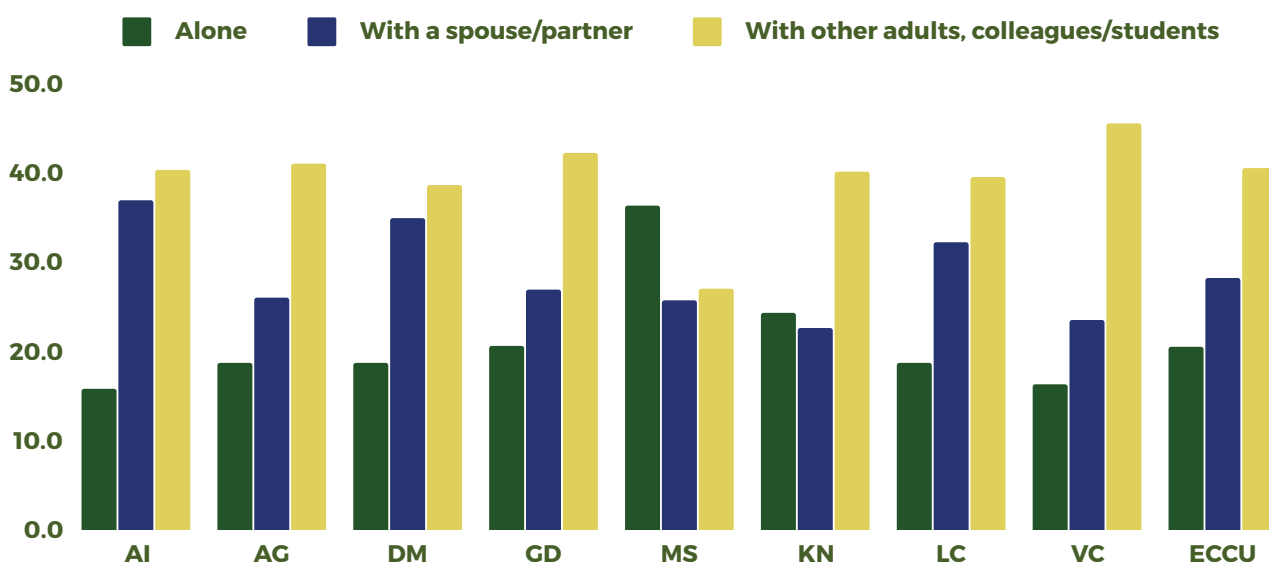
Education Level

At the ECCU level, 46.3 per cent of respondents culminated their education at the secondary level. The proportion of respondents with secondary level education ranged from 39.0 per cent in Grenada to 54.7 per cent in Saint Christopher (St Kitts) and Nevis.

Chart 4.5 - Distribution (%) of the respondents by education attainment
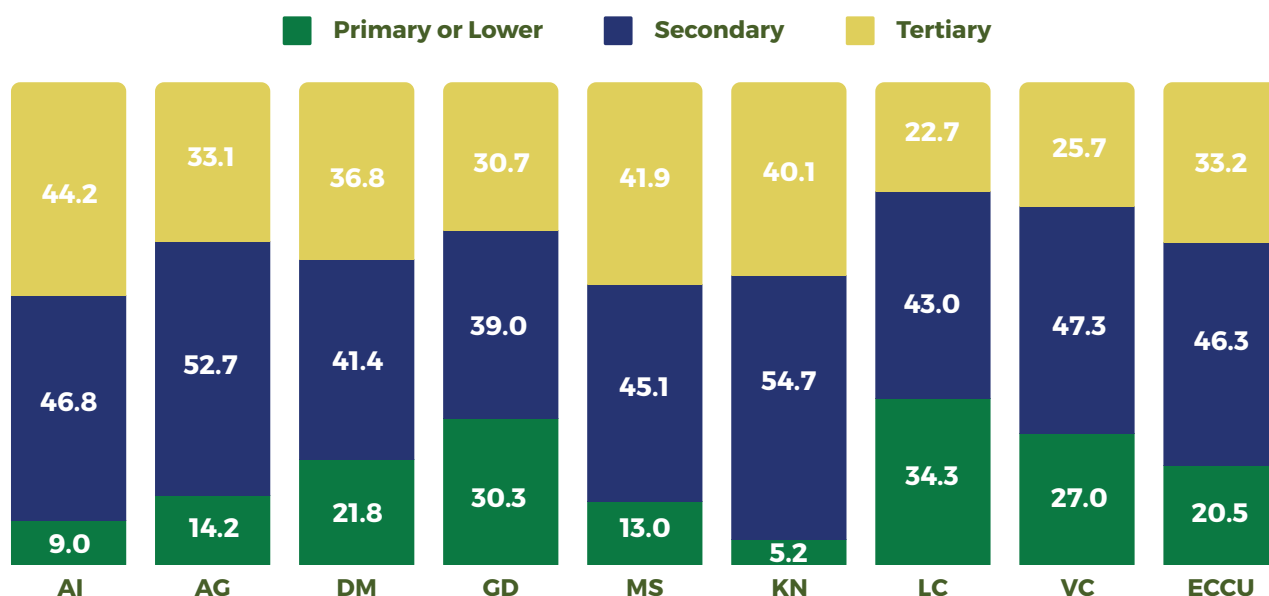
Economic Activity of Respondents (Pre-Covid)

At the ECCU level, 74.9 per cent of respondents were employed prior to the Covid-19 pandemic. The proportion employed prior to the pandemic, ranged from 67.1 per cent in Saint Vincent and the Grenadines to 82.0 per cent in Montserrat.

Chart 4.6 - Distribution (%) of the respondents by Economic Activity (Pre-Covid)

Legend: Employed | Economically Inactive | Unemployed

Country	Employed	Economically Inactive	Unemployed
AI	79.9	18.9	
AG	78.0	18.6	3.4
DM	75.0	20.9	4.0
GD	69.5	25.6	4.9
MS	82.0	17.2	
KN	77.2	19.6	3.2
LC	76.1	19.2	4.7
VC	67.1	24.0	8.9
ECCU	74.9	20.8	4.3
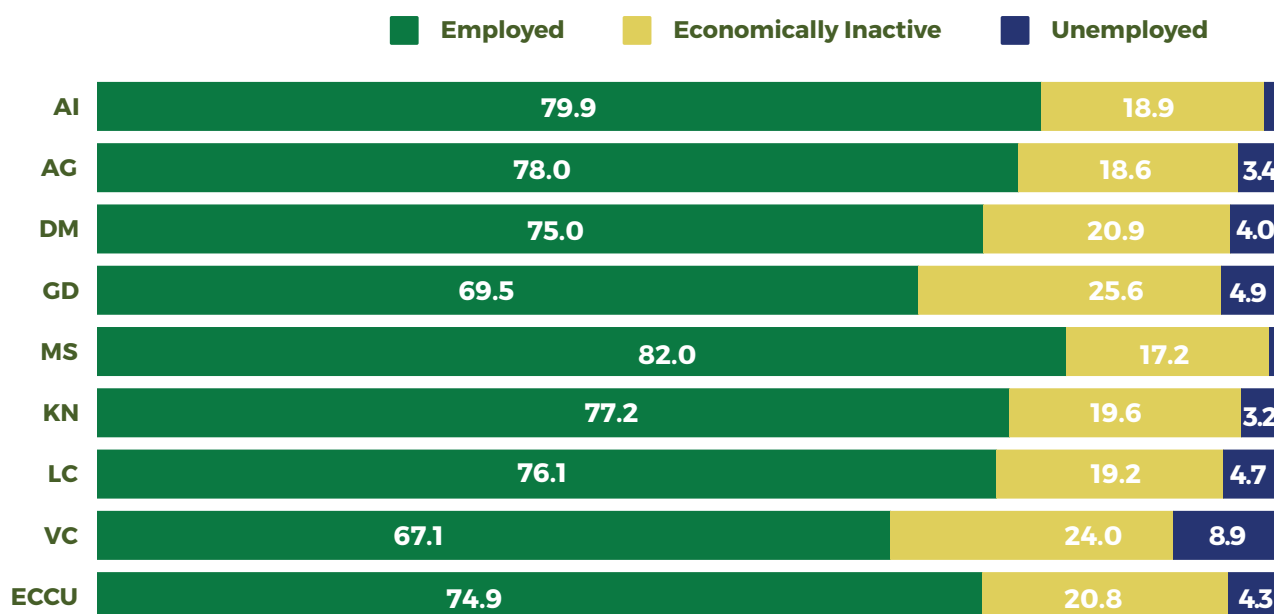
Economic Activity of Respondents (Current Status)

Relative to the pre-Covid 19 pandemic, more respondents were unemployed at the time of the survey. Unemployed respondents ranged from 2.0 per cent in Montserrat to 10.8 per cent in Saint Vincent and the Grenadines.

Chart 4.7 - Distribution (%) of the respondents by Economic Activity (Current)

Legend: Employed | Economically Inactive | Unemployed

Country	Employed	Economically Inactive	Unemployed
AI	82.3	15.1	
AG	77.5	17.5	5.0
DM	76.6	19.7	3.7
GD	67.4	25.8	6.8
MS	81.6	16.4	
KN	78.4	18.3	3.3
LC	67.6	23.0	9.4
VC	66.4	22.8	10.8
ECCU	73.7	20.4	5.9
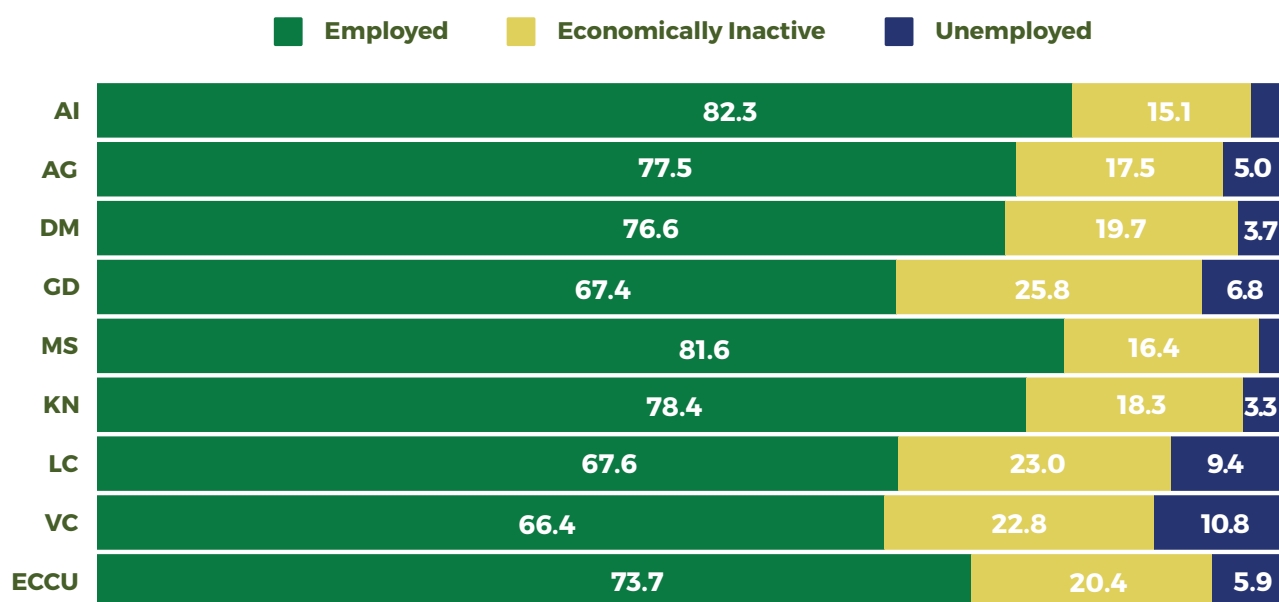
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OVERALL FINANCIAL LITERACY

Components of Financial Literacy

- **Financial Attitude** towards spending, saving and planning money. The financial attitude score ranges from 0 to 4.

- **Financial Behaviour** involves participation in preparing budgets, finance management, ability to meet monthly expenses, etc. The financial behaviour score ranges from 0 to 9.

- **Financial Knowledge** reflects basic information of financial concepts and the ability to apply numeracy skills in a financial context. The financial knowledge score ranges from 0 to 7.

Overall Financial Literacy Score (out of 20)
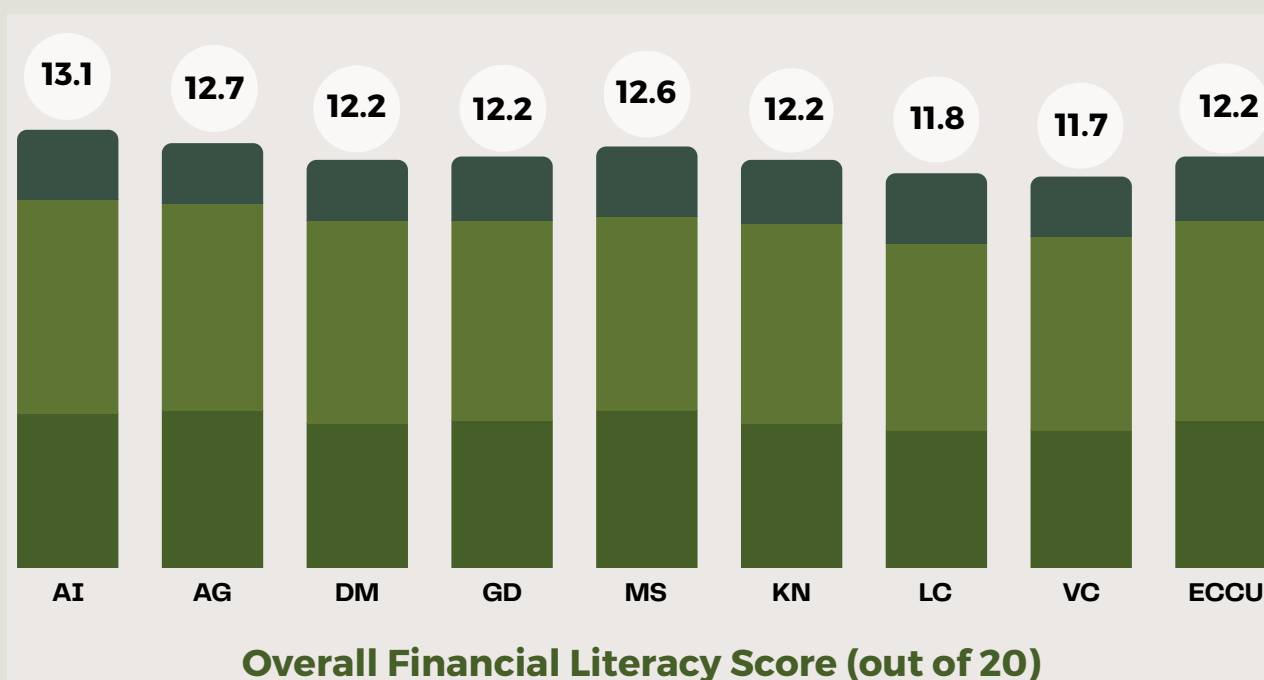
5.0 - OVERALL FINANCIAL LITERACY

The financial literacy score is calculated by combining scores from financial attitude (ranges from 0 to 4), financial behaviour (ranges from 0 to 9), and financial knowledge (ranges from 0 to 7).

The derived financial literacy score ranges from a minimum value of 0 to a maximum of 20. Scoring the maximum of 20 suggests that an individual has acquired a basic level of understanding and use of finance.

Financial literacy levels varied across all ECCU countries, with an overall score of 12.2 out of a possible 20. Within the ECCU, scores ranged from 11.7 to 13.1. Anguilla attained the highest score, while Saint Vincent and the Grenadines recorded the lowest. The remaining six countries scored between 11.8 (Saint Lucia) and 12.7 (Antigua and Barbuda).

The overall financial literacy scores suggest room for improvement across all territories in financial knowledge, behaviour and attitude.

The ECCU financial attitude score was 1.9 out of 4. **1 in 5 adults met the minimum target score of 3 out of 4 for financial attitude.**

The ECCU financial behaviour score was 6.0 out of 9. **3 in 5 adults met the minimum target score of 6 out of 9 for financial behaviour**

The ECCU financial knowledge score was 4.4 out of 7. **1 in 2 adults met the minimum target score of 5 out of 7 for financial knowledge.**

Chart 5.1 - Distribution of financial literacy score

Anguilla
Mean = 13.11, Standard Deviation = 3.08

Antigua and Barbuda
Mean = 12.7, Standard Deviation = 2.67

The Commonwealth of Dominica
Mean = 12.18 Standard Deviation = 2.97

Grenada
Mean = 12.23, Standard Deviation = 3.00

Montserrat
Mean = 12.64, Standard Deviation = 3.21

Saint Christopher (St Kitts) and Nevis
Mean = 12.22, Standard Deviation = 2.95

Saint Lucia
Mean = 11.76, Standard Deviation = 2.80

Saint Vincent and the Grenadines
Mean = 11.69, Standard Deviation = 3.10

Note:

The histograms show the financial literacy scores which are most common for each country. Taller bins or bars to the right of the chart, suggest that larger proportions of respondents gained higher scores.

The mean score, is the financial literacy score. This score is affected by unusually low or unusually high scores. Therefore, the histogram presents a truer reflection of each country's overall performance.

Financial Attitude Score (out of 4)

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
2.1	1.8	1.8	1.9	2.1	1.9	2.1	1.8	1.9
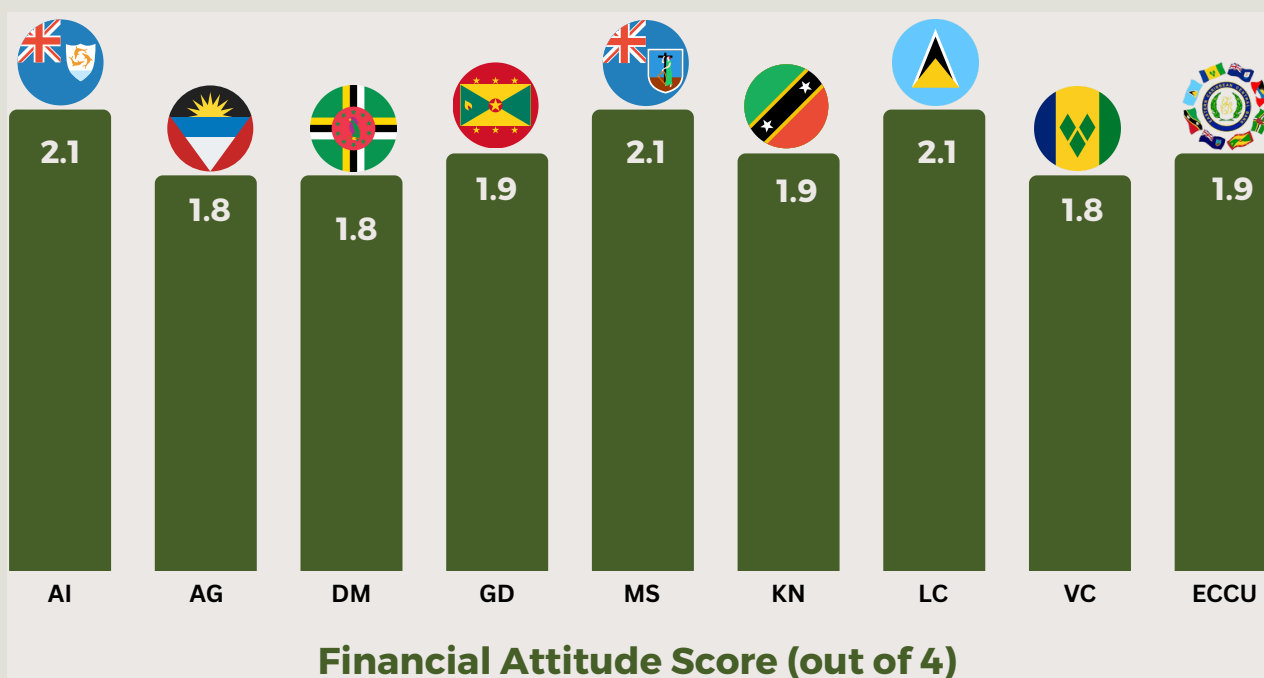
5.1 - FINANCIAL ATTITUDE

The Survey included three statements to assess respondents' attitudes towards money and planning for the future. Respondents were asked to use a scale of 1 (completely agree) to 5 (completely disagree) to indicate their feelings towards the statements:

- I tend to live for today and let tomorrow take care of itself.

- I find it satisfying to spend money more than to save it for the long-term.

- Money is there to be spent.

Each of the statements focuses on preferences for the short-term which are likely to hinder behaviours that could lead to improved financial resilience and well-being. A higher score was given to those respondents who tend to disagree with the statements which is a display of a more positive attitude.

At the ECCU level, 1 in 5 adults met the minimum target score of 3 out of 4 for financial attitude.

In the ECCU, the average financial attitude score was 1.9 out of 4. Among all countries, this score varied from 1.8 in Saint Vincent and the Grenadines to 2.1 in Anguilla, Montserrat, and Saint Lucia.

ECCU households focus on short-term plans and spending money rather than saving it.

Less than half of the respondents in the ECCU exhibited more positive attitudes towards spending money. At the country level, Saint Lucia (56.5 %) and Grenada (53.7%) had the largest proportion of respondents exhibiting more positive attitudes towards spending.

Chart 5.1.1 - Percentage (%) distribution of responses based on statement:
I tend to live for today and let tomorrow take care of itself"

	Completely	Very Well	Somewhat	Very Little	Not at All
AI	12.2	7.0	33.0	6.0	41.8
AG	32.3	5.0	23.8	7.1	31.9
DM	29.1	5.1	23.0	9.0	33.8
GD	22.7	5.6	18.0	9.0	44.7
MS	23.3	4.8	22.0	9.0	40.9
KN	22.6	8.0	33.0	9.0	27.4
LC	19.4	8.1	16.0	7.0	49.5
VC	19.9	8.9	26.0	9.0	36.2
ECCU	23.4	6.7	24.0	8.0	37.9

Five in ten respondents in the ECCU show a more positive attitude toward saving money. At the country level, Montserrat (60.9 %) and Saint Lucia (57.0%) had the largest proportions of respondents demonstrating a more positive attitude toward saving money.

Chart 5.1.2 - Percentage (%) distribution of responses based on statement:
"I find it satisfying to spend money more than to save it for the long term"

	Completely Agree	Somewhat Agree	Neither Agree/Disagree	Somewhat Disagree	Completely Disagree
AI	10.4	21.5	14.1	25.5	28.5
AG	18.2	17.7	13.9	16.4	33.9
DM	23.1	16.4	16.0	13.4	31.1
GD	23.8	14.5	10.4	15.3	35.9
MS	11.6	9.6	17.8	15.8	45.1
KN	18.7	16.1	11.1	13.4	40.7
LC	14.8	15.4	12.8	17.5	39.5
VC	22.9	21.4	14.9	14.7	26.1
ECCU	18.9	16.7	13.6	15.9	34.9
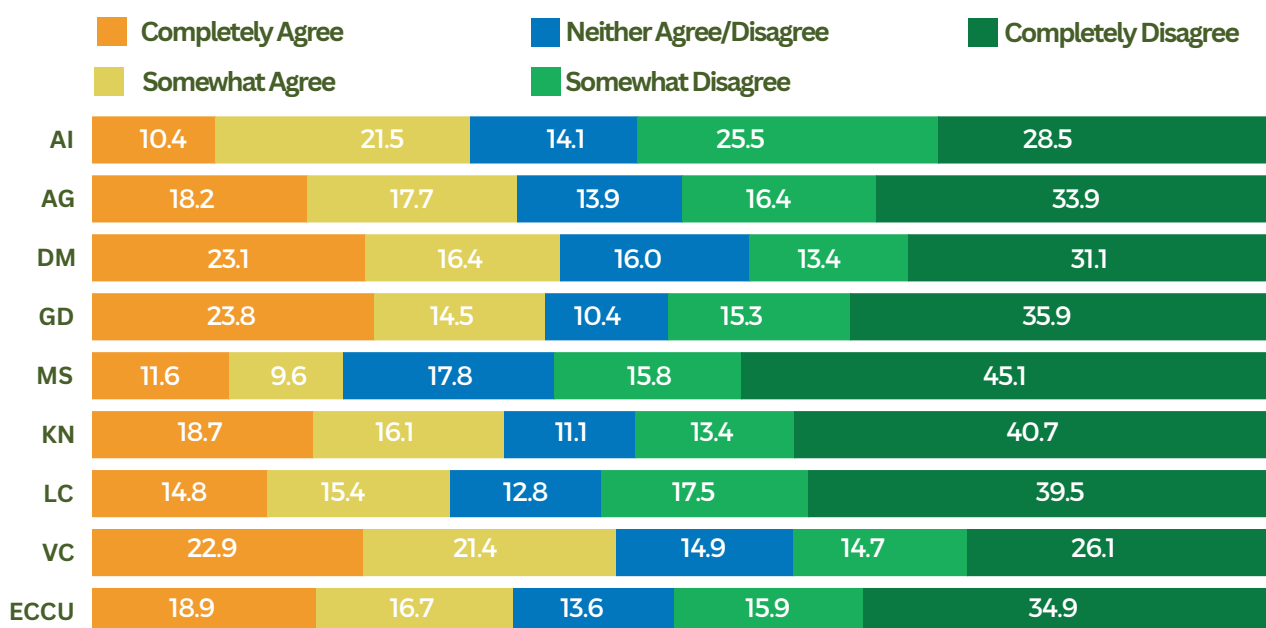
The majority of the ECCU respondents (71.5%) felt that "money is there to be spent". A mere 16.5 per cent of ECCU respondents showed a more positive attitude towards spending money. The data reflects that financial attitude towards spending money was poor across all ECCU countries.

Chart 5.1.3 - Percentage (%) distribution of responses based on statement: "Money is there to be spent"

	Completely Agree	Somewhat Agree	Neither Agree/Disagree	Somewhat Disagree	Completely Disagree
AI	25.9	43.3	13.0	12.2	5.6
AG	45.9	27.5	9.9	5.6	11.2
DM	42.5	28.7	15.4	7.5	5.8
GD	50.1	21.2	12.0	8.6	8.0
MS	39.9	28.5	11.4	8.8	11.4
KN	37.2	34.2	11.5	9.2	7.8
LC	41.8	32.1	9.7	10.2	6.2
VC	45.5	25.4	12.7	8.3	8.1
ECCU	42.2	29.3	11.9	8.6	7.9
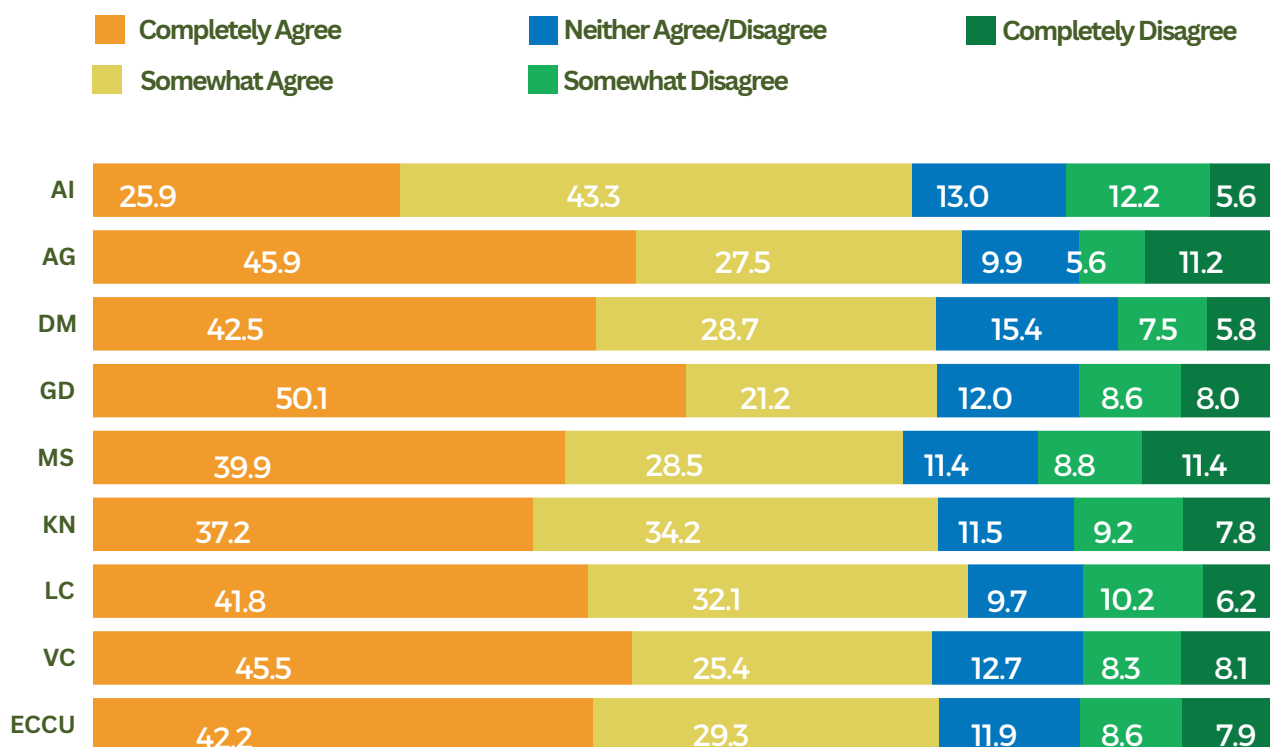
Chart 5.1.4 - Distribution (%) of respondents who showed a positive attitude towards spending, saving and planning money.

Chart 5.1.5 - Distribution of financial attitude score

Anguilla
Mean = 2.07, Standard Deviation = 0.94

Antigua and Barbuda
Mean = 1.80, Standard Deviation = 1.00

The Commonwealth of Dominica
Mean = 1.77, Standard Deviation = 1.07

Grenada
Mean = 1.92, Standard Deviation = 1.05

Montserrat
Mean = 2.11, Standard Deviation = 1.05

Saint Christopher (St Kitts) and Nevis
Mean = 1.89, Standard Deviation= 1.04

Saint Lucia
Mean = 2.06, Standard Deviation = 0.97

Saint Vincent and the Grenadines
### Mean = 1.80, Standard Deviation = 0.98

Note:

The histograms show the financial attitude scores which are most common for each country. Taller bins or bars to the right of the chart, suggest that larger proportions of respondents gained higher scores.

The mean score, is the financial attitude score. This score is affected by unusually low or unusually high scores. Therefore, the histogram presents a truer reflection of each country's overall performance.

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
6.4	6.2	6.1	6.0	5.8	6.0	5.6	5.8	6.0

Financial Behaviour Score (out of 9)
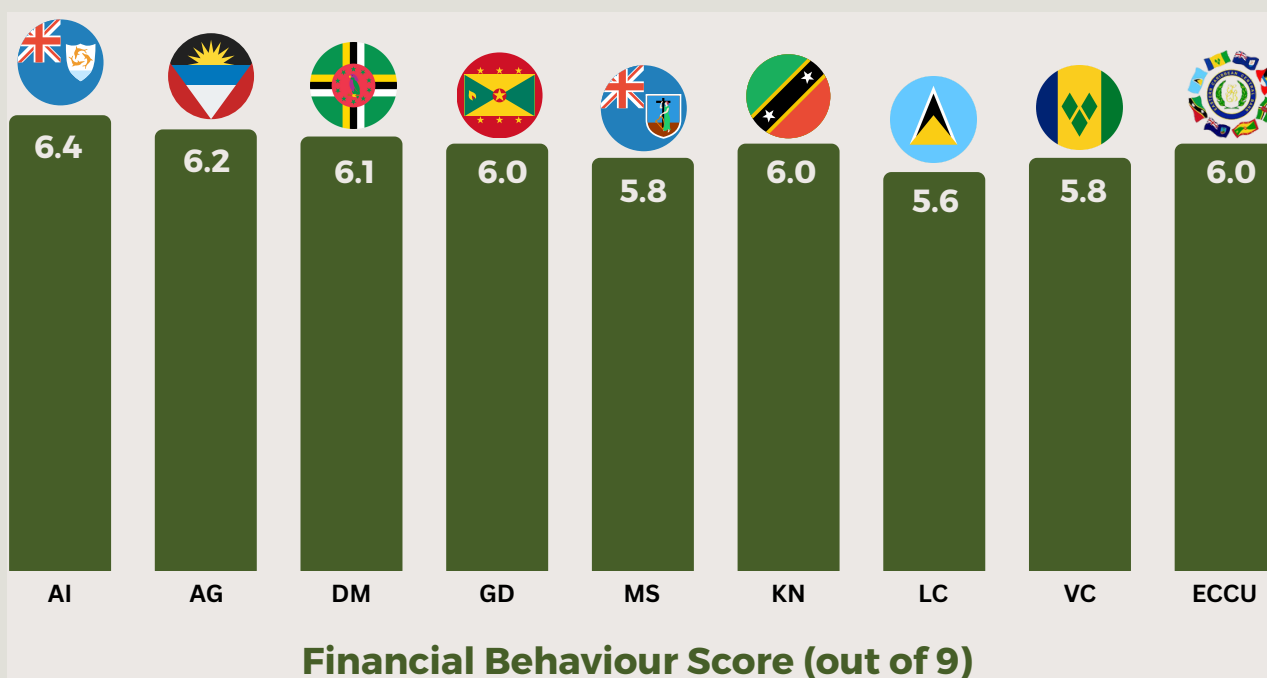
5.2 - FINANCIAL BEHAVIOUR

An individual's wellbeing is impacted by some types of behaviours. Such behaviours include but are not limited to; postponing bill payments, failing to plan for future spending and choosing financial products without carefully examining what is available. The survey examined this component of financial literacy by incorporating a set of questions to assess wise financial behavious such as:

- Budgeting;
- Active savings;
- Avoiding borrowing to make ends meet;
- Choosing financial products;
- Keeping watch on financial affairs;
- Striving to achieve financial goals;
- Making considered purchases; and
- Paying bills on time.

Seven (7) question responses took on a score ranging from 0 to 1. One (1) question on choosing financial products, took on a score ranging from 0 to 2.
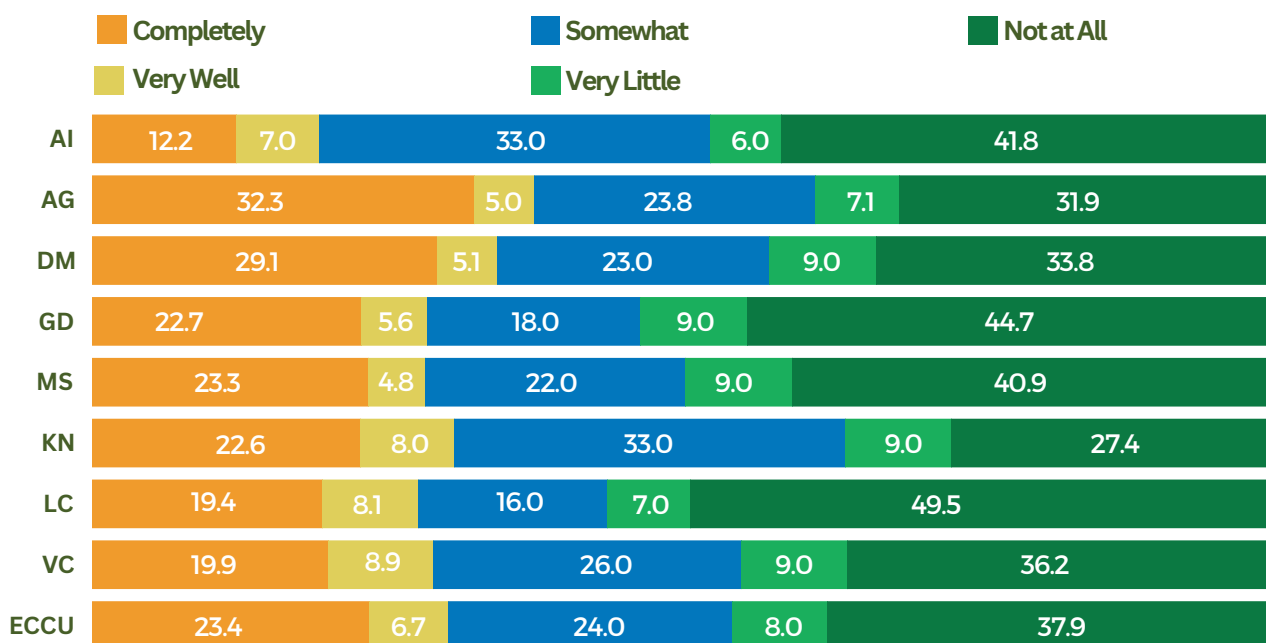
At the ECCU level, 3 in 5 adults met the minimum target score of 6 out of 9 for financial behaviour.

The average financial behaviour score obtained across all individuals in the ECCU was 6.0 out of 9. Financial behaviour scores ranged from 5.6 in Saint Lucia to 6.4 in Anguilla.

Budgeting

Respondents who actively manage their own or their household's finances, or who participate in specific budget planning activities listed in Table 5.2.1, demonstrate responsible money management behavior.

Charts 5.2.1 and 5.2.2, along with Table 5.2.1, display the positive responses to the three budget questions used to assess responsible money management behavior.

Chart 5.2.1 - Respondents personally responsible for their <u>own</u> money management

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
70.5	76.1	64.5	73.4	82.6	70.0	73.4	66.3	72.0

Overall, 72.0 per cent of all respondents were solely responsible for the day-to-day use of their <u>own</u> money.

This proportion ranged from 64.5 percent in the Commonwealth of Dominica to 82.6 in Montserrat.
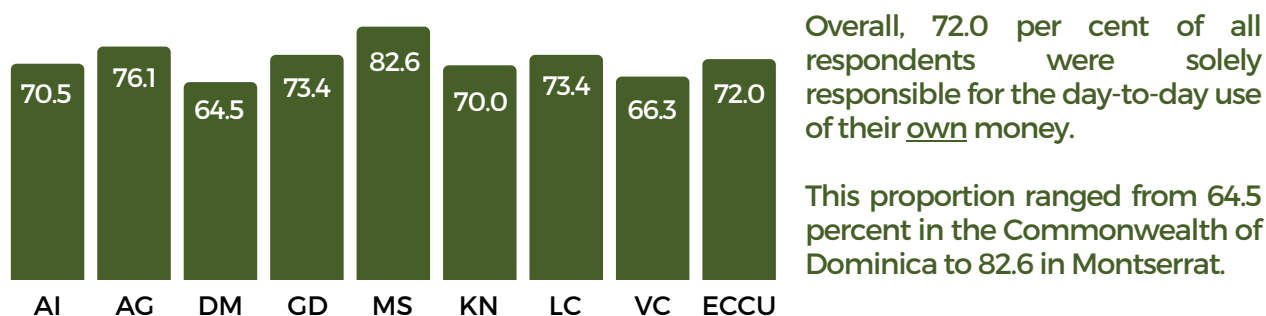
Chart 5.2.2 - Respondents (%) responsible for money management <u>in their household</u>

■ Solely   ■ Jointly

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Jointly	50.3	44.0	44.5	38.4	34.2	37.2	42.3	44.6	41.9
Solely	37.1	43.1	44.5	46.7	60.4	47.7	42.6	41.9	45.0

At the ECCU level, 86.9 per cent of respondents were involved in household money management.

Montserrat had the highest percentage of respondents (94.6 %) involved in household money management.
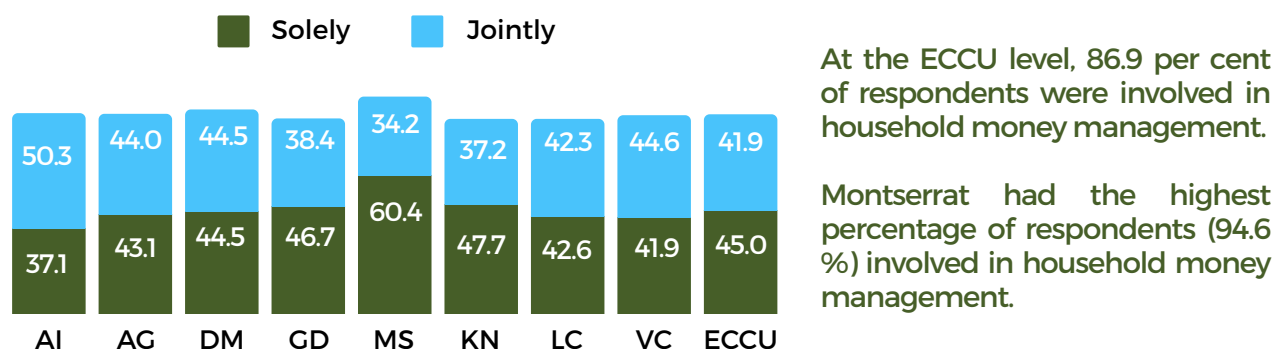
Table 5.2.1 - Respondents (%) who made budget planning decisions

Budget Planning Decisions	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Make a plan to manage your income and expenses	78.6	73.3	70.9	63.9	71.2	69.0	69.0	63.4	69.2
Keep a note of your expenses	73.3	60.1	59.9	52.0	59.2	63.5	50.2	48.6	57.2
Keep money for bills separate from day-to-day expenses	70.5	65.1	62.5	57.8	62.4	65.0	61.7	56.2	62.1
Make a note of upcoming bills to make sure you don't miss them	70.5	57.4	58.3	47.4	59.6	60.2	55.3	40.0	54.8
Use a banking app/money management tool to keep track of your expenses	40.8	28.9	27.9	21.2	26.2	36.0	22.1	14.3	26.3
Arrange automatic payments for regular spending	33.2	16.3	20.9	15.4	15.0	18.9	12.8	7.4	16.5

Active Saving

The survey defined an <u>active saver</u> as an individual who takes a decision to save money using any method (whether old fashioned or modern). Table 5.2.2 presents the percentage of respondents who save using different methods. The most frequently used form of active saving by respondents was paying money into a savings or deposit account.

Table 5.2.2 - Respondents (%) by type of <u>savings</u> decision made

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Paying money into a savings or other deposit account	85.2	70.0	76.4	64.3	77.3	81.0	69.6	68.1	73.0
Saving cash at home or in a wallet	55.0	51.2	59.2	42.3	48.0	52.4	51.7	57.1	52.2
Giving money to family or friends to save on your behalf	12.2	13.8	22.4	10.9	6.6	13.7	8.7	12.3	13.0
Saving or investing in some other way other than pension	21.7	14.1	20.4	11.7	20.2	21.3	11.6	9.2	15.6
Saving in an informal savings club (Sou Sou, partner hand, etc.)	23.0	37.7	17.9	25.9	18.9	22.6	17.1	13.3	22.3
Investing in stocks and shares	12.7	7.2	8.5	9.8	11.4	17.1	11.8	19.4	12.2
Investing in cryptocurrency	4.1	2.7	3.4	0.9	1.7	2.5	1.6	1.1	2.2
Buying bonds or time deposits	7.2	1.8	1.6	1.8	2.7	3.8	1.3	0.7	2.3

Borrowing to make ends meet

Respondents who used any form of credit to make ends meet in the 12 months preceding the survey, were assigned a score of zero (0), as borrowing <u>to make ends meet</u>, indicates financial behaviour which can adversely impact an individual's financial well-being.

At the ECCU level, one in five respondents utilized at least one of twelve different ways to borrow money in order to make ends meet. Table 5.2.3 details the various borrowing styles utilised by respondents.

Chart 5.2.3 - Respondents (%) who borrowed to <u>make ends meet</u>

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
18.1	18.7	27.8	20.4	28.7	24.5	26.3	24.5	23.9
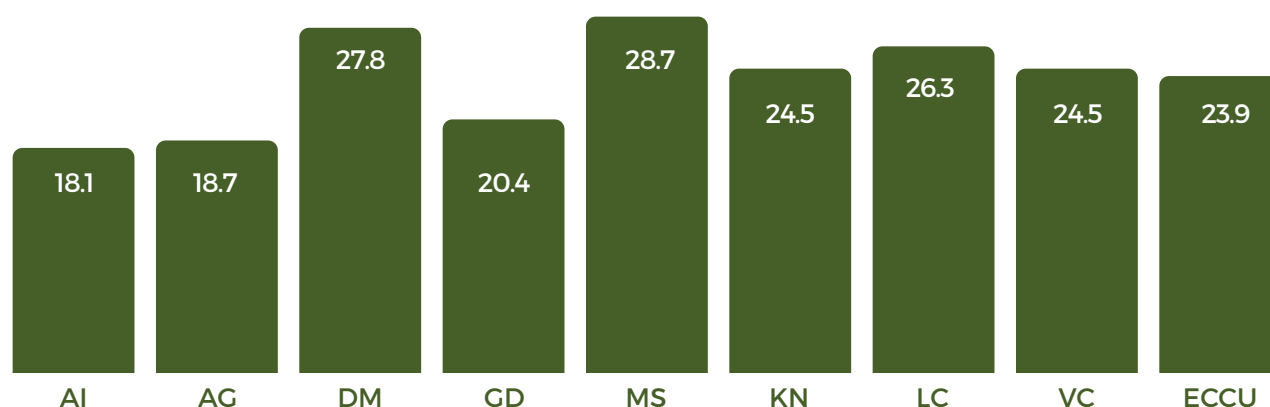
Table 5.2.3 - Respondents (%) by type of credit used to make ends meet

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Borrow from family and friend and/or the community	6.3	5.5	14.1	10.9	11.3	8.4	12.0	12.4	10.6
Pay bills late; miss a payment	3.8	8.0	5.6	6.5	15.3	10.9	8.9	9.2	8.4
Take a loan from your savings and loans club or other informal group.	1.9	2.3	4.9	1.5	2.9	4.7	1.8	1.3	2.7
Take a personal loan from a financial service provider	5.0	1.5	3.0	0.2	2.5	2.5	2.9	1.9	2.2
Pawn something that you own	0.6	0.8	2.4	0.4	0.7	0.7	0.5	0.9	1.0
Take out savings from insurance policy	0.0	0.0	1.6	0.8	0.7	0.5	1.1	0.4	0.7
Apply for loan/withdrawal on pension fund	1.9	0.5	1.4	1.0	1.5	0.7	1.1	0.4	1.0
Take out payday loan	0.0	1.3	1.4	0.2	0.0	1.0	0.2	0.6	0.7
Take a loan from an informal provider/money lender	0.0	1.3	1.2	0.0	0.0	0.7	0.4	0.6	0.6
Borrow from employer/salary advance	0.6	2.1	1.0	0.6	1.1	0.0	1.3	0.9	1.0
Borrow from a store by buying on credit	0.6	1.1	0.9	0.4	1.5	1.5	0.5	1.7	0.9
Use credit card for cash advance or to pay bill/buy food	3.8	0.6	0.5	0.0	0.4	1.2	0.7	0.0	0.6

Choosing a Financial Product

Choosing a financial product without seeking independent information or shopping around is not considered good financial behaviour. The survey assessed whether individuals sought independent information and considered all or multiple options when selecting a financial product or service.

An extensive list of financial products was presented to respondents. This list included but was not limited to: pension or retirement products, mortgages, secured and unsecured bank loans, car loans, credit cards, saving accounts, insurance, stocks and bonds, the ECCB digital currency (Dcash) and crypto-currencies.

The respondents were asked several questions related to these products. First, if they had heard of the financial product. If yes, and they currently held the product, they were asked if they had chosen it over the last two years. Irrespective of whether they still held it, they were asked how they made the decision to choose the financial product. Respondents who considered multiple options from several companies or who looked around, but there were no other options to consider, received a score of one (1).

In addition, respondents were asked about the type of information source which most influenced their decision to choose a financial product. Respondents who used specialist product comparisons, recommendation from an independent financial advisor or information from an advertisement about this specific product, were given a score of two (2).

Table 5.2.4 - Respondents (%) by how their recent decision to choose a product was made

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Considered several options from several companies before making the decison	23.3	42.1	34.1	32.4	22.6	41.9	36.8	37.5	35.3
Considered a variety of options from one company	14.2	16.0	12.3	12.4	3.8	10.3	9.3	10.6	11.6
Did not consider other options	24.8	22.9	21.3	35.1	39.7	20.7	36.8	31.8	27.9
Looked around but there were no other options to consider	12.3	7.9	10.0	11.3	14.2	6.7	9.7	6.3	9.2
Not Stated	25.5	11.1	22.4	8.8	19.7	20.5	7.4	13.8	15.9

Table 5.2.5 - Respondents (%) by type of information source which influenced the decision to choose a financial product

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Secialist product comparisons or best-buy guidance (e.g. specialist magazine)	2.8	5.5	6.6	3.3	2.1	4.7	5.9	4.5	4.6
Recommendation from an independent financial advisor	5.0	20.3	13.3	9.1	3.8	14.0	8.9	13.5	12.1
Information from an advertisement or about this specific product	7.2	10.9	7.6	7.2	5.4	11.9	7.1	11.6	9.1
Recommendation from a friend, family and/or acquaintances	43.6	32.9	32.9	46.3	26.8	33.7	10.1	10.5	37.5
Recommendation from people the respondent does not know (e.g. influencers)	2.5	4.1	2.8	1.9	1.3	1.6	3.7	3.4	2.7
Information provided by bank staff (in-person, online or by telephone)	19.7	9.2	13.0	17.8	35.1	11.1	17.8	6.3	14.1
Some other type of information	5.3	9.4	7.0	10.7	15.5	8.3	11.2	13.8	9.9
Not Stated	13.8	7.7	16.8	3.6	10.0	14.7	5.2	6.4	9.8

Across the ECCU, 54.5 per cent of respondents chose a financial product. Tables 5.2.4 and 5.2.5 show how these respondents made their financial product choice.

In Antigua and Barbuda and Saint Christopher (St Kitts) and Nevis, over 40 per cent of respondents who made a product choice, considered several options from several companies before making the decision. Meanwhile, across all 8 countries, the largest proportion of respondents relied on a recommendation from friends, family and/or acquaintances as the information source which influenced their decision to choose the financial product.

Keeping watch on financial affairs and striving to achieve long term financial goals

Assessing your finances, understanding the products and services available, as well as making smart action plans for one's money, are critical to improving or maintaining a good financial situation and mitigating future financial stress.

Charts 5.2.4 and 5.2.5 presents the responses to two behavioral questions for which a response of somewhat agree or completely agree was viewed as good financial behaviour. Over 80.0 per cent of respondents kept a close watch on their financial affairs (Chart 5.2.4). The proportion of respondents who set a long term financial goal and strive to achieve them ranged from 70.7 in Saint Vincent and the Grenadines to 79.8 per cent in Anguilla (Chart 5.2.5).

Chart 5.2.4 - Respondents (%) who agreed to the statement: "I keep a close personal watch on my financial affairs"

	Completely Agree	Somewhat Agree
AI	37.9	44.5
AG	68.3	19.6
DM	65.0	18.6
GD	61.7	17.7
MS	59.1	24.8
KN	62.9	22.1
LC	58.3	26.6
VC	63.2	18.8
ECCU	61.1	22.6
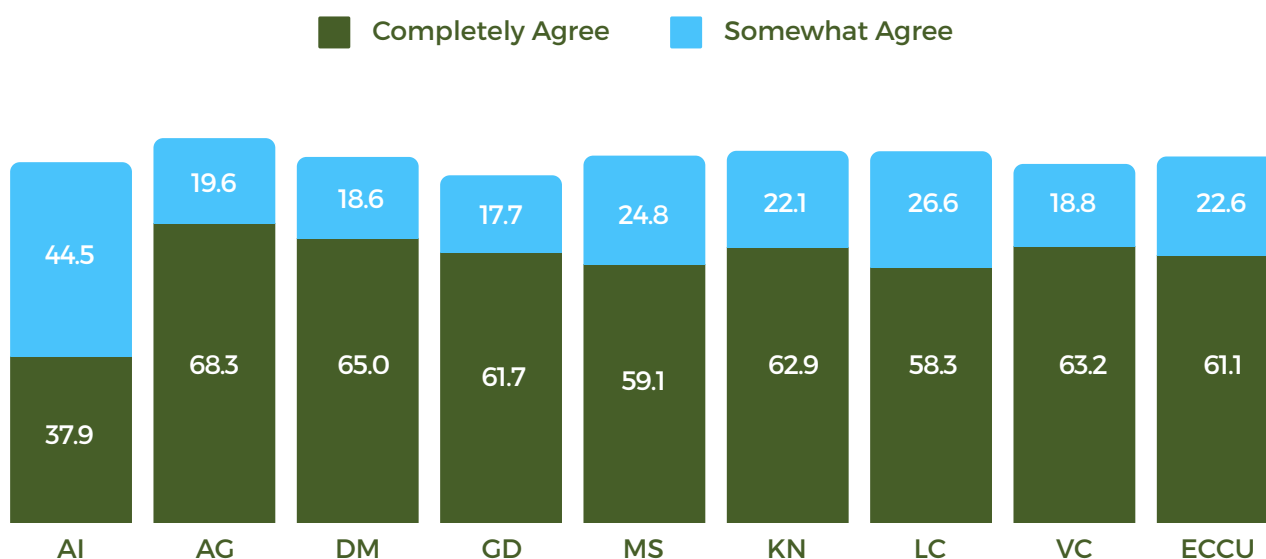
Chart 5.2.5 - Respondents (%) who agreed to the statement: "I set a long-term financial goal and strive to achieve them"

	Completely Agree	Somewhat Agree
AI	37.9	41.9
AG	60.7	18.7
DM	50.3	24.6
GD	54.5	19.4
MS	45.9	26.5
KN	48.3	26.8
LC	46.1	24.9
VC	48.0	22.7
ECCU	50.0	24.5
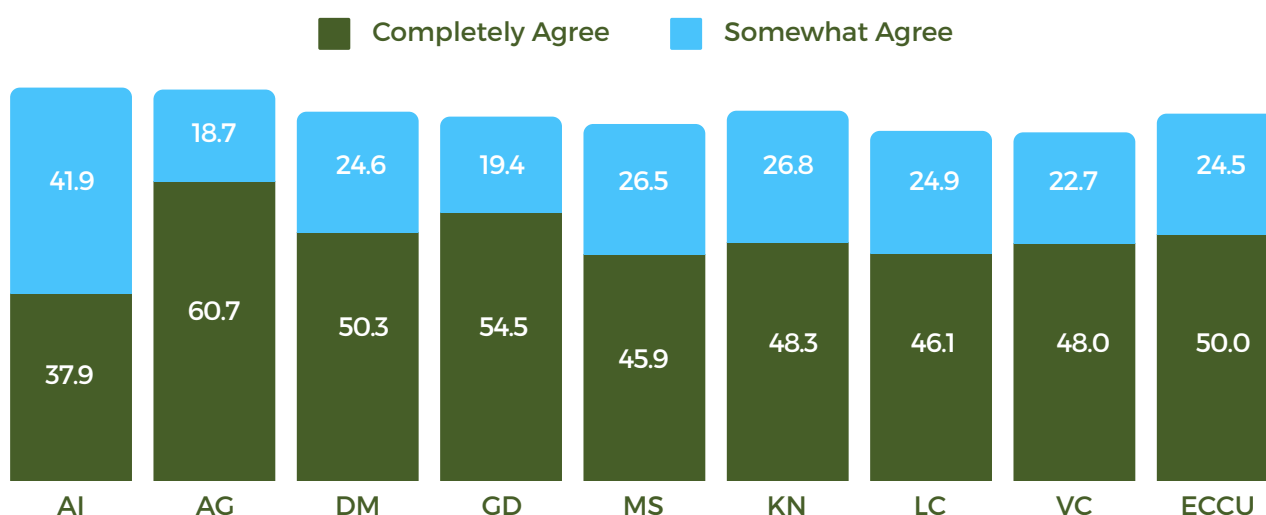
Making considered purchases and paying bills on time

Making thoughtful purchases and paying bills on time helps individuals live within their means and avoid debt. To assess this, two questions were used to determine if individuals: carefully consider their ability to afford a purchase before buying and prioritize paying their bills on time.

The outcome of these two behavioural questions is presented in charts 6.2.6 and 6.2.7. Across all ECCU countries 71.2 per cent of respondents always (57.2%) or often (14.0%) carefully consider whether they can afford something before they buy it (Chart 5.2.6). Meanwhile 40.4 per cent of respondents indicated that they always pay bills on time (Chart 5.2.7).

Chart 5.2.6 - Respondents (%) who agreed to the statement:
"Before I buy something, I carefully consider whether I can afford it"

	Always	Often
AI	38.9	25.5
AG	59.5	11.5
DM	62.0	11.9
GD	59.2	10.4
MS	52.3	12.2
KN	53.2	14.5
LC	60.3	16.6
VC	60.6	14.1
ECCU	57.2	14.0
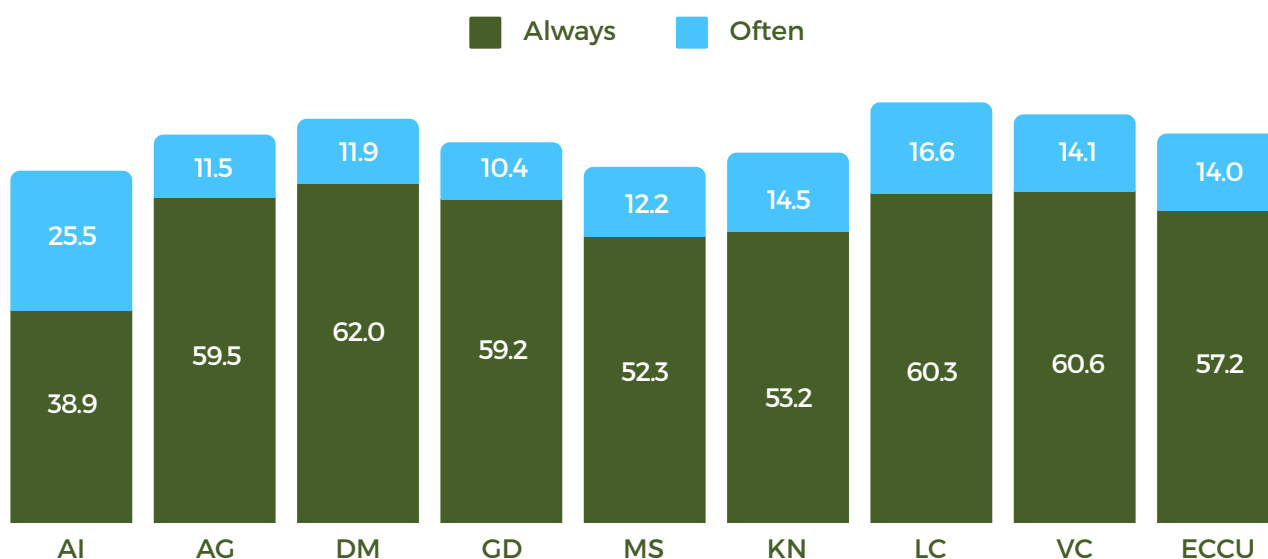
Chart 5.2.7 - Respondents (%) who agreed to the statement: "I pay my bill on time"

	Always	Often
AI	54.5	21.4
AG	42.4	15.0
DM	52.1	13.5
GD	44.1	12.4
MS	44.7	18.2
KN	32.2	17.5
LC	37.0	18.1
VC	25.2	15.3
ECCU	40.4	16.0
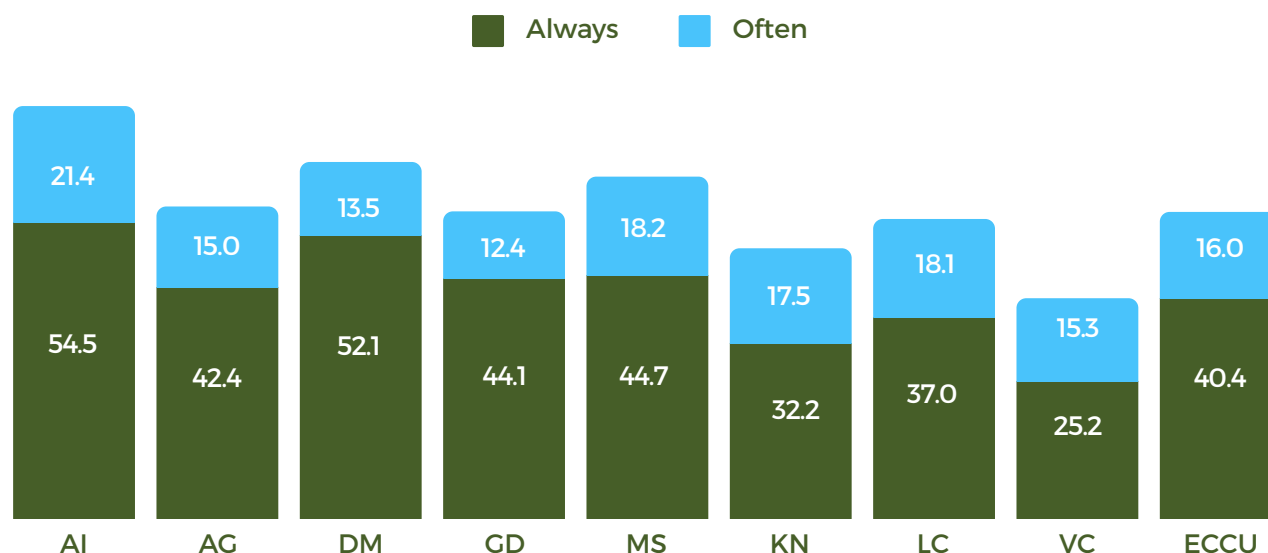
Chart 5.2.8 - Distribution of financial behaviour score

Anguilla
Mean = 6.39, Standard Deviation = 1.65

Antigua and Barbuda
Mean = 6.23, Standard Deviation = 1.64

The Commonwealth of Dominica
Mean = 6.12, Standard Deviation = 1.70

Grenada
Mean = 5.96, Standard Deviation = 1.75

Montserrat
Mean = 5.81, Standard Deviation = 1.69

Saint Christopher (St Kitts) and Nevis
Mean = 6.04, Standard Deviation = 1.73

Saint Lucia
Mean = 5.62, Standard Deviation = 0.06

Saint Vincent and the Grenadines
Mean = 5.83, Standard Deviation = 1.88

Note:

The histograms show the financial behaviour scores which are most common for each country. Taller bins or bars to the right of the chart, suggest that larger proportions of respondents gained higher scores.

The mean score, is the financial behaviour score. This score is affected by unusually low or unusually high scores. Therefore, the histogram presents a truer reflection of each country's overall performance.

Financial Knowledge Score (out of 7)

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
4.6	4.7	4.3	4.4	4.7	4.3	4.1	4.1	4.4
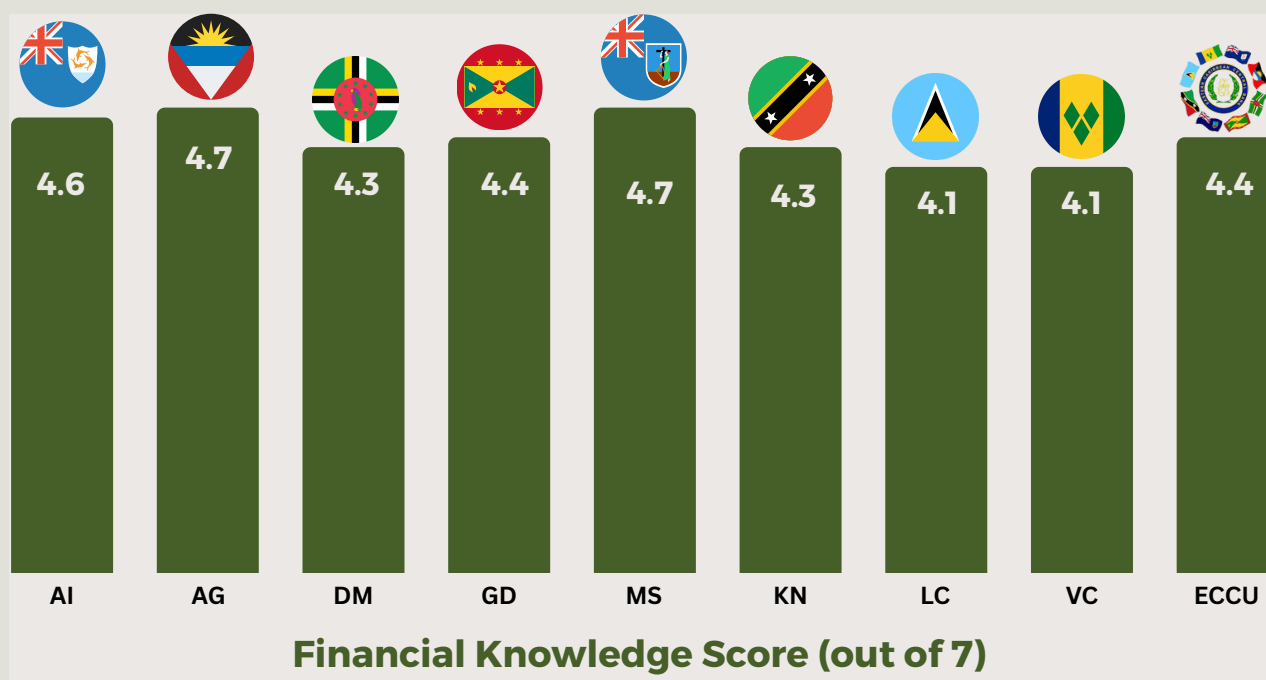
5.3 - FINANCIAL KNOWLEDGE

Understanding basic financial concepts and having numeracy skills are crucial for effective financial management. The consequences of financial ignorance can be substantial; for example, individuals unfamiliar with compounding interest may accumulate larger debts and face higher interest rates on loans.

The survey examined this component of financial literacy by administering seven test questions on the time-value of money, interest rates, loans, risk-return relationship, and inflation.   Respondents had to utilise basic numeracy skills to answer four of the 7 questions.

The financial knowledge score was computed as the number of correct responses to the seven (7) questions. The knowledge score range from 0 to 7.

At the ECCU level, 1 in 2 adults met the minimum target score of 5 out of 7 for financial knowledge.

The ECCU financial knowledge score was 4.4 out of 7. Financial knowledge score ranged from 4.1 in Saint Lucia and Saint Vincent and the Grenadines to 4.7 in Antigua and Barbuda and Montserrat.

Financial Knowledge Assessment

The financial knowledge score is computed as the number of correct responses to the seven (7) questions developed to test different aspects of financial knowledge. Table 5.3.1 demonstrates that across the ECCU, a large proportion of individuals (89.4%) are aware of the relationship between inflation rate and cost of living (question 6).

While respondents generally seem to understand a situation where money is repaid without interest (question 2), only 31.8 per cent of them demonstrated some knowledge of the concept of compound interest (question 4). Nearly 60.0 per cent of respondents had knowledge of the impact of interest and inflation on purchasing power over time, that is, the time value of money.

Table 5.3.1 - ECCU respondents (%) by correct responses on financial knowledge test

No. (Category)	Financial Knowledge Question	Correct Answer to Question	Correct Response (%)
1 (Time value of money)	Five brothers are going to be given a gift of $1,000 in total to share between them. Suppose the brothers put the money they received in a savings account. The interest rate on the savings account is 1% per year, and inflation is 2% per year. After one year, would the money in the account buy... a. More than it does today b. Exactly the same as it does today c. Less than today d. It depends on the types of things they want to buy.	Options 'c' and 'd' accepted as correct	57.2
2 (Interest paid on loan)	You lend $25 to a friend one evening, and he gives you $25 back the next day. How much interest has he paid on this loan?	Zero (0) per cent	86.2
3 (Simple interest)	Suppose you have $100 in a savings account, earning the minimum savings rate of 2% interest a year. You don't make any further payments into this account, and you don't withdraw any money. After one year, how much would you have in your account?	$102.00	54.5
4 (Compound interest)	Suppose you have $100 in a savings account, earning the minimum savings rate of 2% interest a year. You don't make any further payments into this account, and you don't withdraw any money. After five years, how much would you have in your account?	More than $110.00	31.8
5 (Risk return)	If someone offers you the chance to make a lot of money, it is likely that there is also a chance that you will lose a lot of money?	True	71.7
6 (Inflation)	High inflation means that the cost of living is increasing rapidly.	True	89.4
7 (Diversification)	It is less likely that you will lose all of your money if you save it in more than one place	True	47.2

Table 5.3.2 - Respondents (%) by <u>correct</u> responses on financial knowledge test questions

Question No.	Correct Responses (%) for ECCU Countries							
	AI	AG	DM	GD	MS	KN	LC	VC
1 (Time Value of Money)	60.0	65.0	48.4	60.4	65.9	56.8	58.9	48.3
2 (Interest Paid on Loans)	81.4	89.7	85.4	90.8	87.8	78.2	91.3	83.9
3 (Simple Interest)	62.2	55.2	54.7	47.7	59.7	60.7	40.5	59.9
4 (Compound Interest)	38.2	35.4	41.8	34.4	39.7	38.0	23.6	10.7
5 (Risk Return)	75.4	81.7	69.4	71.8	73.9	63.2	70.4	70.9
6 (Inflation)	88.1	94.9	87.4	88.4	92.8	90.0	85.5	89.5
7 (Diversification)	61.0	49.4	42.1	42.3	53.9	41.5	38.3	42.6

Chart 5.3.1 - Respondents (%) who correctly answered at least 5 out of 7 financial knowledge test questions

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
62.3	61.2	47.2	50.4	60.3	47.7	41.8	44.2	50.5
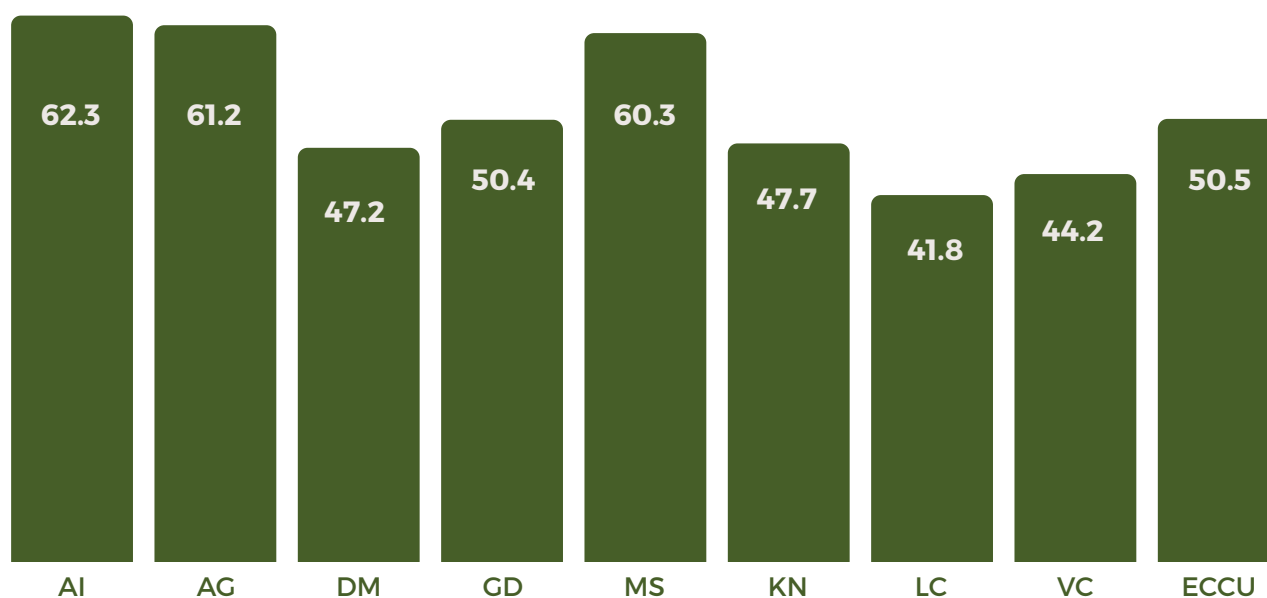
Chart 5.3.2 - Distribution of financial knowledge score

Anguilla
Mean = 4.64, Standard Deviation = 1.77

Antigua and Barbuda
Mean = 4.71, Standard Deviation = 1.36

The Commonwealth of Dominica
Mean = 4.29, Standard Deviation = 1.62

Grenada
Mean = 4.36, Standard Deviation = 1.48

Montserrat
Mean = 4.72, Standard Deviation = 1.76

Saint Christopher (St Kitts) and Nevis
Mean = 4.28, Standard Deviation = 1.58

Saint Lucia
Mean = 4.09, Standard Deviation = 1.49

Saint Vincent and the Grenadines
Mean = 4.06, Standard Deviation = 1.56

Note:

The histograms show the financial knowledge scores which are most common for each country. Taller bins or bars to the right of the chart, suggest that larger proportions of respondents gained higher scores.

The mean score, is the financial knowledge score. This score is affected by unusually low or unusually high scores. Therefore, the histogram presents a truer reflection of each country's overall performance.

-06-
DIGITAL FINANCIAL LITERACY

Digital Financial Literacy is defined as basic knowledge, skills, attitude and competencies to safely utilize digitally delivered financial services and digital technologies.

Digital Financial Literacy is measured based on three (3) component scores, that is, digital financial attitude, behaviour and knowledge. The 2022/2023 implementation of the ECCU FLFI Survey conducted a limited assessment of digital financial attitude and behaviour.

Components of the ECCU's Digital Financial Literacy

- **Digital Financial Attitude** (takes a value of 0 to 3)

- **Digital Financial Behaviour** (takes the value of 0 to 4)

Digital Financial Attitude Score (out of 3)

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
1.8	1.5	1.5	1.6	1.8	1.7	1.3	1.0	1.5
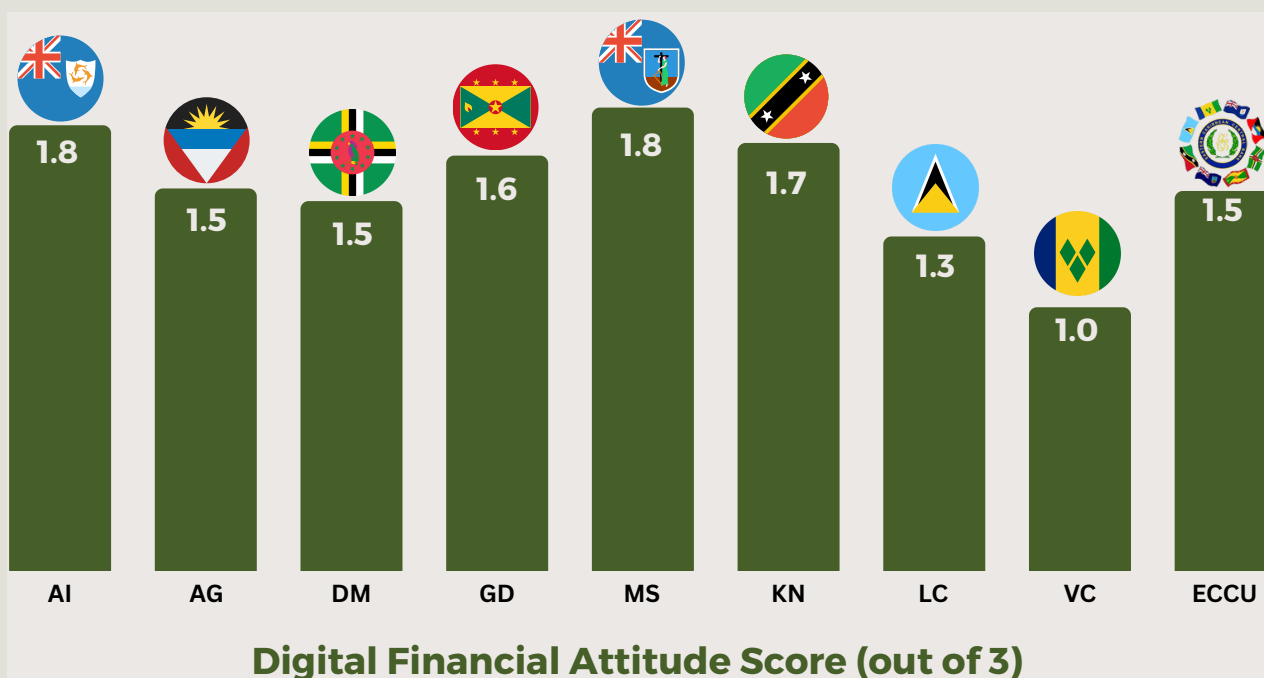
6.1 - DIGITAL FINANCIAL ATTITUDE

The attitude component of the digital financial literacy score was computed based on responses to three statements designed to assess respondents' attitudes towards the use of digital products and services.

Respondents were asked to use a scale of 1 (completely agree) to 5 (completely disagree) to indicate their feelings towards the statements.

- **It is safe to shop online using public Wi-Fi networks (e.g., airports and shopping malls).** Disagreement to this statement was awarded a score of one (1); otherwise, a score of zero (0) was awarded.

- **It is important to pay attention to the security of a website before making a transaction online (e.g., https sites, safety logo, or certificate).** Agreement to this statement was awarded a score of one (1); otherwise, a score of zero (0) was awarded.

- **It is not important to read the terms and conditions when buying something online.** Disagreement to this statement was awarded a score of one (1); otherwise, a score of zero (0) was awarded.

The overall digital financial attitude score which ranged from 0 to 3, reflected the sum of the scores for all three questions.

The average digital financial attitude score in the ECCU was 1.5 out of 3. Across all countries, the digital financial attitude score was highest in Anguilla and Montserrat, both countries recorded a score of 1.8.

Attitude towards online shopping

The use of a public Wi-Fi network to shop, access and share financial products and services, makes it easy for attackers to sneak malicious software (malware) onto devices. Scammers can also inject an infected advertisement into a seemingly safe website to trick users by requesting completion of a phishing form and installing fake apps which can steal personal and confidential information.

Chart 6.1.1 presents the responses to the statement which assessed attitudes toward online shopping. Montserrat had the largest proportion of respondents (59.3 %) who demonstrated a positive attitude towards online shopping.

Chart 6.1.1 - Respondents (%) who disagreed to the statement: "It is safe to shop online using public Wi-Fi networks."

	Completely Disagree	Somewhat Disagree
AI	27.5	25.5
AG	40.1	11.3
DM	34.2	11.1
GD	42.4	9.7
MS	48.7	10.6
KN	43.1	11.1
LC	34.4	7.8
VC	24.1	10.8
ECCU	36.6	11.3
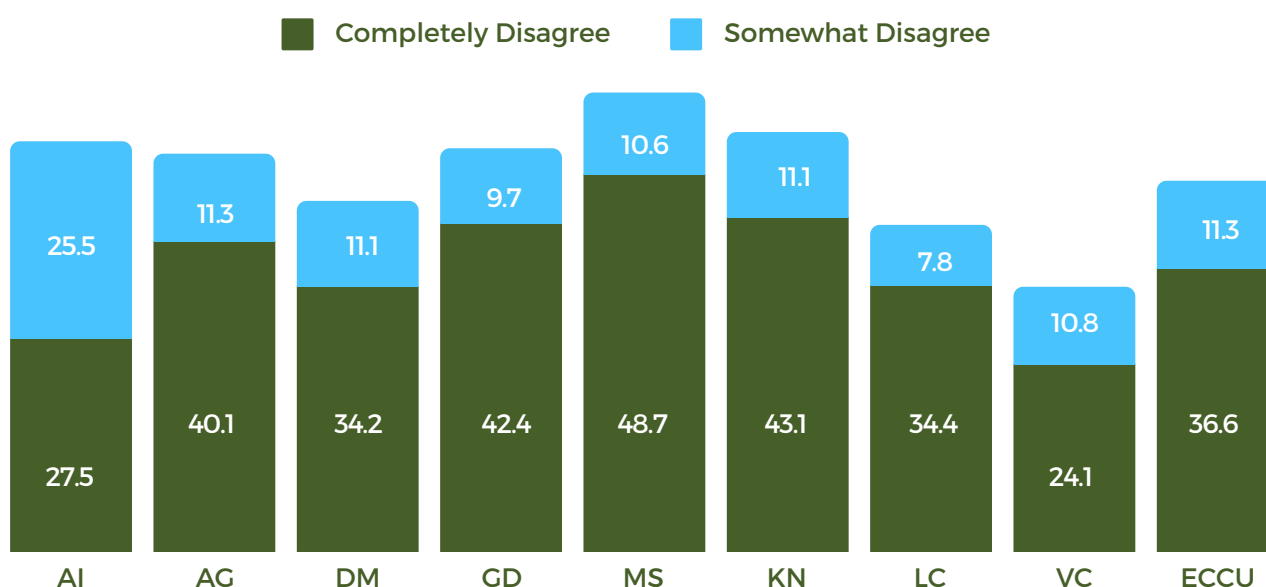
Attitude towards website security

Web security is important as it offers protection from theft, including theft of personal data. Individuals should always pay attention to the security of a website and refrain from making online transactions on unsecured networks.

Chart 6.1.2 presents the responses to the statement which assessed attitudes towards website security. Six (6) of the eight (8) countries registered more than 60.0 per cent of their respondents demonstrating a positive attitude towards website security.

Chart 6.1.2 - Respondents (%) who agreed to the statement: "It is important to pay attention to the security of a website before making a transaction online."

■ Completely Agree   ■ Somewhat Agree

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Somewhat Agree	30.7	11.6	7.6	4.9	6.2	9.8	8.6	10.2	10.2
Completely Agree	42.9	50.1	57.3	61.0	65.7	61.5	45.6	32.4	51.8
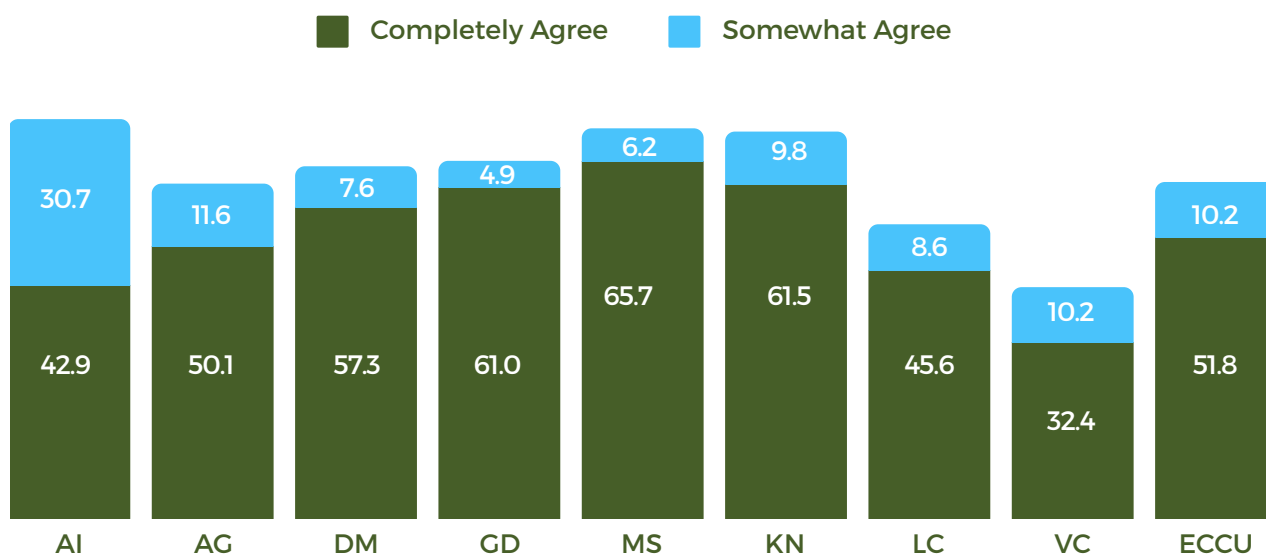
Attitude towards terms and conditions of use

Reading the terms and conditions when making an online purchase is often seen as an extra task which is time consuming. The "terms and conditions" generally govern the contractual relationship between the provider of a service or product and the buyer. A careful study of the terms and conditions gives the buyer a clear understanding of all associated fees/charges, thereby allowing the buyer to avoid paying extra or to plan for all charges associated with the purchase of the service or product.

At the ECCU level, 39.9 per cent of respondents disagreed with the statement "it is not important to read the terms and conditions when buying something online".

Chart 6.1.3 - Respondents (%) who disagreed to the statement: "It is not important to read the terms and conditions when buying something online."

■ Completely Disagree   ■ Somewhat Disagree

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Somewhat Disagree	17.6	5.4	4.1	4.0	3.0	5.3	4.6	4.5	5.5
Completely Disagree	32.9	33.0	32.1	41.8	49.5	38.5	31.4	22.7	34.4

Digital Financial Behaviour Score (out of 4)

Bar chart values:
- AI: 2.0
- AG: 1.9
- DM: 1.9
- GD: 1.7
- MS: 1.9
- KN: 2.1
- LC: 1.6
- VC: 1.5
- ECCU: 1.8
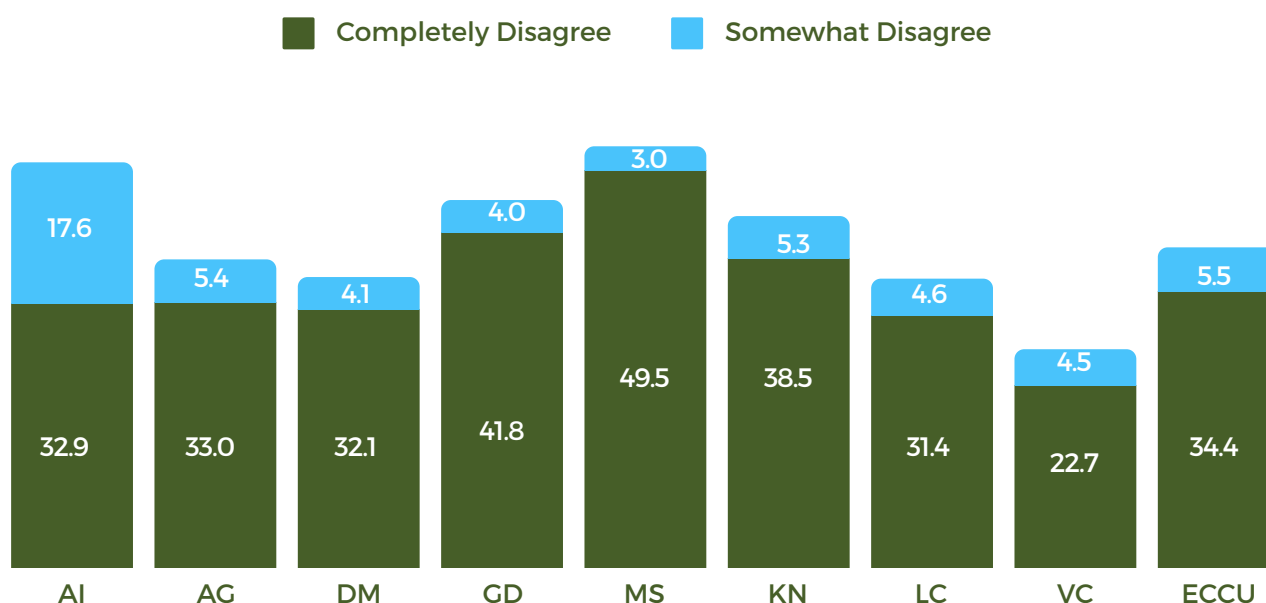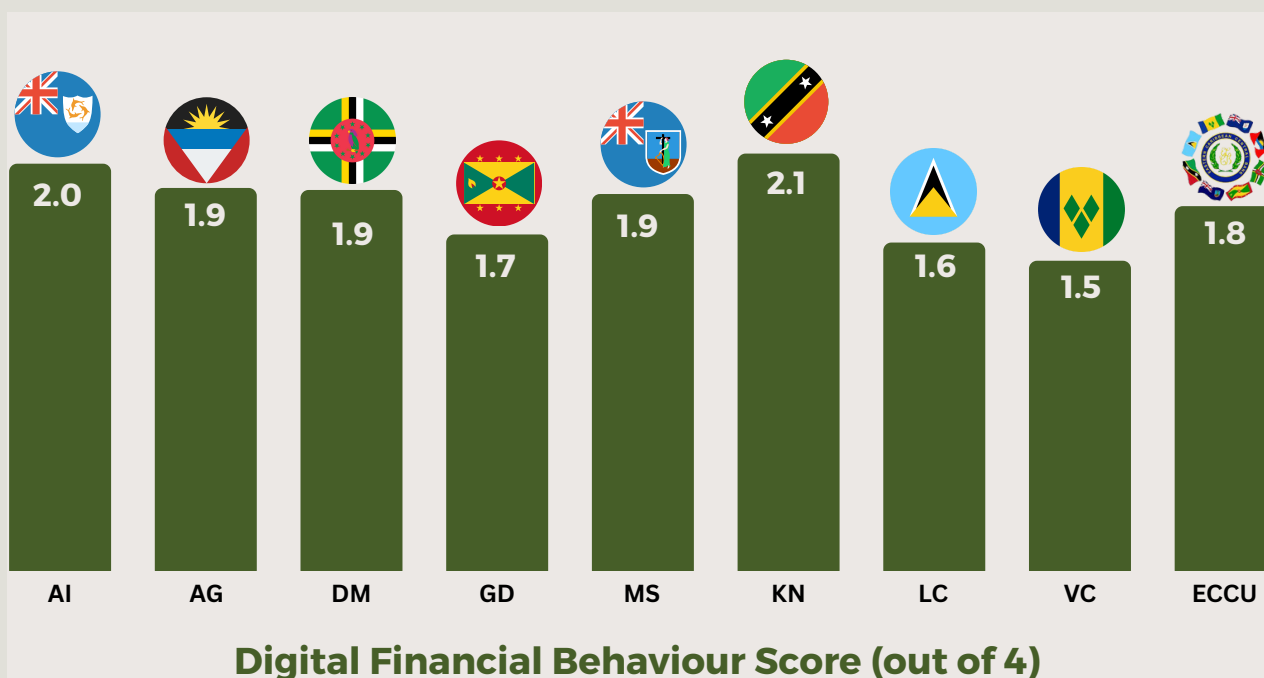
6.2 - DIGITAL FINANCIAL BEHAVIOUR

The digital financial behaviour score was computed as a count of the respondents positive response to four (4) statements. Respondents were asked to indicate how often (rarely or never) they believed each of the statements listed below applied to them.

- **I share the passwords and PINs of my bank account with close friends.** One (1) point was awarded for disagreement to this statement. Otherwise, a score of zero (0) was awarded.

- **Before buying a financial product online I check if the provider is regulated in my country.** One (1) point was awarded for agreement to this statement. Otherwise, a score of zero (0) was awarded.

- **I share information about my personal finances publicly online (e.g., on social media).** One (1) point was awarded for disagreement to this statement. Otherwise, a score of zero (0) was awarded.

- **I regularly change the passwords on websites that I use for online shopping and personal finance**. One (1) point was awarded for agreement to this statement. Otherwise, a score of zero (0) was awarded.

The overall digital financial behaviour score which ranged from 0 to 4, reflected the sum of the scores for all four (4) questions.

The average digital financial behaviour score in the ECCU was 1.8. Across all countries, the digital financial behaviour score was low, it ranged from 1.5 in Saint Vincent and the Grenadines to 2.1 in Saint Christopher (St Kitts) and Nevis.

Key results of digital financial behaviour indicators

- Over 80.0 per cent of respondents in five (5) of the eight (8) ECCU countries "never" or "rarely" share the passwords and PINs of their bank account with close friends (Chart 6.2.1).

- Less than 20.0 per cent of individuals interviewed across the ECCU, tend to check if the provider is regulated in the country before they purchase a financial product (Chart 6.2.2).

- In each economic territory, more than 60 per cent of the survey respondents do not practice sharing information about their personal finances publicly (Chart 6.2.3).

- Nearly 40 per cent of individuals interviewed across the ECCU, "never" or "rarely" change the password they use for personal shopping and finance. This proportion is highest in Anguilla and lowest in Grenada (Chart 6.2.4).

Chart 6.2.1 - Respondents (%) who "Never" or "Rarely" share the passwords and PINs of their bank account with close friends.
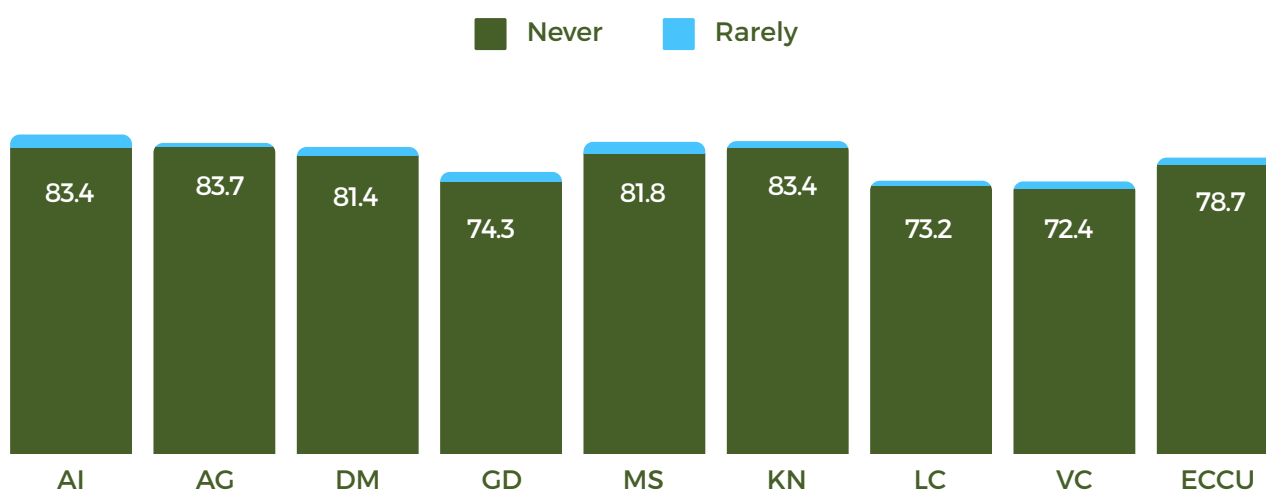
Chart 6.2.2 - Respondents (%) who, before buying a financial product online, "Always" or "Often" check if the provider is regulated in the country.
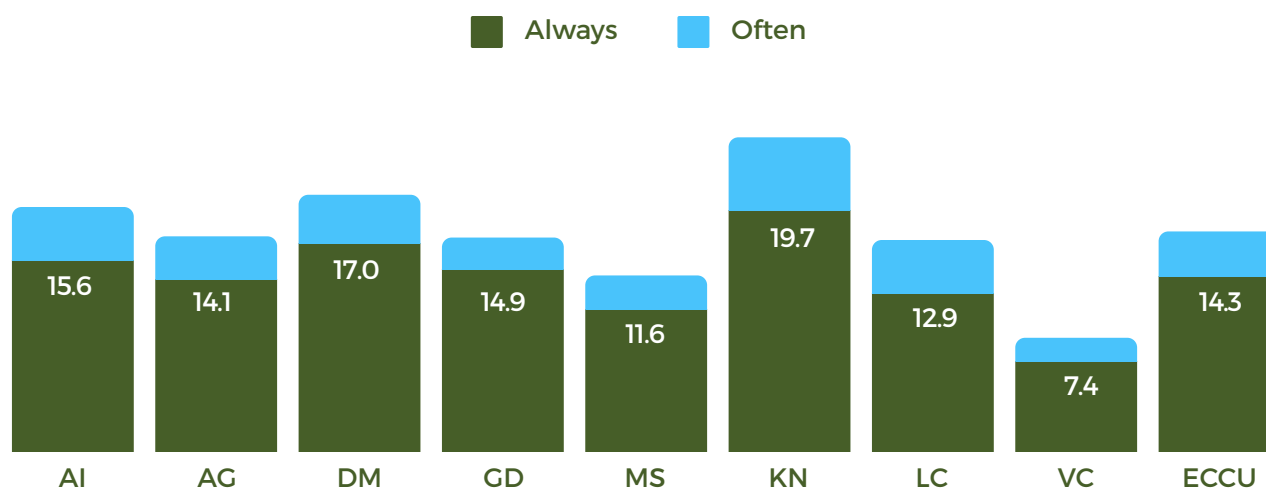
Chart 6.2.3 - Respondents (%) who, "Never" or "Rarely" share information about their finances publicly online.

Legend: ■ Never   ■ Rarely

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
85.5	77.9	73.9	65.7	79.2	80.7	64.2	64.2	72.8
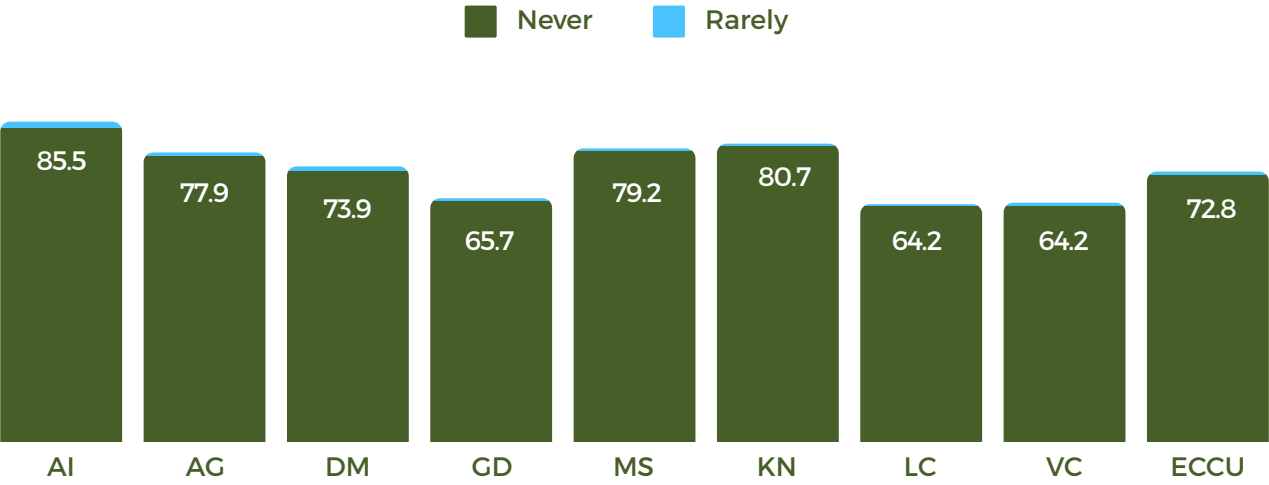
Chart 6.2.4 - Respondents (%) who, "Never" or "Rarely" change their passwords on websites they use for shopping and personal finance.

Legend: ■ Never   ■ Rarely

	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Rarely	14.4	9.6	9.7	6.2	9.4	12.2	5.4	6.3	8.8
Never	39.9	34.3	24.2	24.8	31.1	28.0	31.4	36.7	29.2
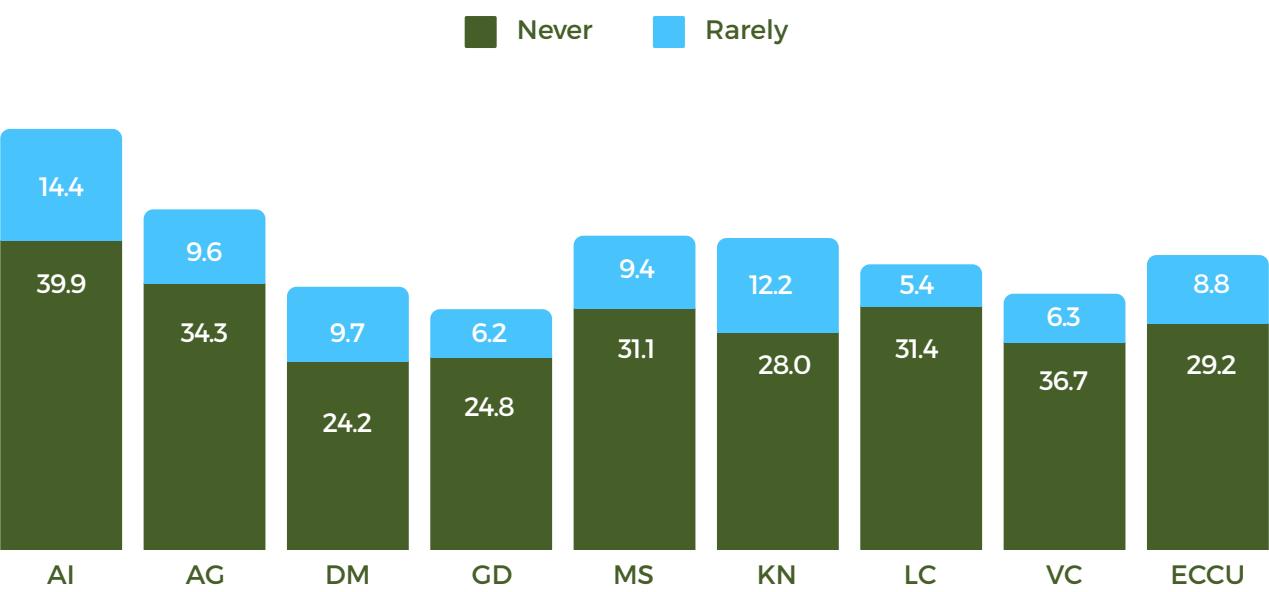
-07-
FINANCIAL INCLUSION INDICATORS

The OECD defines financial inclusion as "the process of ensuring access to appropriate financial products and services needed by vulnerable groups at an affordable cost - and in a fair and transparent manner."

In this assessment, financial inclusion is assessed by the evaluation of responses from survey participants to their **awareness**, **holding/choice** and **use** of financial products and services.

Respondents (%) awareness of at least 5 products

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
93.6	94.4	86.6	85.4	96.6	84.3	92.2	80.0	88.3
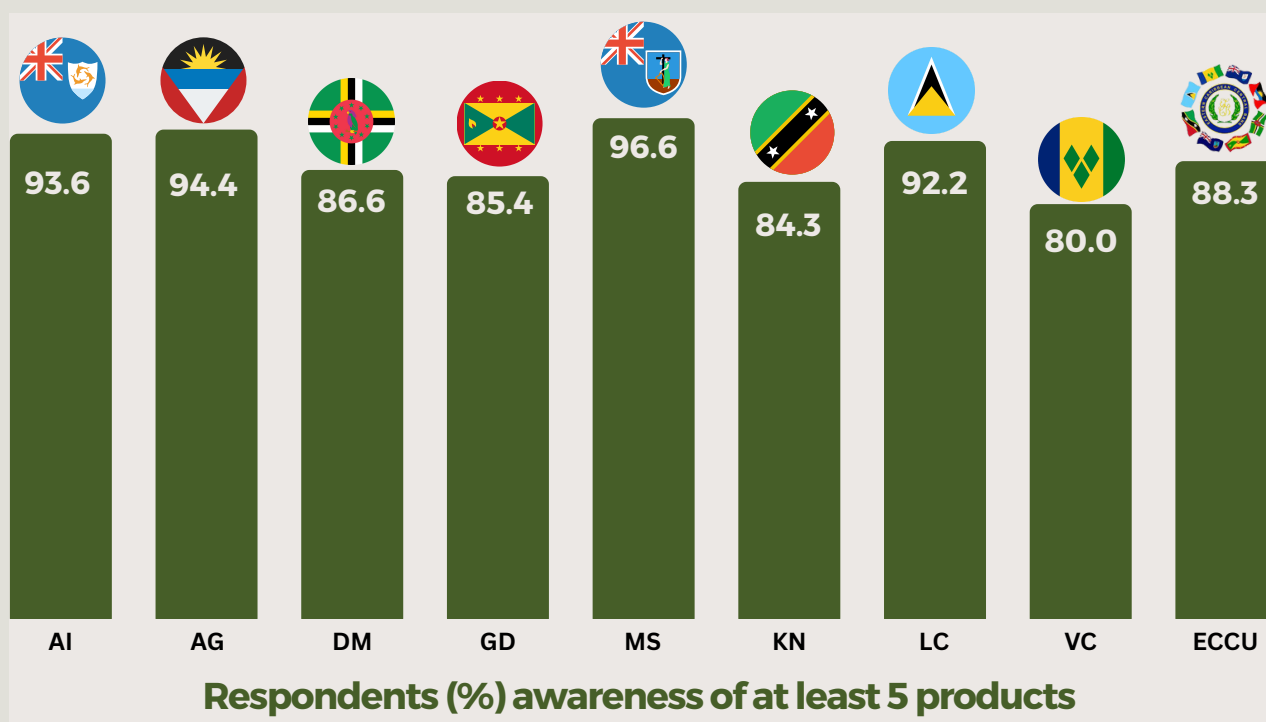
7.1 - FINANCIAL AWARENESS

The survey contained questions which sought respondents' knowledge or awareness of 18 financial products.

If respondents were aware of at least 5 of the 17 products, they were awarded a score of one (1), otherwise, a score of zero (0) was given. The 17 products presented are:

Savings account
Insurance
Mortgage
Credit card
Car Loan
Pension or retirement product
Current/chequing account
Stocks and/or shares
A loan secured on property

An investment fund (e.g. unit trust)
An unsecured bank loan
Bonds
A prepaid debit card/payment card
Crypto-assets (Bitcoin, etc.)
A microfinance loan
Dcash
Financial products labelled as sustainable, or ESG, or green

 At the ECCU level, 9 in 10 adults were aware of at least 5 of 17 financial products.

Financial awareness in the ECCU was highest in Montserrat where 96.6 per cent of respondents were aware of at least 5 of 17 financial products.

Across the other ECCU countries, the proportion of respondents who were aware of at least 5 financial products ranged from 80.0 per cent in Saint Vincent and the Grenadines to 94.4 per cent in Antigua and Barbuda.

Respondents (%) who are banked

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
92.4	82.8	90.1	82.6	94.4	91.1	87.2	75.1	86.1
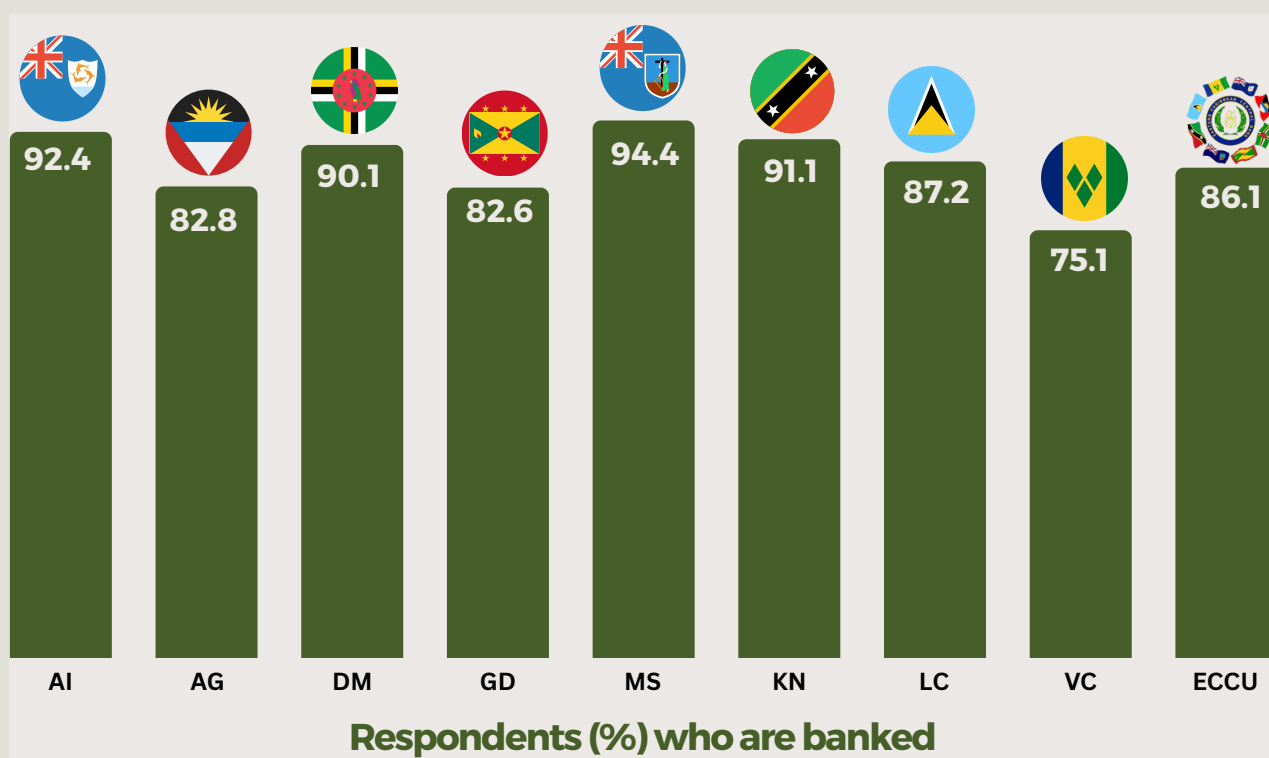
7.2 - ACCOUNT OWNERSHIP

Having a financial account is key to financial inclusion. When people have accounts, they are more likely to use other financial services such as credit. This helps them start and grow businesses, invest in education or health, and handle financial emergencies, leading to a better quality of life. This survey gathered baseline data on personal account ownership with a financial institution. The results indicated the following:

- The majority of ECCU respondents (86.1%) are banked - that is - they hold an account with a financial institution. Among these:
  - A significant portion (62.9%) held a savings account with a commercial bank.
  - A smaller fraction (12.3%) held a checking account with a commercial bank.
  - Nearly 50.0% held an account with a credit union.

- Among the unbanked, 41.6 per cent cited insufficient funds as the reason for not having an account and 18.8 per cent mentioned not having the necessary documentation to open an account.

At the ECCU level, nearly 9 in 10 adults had a financial account

Monserrat recorded the largest proportion of respondents (94.4%) who had a financial account.

Respondents (%) who made at least one (1) product choice

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
64.5	53.2	59.4	63.7	47.7	60.1	26.9	62.2	54.5
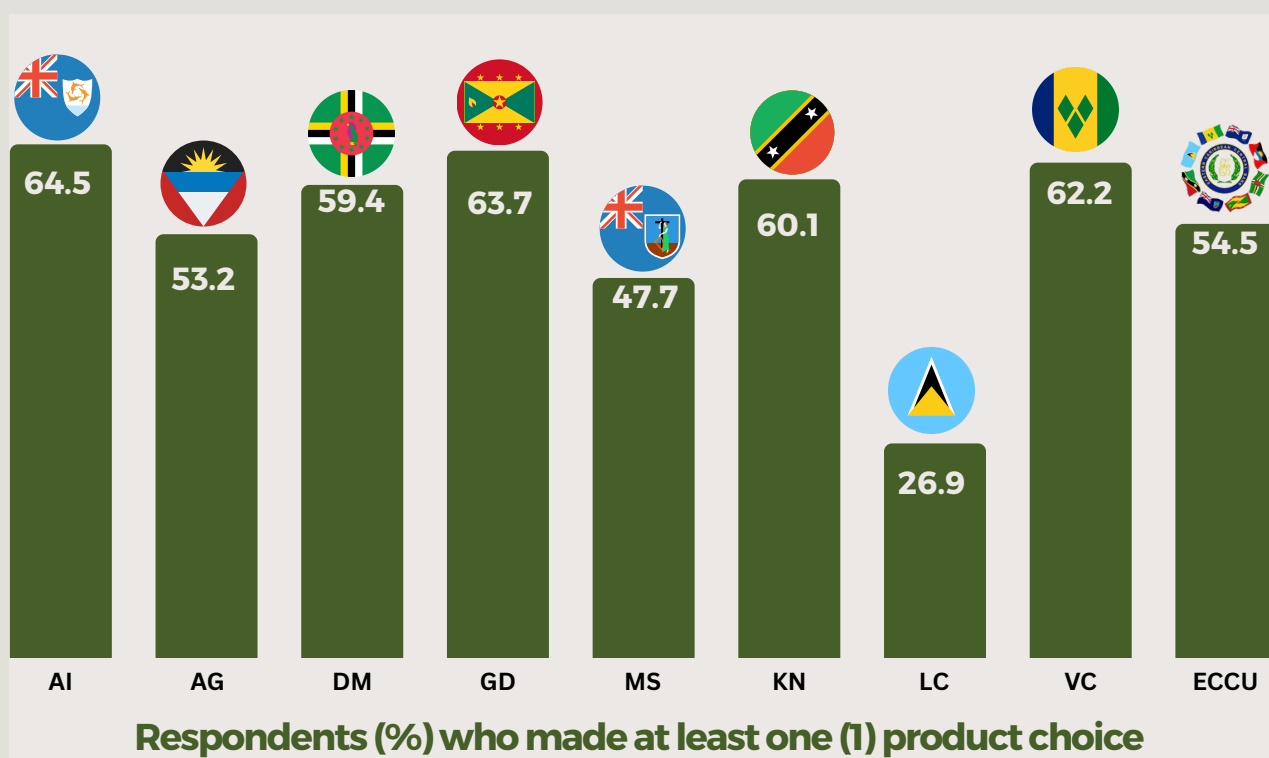
7.3 - PRODUCT CHOICE

Survey participants were asked to indicate whether they made a product choice of the following four categories of financial products:

- **Payment Products:** namely prepaid cards or credit cards,

- **Savings, investment, or Retirement Products:** namely pensions, investment accounts, savings accounts, savings clubs, bonds, crypto-assets, etc.,

- **Insurance Products:** namely car or home insurance,

- **Credit Products:** namely mortgages, credit cards, microloans, etc.,

At the ECCU level, 5 in 10 adults had made at least one product choice.

Anguilla recorded the largest proportion of respondents (64.5%) who made at least one product choice.
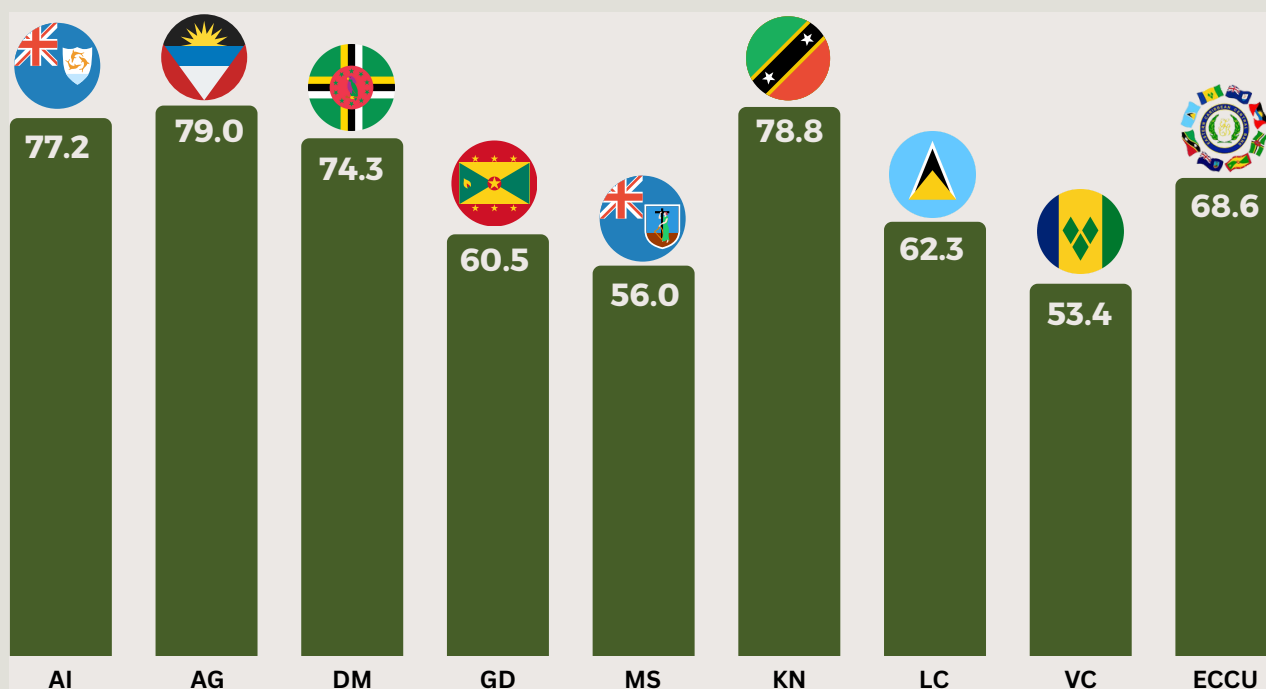
Respondents (%) who debited their personal account at least twice per month

AI	77.2
AG	79.0
DM	74.3
GD	60.5
MS	56.0
KN	78.8
LC	62.3
VC	53.4
ECCU	68.6

7.4 - USE

The survey included a number of usage indicators. These indicators measure how clients use financial services, such as the regularity and duration of the financial product or service.

Respondents were asked to indicate whether money had been taken out of (debited from) their personal account. Those who said yes (72.3 %) were asked whether their personal account was debited two or more times per month - one of several measures of use.

Across the ECCU, 68.6 per cent of respondents debited their personal account at least twice per month.

At the ECCU level, 7 in 10 adults who debited their account, did so at least twice per month.

Antigua and Barbuda (79.0 %) and Saint Christopher (St Kitts) and Nevis (78.8 %) recorded the largest proportion of respondents who debited their account at least twice per month.

-08-
PAYMENTS & RELATED TOPICS

This section focuses on the extent to which cash is used in making payments, the types of financial accounts used by respondents, and the regularity of use of these accounts for varying transaction types. In addition, this section reviews a series of related topics of interest.

Methods Used for Payment of Utility/Recurring Bills

Among those respondents who made regular and recurring payments of electricity, water and/or garbage collection in the 12 months preceding the survey, 89.2 per cent made payments in <u>cash</u>.

Saint Vincent and the Grenadines (96.9 %) and Grenada (94.0 %) are the two countries which recorded the largest proportions of persons who used <u>cash</u> to make utility payments.

Chart 8.1 - Respondents (%) who used cash to make utility payments

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
77.6	87.8	89.7	94.0	85.2	82.4	93.5	96.9	89.2
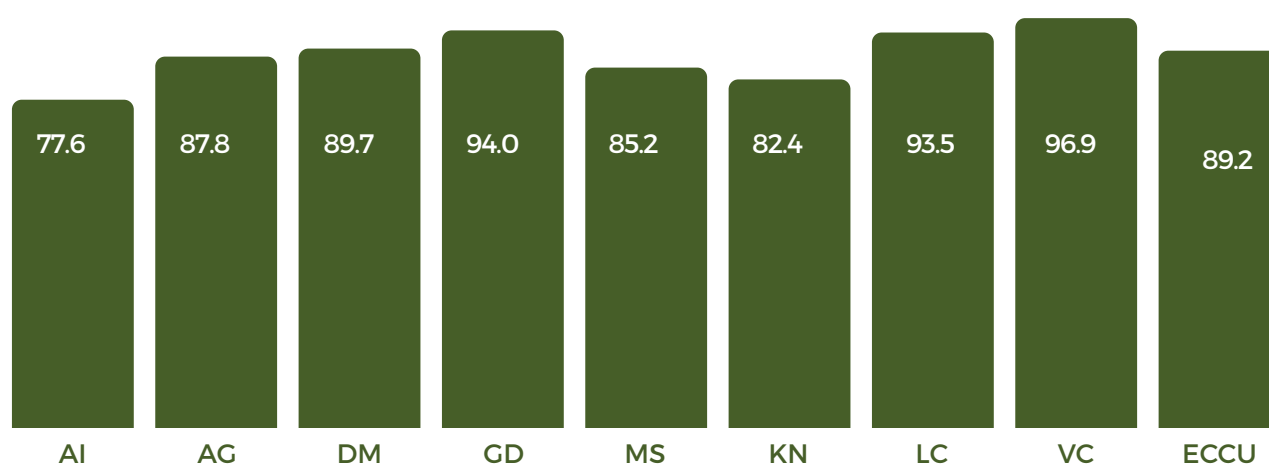
Made or Received Electronic Payments

Electronic payments allow customers to pay for goods and services through other means besides checks or cash. These include debit cards, credit cards, prepaid cards or account transfers. With the exception of Anguilla where 73.0 per cent of respondents utilised electronic payment methods, the data generally reflect low usage of electronic payments in most ECCU countries.

Chart 8.2 - Respondents (%) who made one or more electronic payments in the 12 months preceding the survey

AI	AG	DM	GD	MS	KN	LC	VC	ECCU
73.0	49.2	47.3	26.7	34.8	58.8	30.5	18.2	41.5
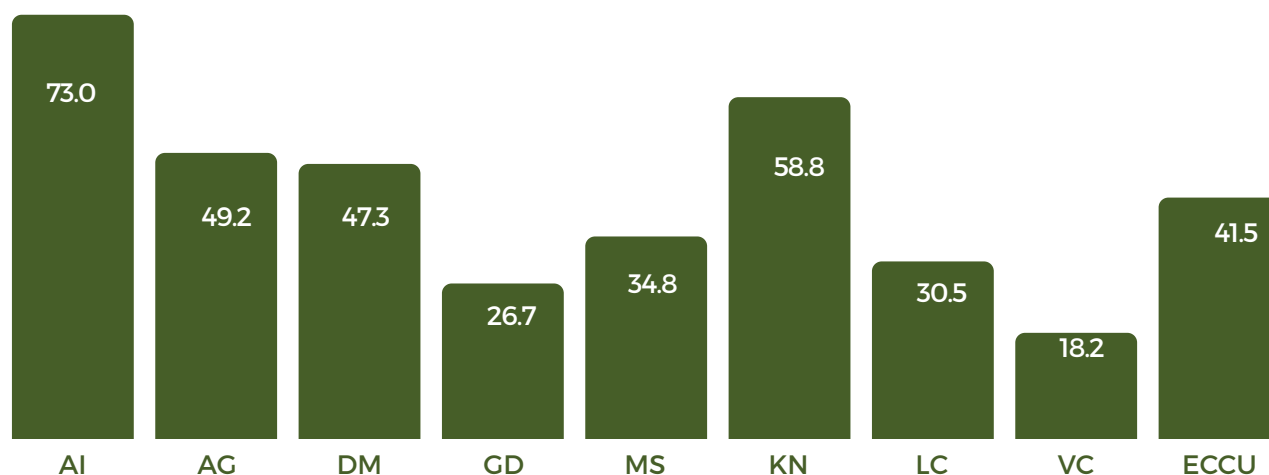
One in two respondents across the ECCU received money electronically, that is, through their bank/credit union accounts or a card. Anguilla (74.3 %) and Antigua and Barbuda (71.1 %) recorded the largest proportions of persons who received money electronically during the reference period.

Chart 8.3 - Respondents (%) who received money electronically in the last 12 months
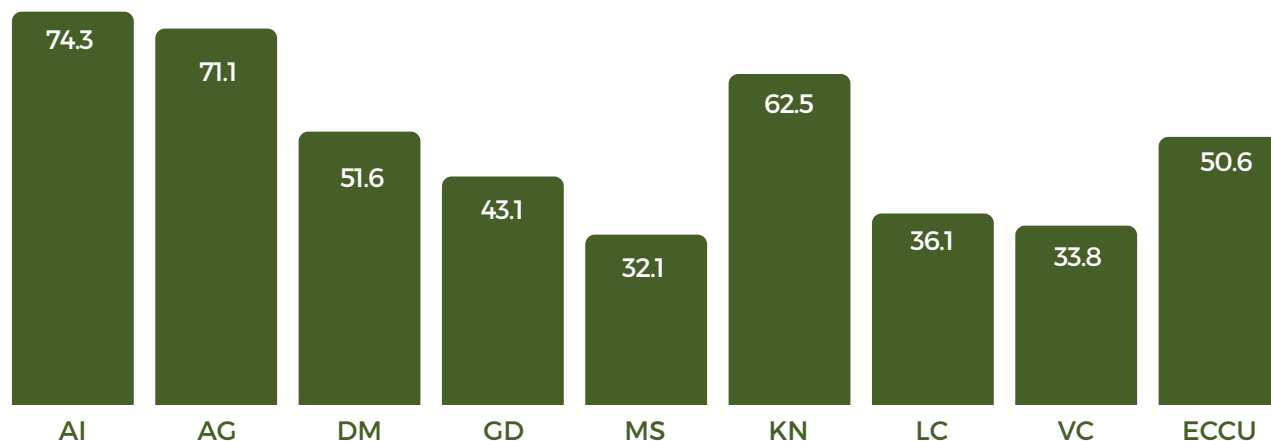
Remittances

Remittance inflows, that is, money sent from persons living abroad to their ECCU family and friends, is an important element of some ECCU economies. In the 12 months preceding the survey, 56.3 per cent of respondents received money from relatives abroad.

Of note, the proportion of respondents in the Windward Islands who received money from abroad was less ţhan the ECCU average. Meanwhile the proportion of the Leeward Islands[2] respondents who received money from abroad were above the ECCU average.

Chart 8.4 - Respondents (%) who received remittances in the 12 months preceding the survey.
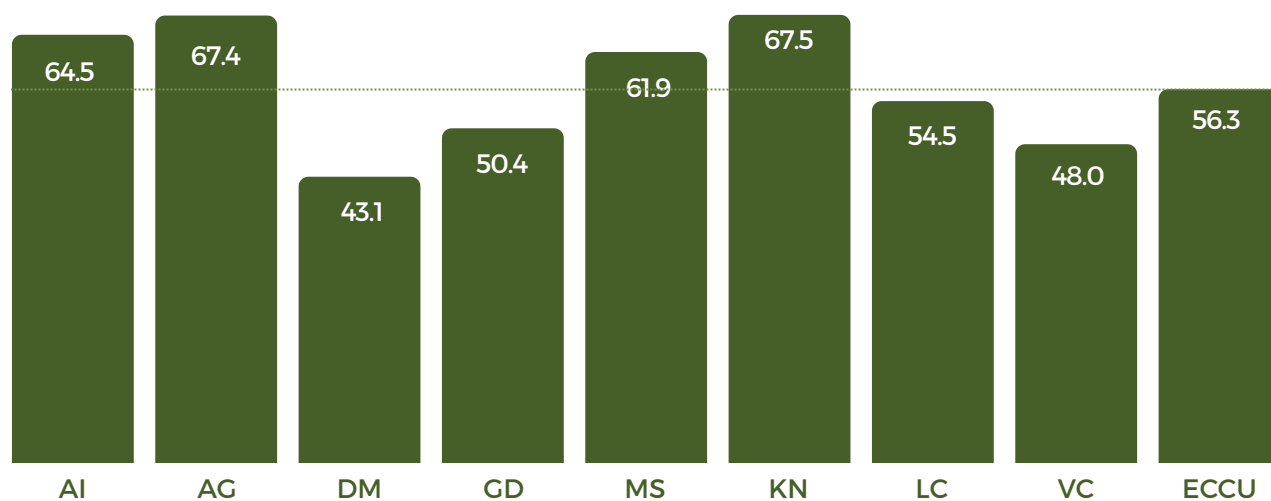
2. **Windward Islands** are Commonwealth of Dominica, Grenada, Saint Lucia, and Saint Vincent and the Grenadines.

3. **Leeward Islands** are Anguilla, Antigua and Barbuda, Montserrat, and Saint Christopher (St Kitts) and Nevis.

The proportion of persons who indicated that they sent money to family and friends abroad was highest in Anguilla (46.4 %) and Montserrat (40.8 %).

Chart 8.5 - Respondents (%) who sent money electronically in the last 12 months
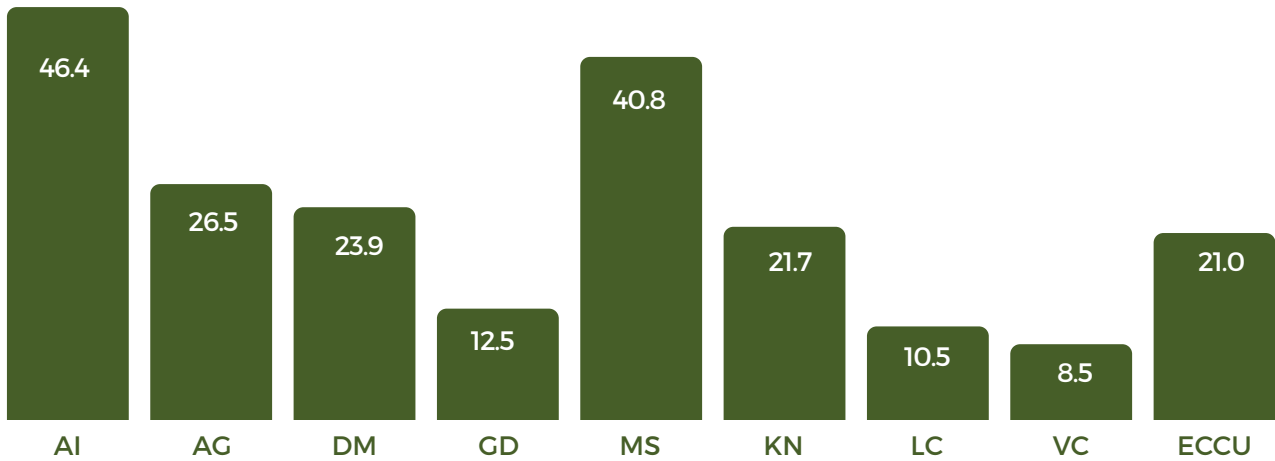
Important Financial Goals

On average, 65.7 per cent of respondents indicated that they have financial goals, with Anguilla (78.2 %) and Saint Christopher (St Kitts) and Nevis (70.8 %), reflecting the largest proportion of respondents with financial goals.

Chart 8.6 - Respondents (%) who stated they have financial goals

The data revealed "house and land purchase", "starting and growing a business" and "becoming debt free" as the top three important financial goals among the residents of the sub-region.

Financial goals varied across age, with "house and land purchase" as well as "starting and growing a business" as the preference among youth (age range 18-29) and young adults (age range 30-49). Among those age 50 and older, "becoming debt free" was the main objective.

Financial goals also varied across <u>sex</u>, with the proportion of women (28.8 %) and men (28.0 %) who had the financial goal of "buying a house and land" virtually the same. Among the women, 13.4 per cent had the goal of "paying for educational expense", while their male counterparts (21.1 %) were focused more on "starting or growing their own business".

Chart 8.7 - Top 3 financial goals across ECCU respondents

Buying house and land
28.4 % of total
29.5 % of youths

Start and grow business
17.0 % of total
21.1 % of men

Becoming debt free
13.6 % of total
21.6 % of age 50+
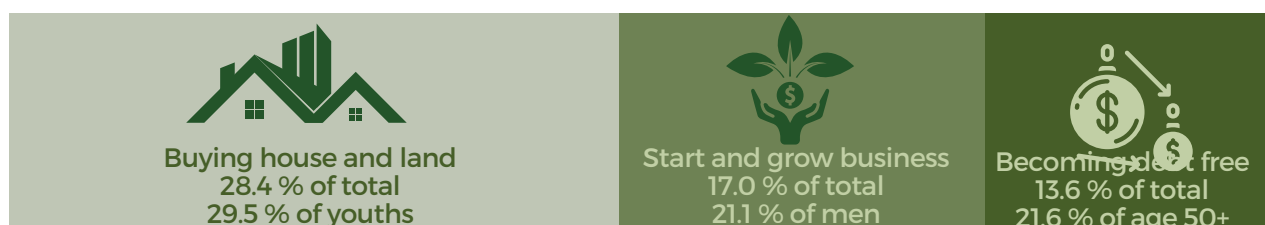
Table 8.1 - Respondents (%) age 18 - 29 financial goals.

Goals	Percent (%) of Respondents age 18 - 29								
	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Buying a house and land	28.2	35.8	24.8	30.1	15.2	34.8	31.8	25.1	29.5
Start or grow my business	11.8	17.9	27.1	19.9	12.7	11.3	17.1	23.8	18.6
Paying for educational expense	22.4	16.1	18.3	11.7	21.5	12.1	10.6	16.9	15.2
Buying a car	11.8	11.5	7.8	10.7	2.5	13.7	12.9	11.3	10.9
Building my level of savings	11.8	5.0	10.6	6.8	20.3	10.5	10.6	5.6	9.0
Becoming debt free	7.1	6.0	3.7	4.9	11.4	7.8	5.9	5.2	6.0
Ensuring health & personal wellbeing	3.5	2.8	3.7	4.4	8.9	2.0	2.9	7.8	4.2
Annual vacations and travel	-	2.3	3.2	1.5	3.8	2.7	0.6	0.9	1.9

Table 8.2 - Respondents (%) age 30 - 49 financial goals.

Goals	Percent (%) of Respondents age 30 - 49								
	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Buying a house and land	23.8	38.4	30.9	32.2	20.4	30.1	40.4	34.9	32.5
Start or grow my business	18.9	18.1	15.9	22.5	13.6	16.4	12.4	25.5	18.0
Paying for educational expense	6.7	11.3	11.3	8.1	11.1	4.0	8.9	8.0	8.6
Buying a car	3.0	3.8	2.0	3.9	0.6	4.9	5.3	5.5	3.8
Building my level of savings	15.9	5.0	6.0	5.0	13.6	11.6	6.7	6.9	8.2
Becoming debt free	17.7	14.4	14.6	12.0	24.1	21.0	10.6	8.0	14.8
Ensuring health & personal wellbeing	7.9	5.0	13.6	5.0	9.3	8.5	3.2	7.3	7.4
Annual vacations and travel	1.2	1.6	2.0	3.5	1.9	1.8	0.7	1.5	1.8

Table 8.3 - Respondents (%) age 50 and over financial goals.

Goals	Percent (%) of Respondents age 50 and over								
	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Buying a house and land	16.8	28.5	17.1	20.0	9.1	12.2	23.2	20.0	18.8
Start or grow my business	5.6	15.3	14.7	20.0	13.6	12.2	9.0	13.7	12.9
Paying for educational expense	7.0	8.3	2.9	5.9	2.3	2.9	7.7	8.4	5.7
Buying a car	3.5	5.6	1.8	3.0	1.1	6.5	5.2	6.3	4.1
Building my level of savings	16.8	5.6	8.8	7.4	13.6	8.6	11.6	6.3	9.8
Becoming debt free	30.1	16.0	20.6	15.6	36.4	33.1	16.1	6.3	21.6
Ensuring health & personal wellbeing	12.6	11.1	21.2	9.6	15.9	16.5	9.7	31.6	15.4
Annual vacations and travel	4.2	2.8	10.6	3.0	-	2.9	3.2	2.1	4.0

Table 8.4 - Male respondents (%) financial goals.

Goals									
	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Buying a house and land	20.0	34.1	25.0	25.3	19.1	28.7	33.3	30.6	28.0
Start or grow my business	19.5	20.6	21.9	26.0	16.2	18.9	14.8	28.9	21.1
Paying for educational expense	7.4	7.3	9.7	6.4	5.8	5.6	4.7	7.2	6.8
Buying a car	6.3	7.0	5.8	6.4	1.2	7.7	9.1	7.2	6.7
Building my level of savings	12.1	5.6	8.3	6.4	11.6	9.3	8.8	6.3	8.2
Becoming debt free	20.0	14.1	12.5	10.8	26.6	18.6	10.4	4.3	13.8
Ensuring health & personal wellbeing	9.5	5.4	9.4	4.7	10.4	6.4	5.7	11.2	7.5
Annual vacations and travel	1.6	1.7	4.2	3.0	2.3	1.3	0.9	1.0	2.0

Table 8.5 - Female respondents (%) financial goals.

Goals									
	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Buying a house and land	24.3	37.0	26.1	32.0	12.8	27.9	33.9	26.9	28.8
Start or grow my business	5.9	14.1	16.1	16.2	10.3	8.3	10.7	16.8	12.7
Paying for educational expense	12.9	17.4	13.4	11.2	17.3	7.8	13.8	15.8	13.4
Buying a car	4.0	6.1	1.5	5.6	1.3	8.9	5.5	8.4	5.5
Building my level of savings	18.3	4.6	7.9	5.9	19.2	12.1	9.3	6.4	9.5
Becoming debt free	19.8	9.8	12.8	9.9	21.8	18.7	11.1	9.1	13.4
Ensuring health & personal wellbeing	7.9	5.8	15.5	6.9	11.5	9.2	3.8	11.4	9.0
Annual vacations and travel	2.5	2.4	4.9	2.3	1.3	3.4	1.7	1.7	2.7

Action Taken to Achieve Important Financial Goals

Financial goals are useful in finding effective ways to spend and save money. The outcome of setting and working towards achieving financial goals helps to improve individuals' lifestyle.

Savings or investments was identified by 54.6 per cent of respondents as the action necessary to achieve their financial goal. Other actions taken to achieve an important financial goal include, "cutting back on spending", "plan of action" and the search for "new/different or additional source of income".

Chart 8.8 - Respondents (%) by Actions Taken to Achieve Important Goals

Action	%
Saved or invested money	54.6
Cut back on spending	36.5
Prepared a plan of action	30.2
Looked for new/different or additional source of income	27.4
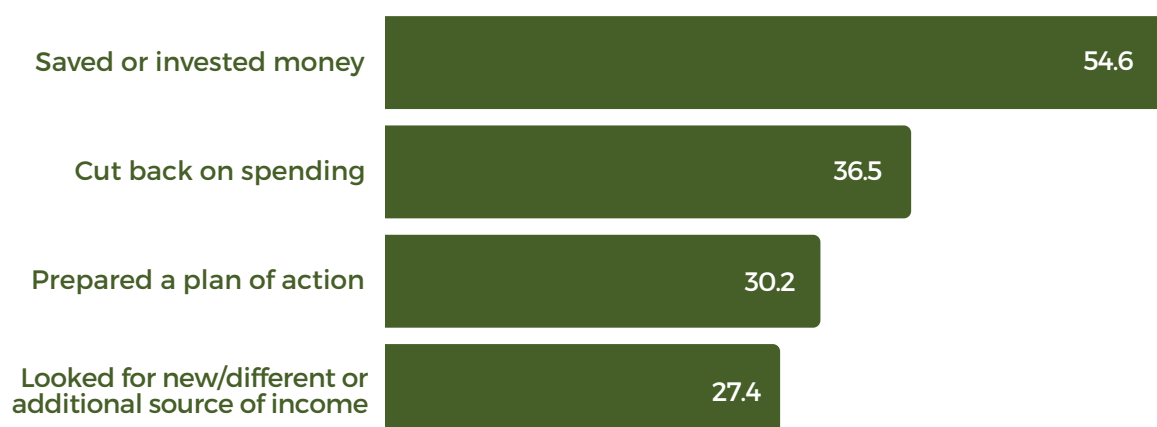
At the country level, Anguilla had the highest proportion of respondents (62.0%) who "saved or invested money" to achieve their financial goals. Nearly half (46.2%) of Montserrat's respondents identified "cutting back on spending" as an action taken to meet their financial goals.

In Saint Vincent and the Grenadines, nearly four in five respondents reported that they "prepared a plan of action" to achieve their financial goals. Additionally, some respondents sought "new or additional sources of income" to reach their objectives, with 42.2 per cent of Montserrat's respondents and 37.9 per cent of The Commonwealth of Dominica's respondents taking this approach.

Table 8.6 - Respondents (%) actions taken to achieve goals.

Action Taken	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Saved or invested money	62.0	55.3	55.9	51.6	45.9	56.1	55.0	53.2	54.6
Cut back on spending	34.2	37.8	44.0	29.4	46.2	42.7	24.1	34.8	36.5
Prepared a plan of action	29.1	28.0	42.8	25.9	20.1	35.5	15.2	37.3	30.2
Looked for new/different or additional source of income	24.5	20.2	37.9	24.4	42.2	29.7	19.4	26.0	27.4

Confidence Level in Retirement Planning

More than half the respondents across the ECCU had some level of confidence (extremely, very or somewhat confident) in their retirement plans.

Chart 8.9 - Respondents (%) by level of <u>confidence</u> in their retirement plans

| | Extremely Confident | Very Confident | Somewhat Confident |

	Extremely Confident	Very Confident	Somewhat Confident
AI	7.2	13.6	33.7
AG	8.1	20.2	29.7
DM	5.3	15.3	27.1
GD	9.4	17.1	26.1
MS	7.4	12.4	33.5
KN	7.1	16.2	32.1
LC	9.4	16.4	24.0
VC	6.5	13.6	28.0
ECCU	7.6	16.0	28.7
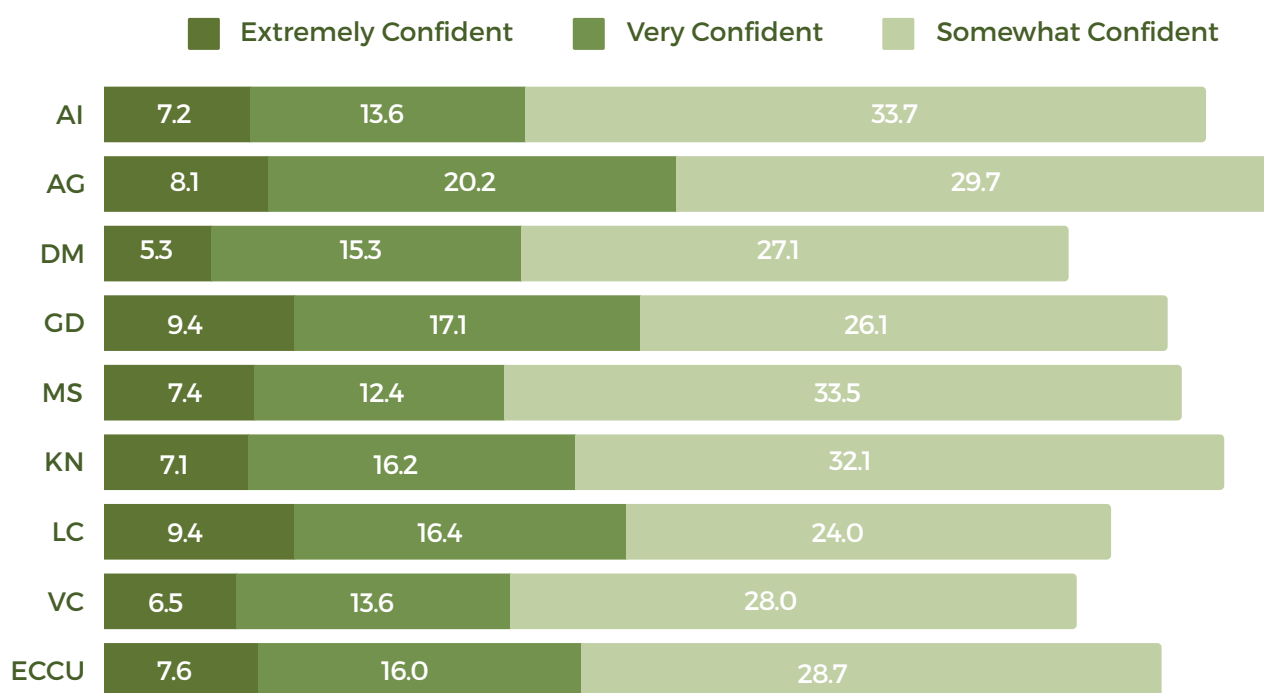
Intended Method of Funding Retirement

Across the ECCU, 42.7 percent of respondents indicated their intention to primarily rely on government pensions or old age benefits to fund their retirement.

Table 8.7 - Respondents (%) proposed methods of funding retirement

Method of funding retirement	AI	AG	DM	GD	MS	KN	LC	VC	ECCU
Draw from government pension/old age benefit	54.5	43.8	42.3	26.6	48.7	55.2	31.1	47.7	42.7
Draw from your savings	31.1	19.6	34.0	31.5	39.3	29.8	23.9	34.3	29.8
Continue to work	18.2	16.2	25.9	20.7	30.7	17.3	22.8	20.5	21.1
Draw from a private pension plan	4.4	25.4	15.6	11.8	10.0	13.8	10.8	9.2	13.4
From revenues of a personal business	16.6	10.2	11.8	17.7	22.2	10.4	11.9	10.9	13.2
From occupational or workplace pension plan	5.8	9.4	14.6	12.3	11.8	14.1	8.2	8.7	10.9

-09-
CONCLUSION

This report presents the findings from the ECCU financial literacy and inclusion survey, which was conducted among adults aged 18 and older. It compares financial literacy rates - encompassing digital financial literacy - as well as financial inclusion and other relevant indicators across the eight ECCU economies.

Overall, financial literacy levels were low, with significant variation among countries. While 3 in 5 adults met the minimum target score for financial behaviour, only 1 in 2 adults met the minimum target score for financial knowledge and 1 in 5 met the minimum target score for financial attitude. Digital financial literacy scores were critically low across all ECCU countries, with an average digital financial behaviour score of 1.8 out of 4 and a digital financial attitude score of 1.5 out of 3.

Indicators of financial inclusion show a high (86.1%) financial account ownership ratio in the sub-region. Other indicators reveal that respondents were generally aware of available financial products and services. However, only about 54.5 per cent made a product choice, and cash payments remain the most commonly used method for paying regular and recurring bills.

The top three financial goals of ECCU residents were buying property, starting or growing a business, and becoming debt-free. Financial goals varied by age and sex, with respondents aged 18 to 49 preferring to buy property, while those over 50 preferred to become debt-free. Across all age groups, men and women were equally interested in acquiring property. However, men favored starting or growing a business, whereas women focused more on educational expenses. Savings and investment were the primary actions taken by respondents to achieve their financial goals.

Contact Us

Telephone:
869-465-2537

Address:
Eastern Caribbean Central Bank
Post Office Box 89
Basseterre
Saint Christopher (St Kitts) and Nevis
West Indies

Email:
RSDAD@eccb-centralbank.org

Website:
www.eccb-centralbank.org