CENTER FOR
INSURACE
RESEARCH

FACTORS INFLUENCING SAVINGS AND INVESTMENTS: FINANCIAL LITERACY, ATTITUDES AND TRUST

This report is available at https://cir.ie.edu

November 2017

It is a great pleasure to me to present to all of you, this study, "Factors influencing the saving and investor behavior of Spanish households", carried out by the IE Insurance Research Center. This center is jointly sponsored by Clifford Chance, SCOR and Informática El Corte Ingles.

As the importance of financial products grow in our society and daily life, it is always useful to elaborate information about investors, real or potential, their attitudes and financial literacy. This information is very precious not only for financial entities, so they can tailor their products and services to the customer's profile, but also for regulatory institutions, so they can better focus where to intervene.

Trying not to anticipate all the results of this study, I will simply underline one issue that for us, an academic institution, directly impacts us and that should be acknowledge. The output of the report somewhat reflect a bleak picture: Spanish population, in general, suffers from an important lack of financial illiteracy about basic concepts (inflation, interest rates, risk diversification…), about the financial products available in the market and also the functions and roles of the different institutions and agents in the financial sector. Education institutions, public entities and financial players must assume our responsibility in this pending task, which is to enable citizens to make good financial decisions in an increasingly complex scenario.

Financial education is a fundamental and essential tool to promote long term savings and investments in our society.

Marco Trombetta
Deputy Dean of Research – IE University

Based on the principles of independence, excellence and non-profit, our center has the following goals: (i) to foster and contribute to the advancement of knowledge about the insurance industry; (ii) to disseminate the results of our research at academic and professional levels and to the overall population; (iii) to collaborate with public and private institutions, making it possible to achieve an in-depth analysis and widespread sharing of learning about the sector and the environment within which it operates. IE Center for Insurance Research (http://cir.ie.edu) was formed in July, 2016 with a strong commitment from IE and its sponsors – CLIFFORD CHANCE, SCOR and INFORMATICA EL CORTE INGLES) to develop research in the insurance sector, as one of the basic pillars of the economy.

Authors*

Laura Núñez Letamendia

Academic Director and Founder of ie Center for Insurance Research
Professor of finance at ie Business School

Ana Cristina Silva

Affiliated Researcher at ie Center for Insurance Research
Professor of finance, and Director of the Financial Capability Center, at Merrimack College, North Andover, MA.

(*) The authors thank CECABANK, AUDITORES, and INVERSION & FINANZAS for their financial support to carry out the research.

Index

IE | CENTER FOR INSURACE RESEARCH

Introduction

A. GOALS AND MOTIVATION

The economic and financial crisis that emerged in 2008 has had severe consequences for many people, and thus highlighted the need to promote family savings as a protection mechanism to face hard economic environments and unforeseen events, such as the loss of employment. Factors such as an increasingly aging population, high levels of public deficits and debt, interest rates close to zero, uncertainty about the sufficiency of public pension schemes, and falling real estate prices during recent years, have had a powerful influence on how people perceive the need to both save and invest.

Saving and investing smartly requires actively investing in the proper financial products according to the individuals' needs and risk profile. However, beyond the *Financial Survey of Families* report first generated in 2002 by the Bank of Spain, and then every three years thereafter, we are not aware of additional tools to regularly monitor the saving and investing behaviors of the Spanish population. Thus, we acknowledge the appeal of having a study based on a barometer format, and hope to be able to contribute in this sense with futures editions of this research.

This structure of this study is comprised of two sections: The first section is devoted to analyzing the precedents of saving and investment across the entire Spanish population. The second section focuses on an investigation of Spanish investor behavior.

The goal of the first section, saving and investment precedents, is to explore whether the scenario and current conditions affecting the Spanish population are adequate for investment activity. This sections pays special attention to three factors that are key for the development of investment culture in our society, including: (i) financial literacy about basic concepts and investment products available in the financial markets, (ii) the values, influences and attitudes that financial consumers show towards saving and purchasing investment products, (iii) the extent to which the general population trusts financial public authorities and financial intermediaries. These three factors are absolutely crucial to develop and promote an appropriate cultural background in the Spanish families.

Section two focuses on analyzing the behavior of the Spanish investor. Taking into account the three key factors mentioned before (financial literacy, attitude towards saving and investing, and trust in financial institutions), this section specifically examines the investors population segment to discover how they invest, which products they acquire, which channels they use, what sources of information they access, what advisors they use, how they rate their experiences, etc.

The data provided by this study are an important source of information for financial institutions, both private and non-private, in order to plan and develop further actions to reinforce the scenario in which Spanish financial investors play their role. Such actions should address the key factors that drive investment, whether tangible (financial literacy) or non-tangible (perceptions and attitudes) while also generating additional trust in the financial system.

This study is relevant for designing specific training programs for financial advisors given that they will become key agents when MiFID II comes into enforcement by the beginning of 2018, together with the new Insurance Distribution Directive. These data can help nurture public campaigns to better educate the population regarding the most appropriate financial products, particularly as it applies to selecting the right savings strategy when facing retirement. Identifying the strategy best suited for each individual is especially important when one considers that public pension plans are unable to indefinitely bear the tremendous financial pressure caused by an increasingly aging population.

Our goal is to conduct this study on a periodic basis, with the aim of creating an important tool to more effectively monitor key factors that contribute to saving and investing behaviors within the Spanish population. Some of these factors include investor knowledge of and trust in Spanish financial institutions, general attitudes towards saving and investing, and the financial literacy of the average Spanish saver and investor. A further objective is to identify potential new investors and the motivation forces driving their decisions to invest (economic outlook, regulation, greater financial literacy, etc.).

B. METHODOLOGY

This study is based on an online survey. In an effort to obtain a representative sample of the Spanish population along the dimensions of gender, age, socioeconomic status, and place of residence,[1] participants in our study were drawn from a segment of the Spanish population with internet access.

According to the last "Estudio General de Medios (EGM) survey", pertaining to Asociación para la Investigación de Medios de Comunicación (AIMC), 71.9% of the total Spanish population had internet access by November 2016. Given the proportion of Spanish internet users relative to the total Spanish population, it is highly likely that the characteristics of our sample are representative of the Spanish population. Indeed, our data indicate that the characteristics of our sample were highly comparable with those of the Spanish population in terms of both gender and age distribution (with the exception of individuals over 65 years of age), and somewhat comparable in socioeconomic status; although for this dimension our data indicated a slightly higher proportion of internet access among high socioeconomic status individuals.

To collect the information needed for the purpose of the survey, The survey was organized into six blocks: (i) population descriptive characteristics (income level, employment profile, etc.), (ii) investment channels and intermediaries used in the acquisition of investment assets, (iii) general financial literacy and specific knowledge of available products, (iv) attitude towards

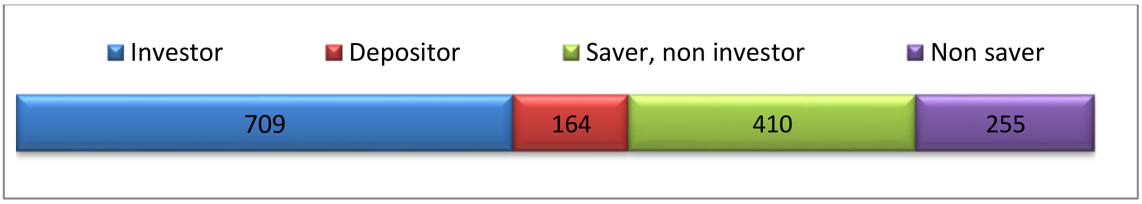
[1] For each age range, our sample is proportional to Spanish population elder than 20 years. For each geographic area, our sample also meets the proportional criteria in accordance with Nielsen panel areas (Northeast, Catalonia & Balearic, Levante etc…). Finally, socio-economic levels have been established following the guidelines from Spanish Association of Market & Opinion Research Companies, 2015

saving and investing, (v) decision making processes of investors, (vi) trust in financial institutions. A response ratio of 75% was obtained, resulting in 1,538 completed surveys. The data was collected between the 13th and 20th of February, 2017 by the firm Netquest.

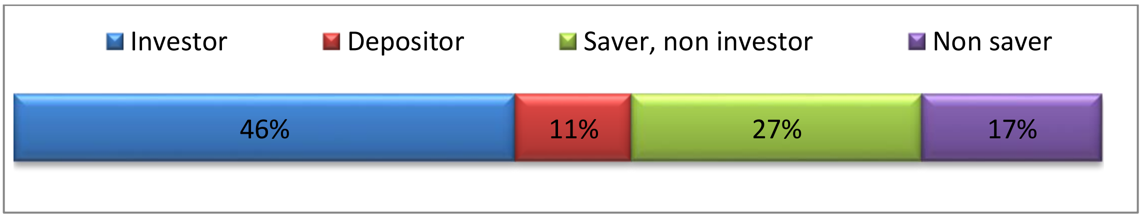
Once the data was collected, it was then divided into four different profiles: (i) investor, (ii) long term deposit investor or depositor, (ii) saver, non-investor, (iv) rest, non-saver. See Graph 1 for details.

Graph 1: SAMPLE DISTRIBUTION, per segment

A. Number of individuals



B. Percentage



The investor profile has been divided into two groups: (1) Investor: anyone who bought or kept any financial products from those listed in Table 1, during the last two years."; (2) Depositors: individuals or families who keep their savings invested in long term deposits and do not have any of the products listed in Table 1.

Our data indicated that 709 individuals were categorized as "investors" (46% of sample), whereas 164 were categorized exclusively as "depositors" (11% of sample). Because investors can also hold long-term deposits, creating a depositors subcategory allowed us to identify individuals who may be interested in investing but for a variety of reasons may not feel sufficiently comfortable. Thus, "depositors" reflect those individuals whose investment preferences are limited to relatively low-yield deposits through their financial institution. Additionally, as a consequence of the recent economic crisis and the resulting low market return during this period, some investors may have temporarily disinvested from the market in favor of relatively low-risk, low-yield investments in the form of term deposits. Section two of this report discusses the results of several analyses that compare behavioral differences between investors and depositors.

Finally, those individuals not categorized as either investors or depositors were broadly classified according to whether they: (3) save a portion of their income but choose not to invest in either long-term deposits or the products listed in Table 1 (i.e., "saver, non-investor", 410, 27% of sample), or (4) choose not to save a portion of their income (i.e., "non-saver", 255, 17% of sample).

In summary, 709 individuals were categorized as “investors”, 164 as “depositors” (amounting to 873 investors in a broad sense), 410 as “savers, non-investor” and 255 as “non-savers” (see Table 1).

Part I of this study is based on our entire sample of the Spanish population, whereas Part II is specifically focused on the investor segment, although these individuals are also compared with the other categories, in particular with “depositors”.

TABLE 1: INVESTMENT PRODUCTS CONSIDERED IN OUR SURVEY
Investment Funds (Monetary, Fixed Income, Equity, Mixed/Global, Guaranteed)
Pension Plans or Funds
Savings Insurance Policies (Income, SISP, LTISP, IPP, Unit Linked)
Variable Capital Investment Companies
Bonds (Treasury Bills, Bonds, Obligations, and others)
Common Stocks (Public Listed Shares)
Preference Shares
Exchange Trade Funds
Hedge Funds
Real Estate Investment Funds
Mortgage Securitization Funds
Venture Capital Funds

Table 2 breaks down some investment products into different sub-types .

TABLE 2:
INVESTMENT FUNDS
Monetary
Fixed Income
Equity
Mixed or Global
Guaranteed
SAVINGS INSURANCE POLICIES
Income Insurance
Sistematic Individual Savings Plan
Long Term Individual Savings Insurance
Insured Pension Plan
Unit Linked
Others
FIXED INCOME SECURITIES
Treasury Bills
Obligations, Bonds and Others

C. SAMPLE SPECIFICATION

This section describes the demographic characteristics of our sample according to level of education, employment status, and family wealth[2]. Our sample shows educational and income levels above the Spanish average standards, similar to average about the employment situation and below the average for property owned assets.

The education level of our sample is presented in Table 3. According to official INE statistics (2015) 35% of the Spanish population has a bachelor degree or higher, whereas our survey indicates that 45% of our sample has at least a bachelor's degree.

A closer look at the relationship between investor-type and education level reveals a positive correlation between the decision to save and/or invest one's finances and having a university degree. For example, whereas only 27% of *non-savers* have a university degree, this increases to 43% for *savers/non-investors*, 46% for *depositors*, and 53% for *investors*.

TABLE 3: EDUCATIONAL LEVEL	INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER	TOTAL
Elementary School	4%	5%	3%	4%	4%
Secondary School	9%	13%	11%	20%	12%
High School	34%	36%	43%	48%	39%
University Diploma	20%	16%	14%	15%	17%
Bachelor, Master, PhD	33%	30%	29%	12%	28%
TOTAL	100%	100%	100%	100%	100%

With regard to employment status, 50% of our sample is currently employed[3], 22% are retired, 17% are unemployed and 11% are either students or dedicated to household activities. These data indicate that the unemployment rate in our sample (17%) is slightly lower than the unemployment rate among the general Spanish population (18.6% Active Population Survey, 2016). (Additionally, our data reveals lower unemployment rates among those in the *investors* (12%) and *depositors* (16%) groups compared with those in the *savers/non-investors* (21%) and *non-savers* (27%) groups. Moreover, a higher percentage of retired individuals fall within the *investors* category more broadly (27%: *investors*, *depositors*), versus only 12% for *savers/non-investors*, and 19% for *non-savers*.

Our calculation of family wealth was based on Gross Family Income (GFI) as reflected by both salary and non-salary income (the indicators used in the Family Finance Survey, EFF elaborated by the Bank of Spain). The data revealed that 37% of families in our sample have an annual GFI below 20,000€. According to the most recent issue of EFF (2014), in 2013, 50% of Spanish families declared an annual gross income below 22,700€. Although our data is not fully comparable with the EFF (2014) data because different points of reference were used

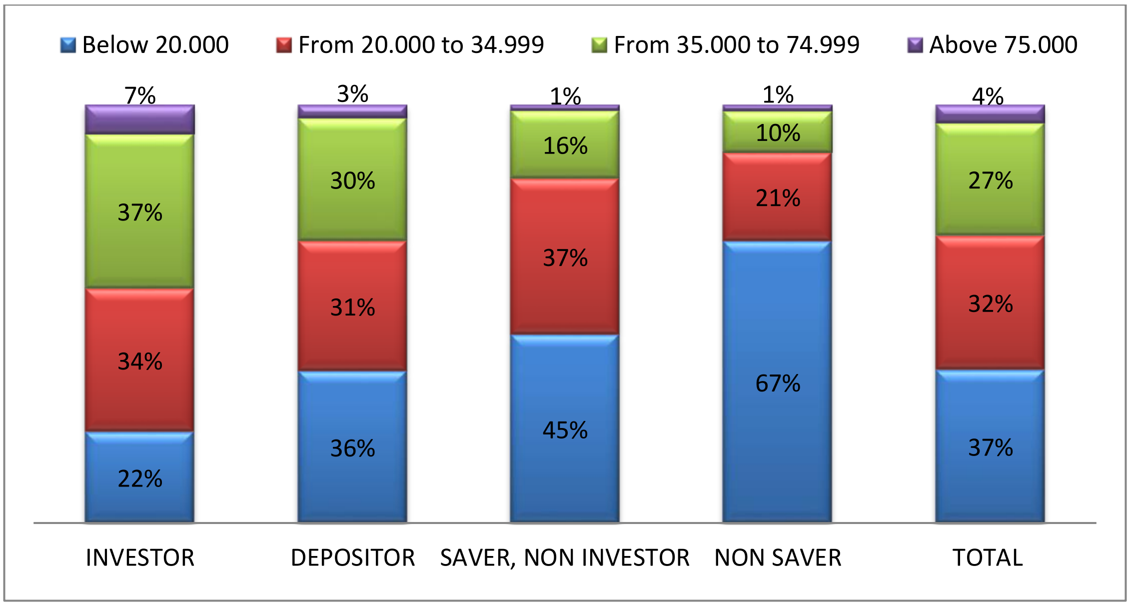
[2] Our sample is fully representative of Spanish population about gender, age and socio-economical level, so there is no need to analyze these variables.

[3] 20% of respondents are part-time workers and only 3% are self-employed.

regarding income levels, it could happen that our sample would have higher income level in comparison to average Spanish level (please also note that 26% of the families did not answer to this specific question in our survey[4]).

The data in Graph 2 reveal a positive correlation between the decision to save and/or invest one's finances and family wealth as reflected by Gross Family Income. For example, compared to the percentage of non-savers whose GFI ranged above 34,999 (11%), the percentage of savers/non investors is 17%, and that for both depositors and investors is 33% and 44% respectively. On the other extreme, within the GFI range below 20,000, the non-savers rose to 67%, while savers-non/investors dipped to 45%, depositors to 36% and investors to 22%. Although certainly an oversimplification of the data, at the most broad level, these patterns suggest that efforts to actively invest one's financial resources are linked to higher levels of income. Of course, the ability and/or motivation to actively invest one's financial resources is dependent on a variety of factors, including an income that allows for a positive cost/expense ratio, the absence of health/medical issues, an investment plan, adequate self-control, etc.

Graph 2: GROSS HOUSEHOLD INCOME according to segment of population



Including all population segments, our data revealed that 70% of Spanish families reported owning real-estate, compared with 80.4% of Spanish families who reporting owning real-estate in the most recent EFF survey (2014). A comparison of real-estate investments across categories of individuals revealed that real-estate ownership was reported by 85% of *investors*, 76% of *depositors*, 53% of savers/non-*investors*, and 50% of *non-savers*. Therefore it does not seem that property ownership is an alternative investment option to investing in financial assets.

We also asked our sample about the loans, mortgages and other financial products they have borrowed, because the outstanding amount is likely to harm the investing capacity of the

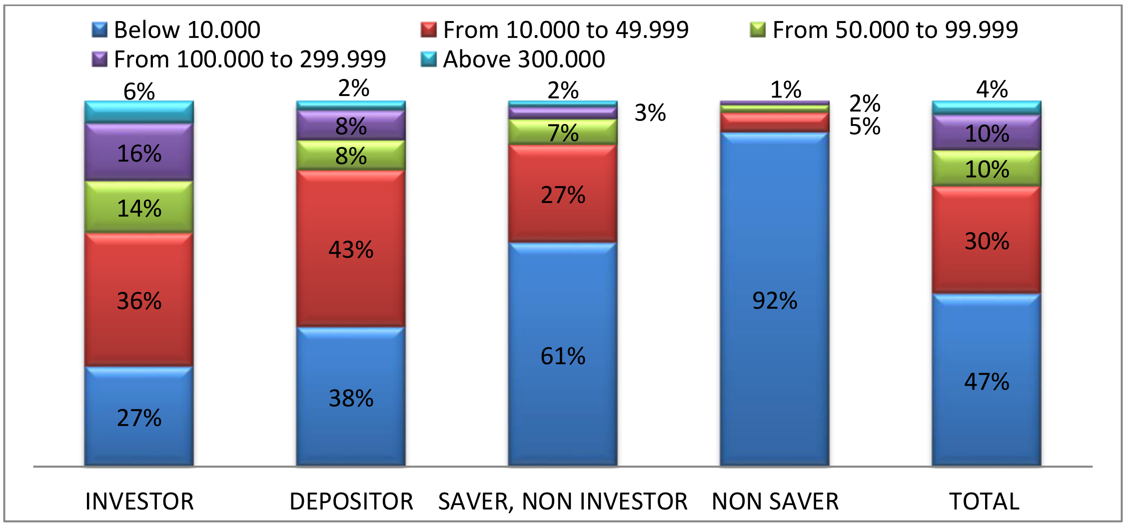
[4] "Savers, non-investors" were the group least likely to provide information about their income level.

individuals. Nearly, half of our sample currently holds debt, and this issue occurs regardless of population segment. Thus, while it is possible that a relationship exists between owning real-estate and holding debt, the nature of this relationship among our sample is not entirely clear.

A further consideration that is likely to impact investment ability is whether a family owns a business. Intuitively, it makes sense that any funds available for investment may be directed toward the maintenance and growth of the family-owned/operated business rather than toward various financial products. In line with the data from the most recent EFF (2014) study, 11% of our sample reported owning a business of some form. However, a closer look at our data reveals differences in the distribution of business owners according to population segments. For example, business ownership among *investors* (15%) is noticeably higher than either of the remaining three categories, in which business ownership ranges from 6% to 8%. In addition, the business size also differs between *investors* and the remaining three categories. More specifically, whereas 5% of individuals within the *investor* category report owning business with more than 50 employees, no individuals in the remaining three categories make this claim. According to these results, being a business owner does not imply necessarily to channel savings and investments exclusively towards it.

Lastly, we turn our attention to data reflecting a measure of Household Financial Wealth (see Graph 3). Importantly, we direct the reader to take note that 35% of the sample has declined to answer this question[5]. Once again, a similar pattern emerges: with the exception of families whose Household Financial Wealth is less than 10,000, the more resources families devote toward savings and investments, the greater the Household Financial Wealth. Notably, whereas 92% of *non-savers* have a financial wealth less than 10,000€, only 17% of *investors* fall into this category.

Graph 3: HOUSEHOLD FINANCIAL WEALTH per segment of population



In summary, our sample is characterized by:

[5] This ratio is much higher for "savers, non-investors" reaching 55% of individuals. The remaining categories indicate ratios between 25 – 30% (investors 29%, depositors 25% and non-savers 25%)

- An educational and income level higher than the Spanish average.
- An unemployment rate and business ownership levels similar to Spanish ones.
- Lower rate of property ownership than the Spanish average.

These data indicate a relationship between the type of investor and a variety of different outcomes. More specifically, as investment behaviors become more active and intentional (i.e., from *non-saver* to *investor*), a corresponding increase is observed in Gross Family Income, Household Financial Wealth, and Education. A similar pattern also emerges for business ownership and the number of retirees, whereas the opposite relationship is found with unemployment. No differences in the amount of outstanding debt from borrowed loans, was found across the four categories of investor. One reason may be that in recent years the "investor" segment has taken advantage of very low interest rates keeping to help control loan-based debt while trying to obtain higher returns on other financial assets. Also, most likely, that outstanding debt linked to the "non saver" segment may be financing long term consumption goods. However, the survey does not sufficiently qualify the information in order to be able to check these assumptions.

Chapter 1: What do we know about finances and investments?

1.1.- Financial Literacy in Spain

1.2.- Does the Spanish population know about the investment options available in the financial markets?

Chapter 2: What drives or restrains us to save and invest?

2.1.- Attitude towards savings and investments

2.2.- How and why families invest in Spain?

2.3.- What motivates individuals to invest? Which barriers do they face?

Chapter 3: Do we trust the financial sector?

3.1.- Level of trust in financial institutions

3.2.- Most valued characteristics by investors about financial institutions

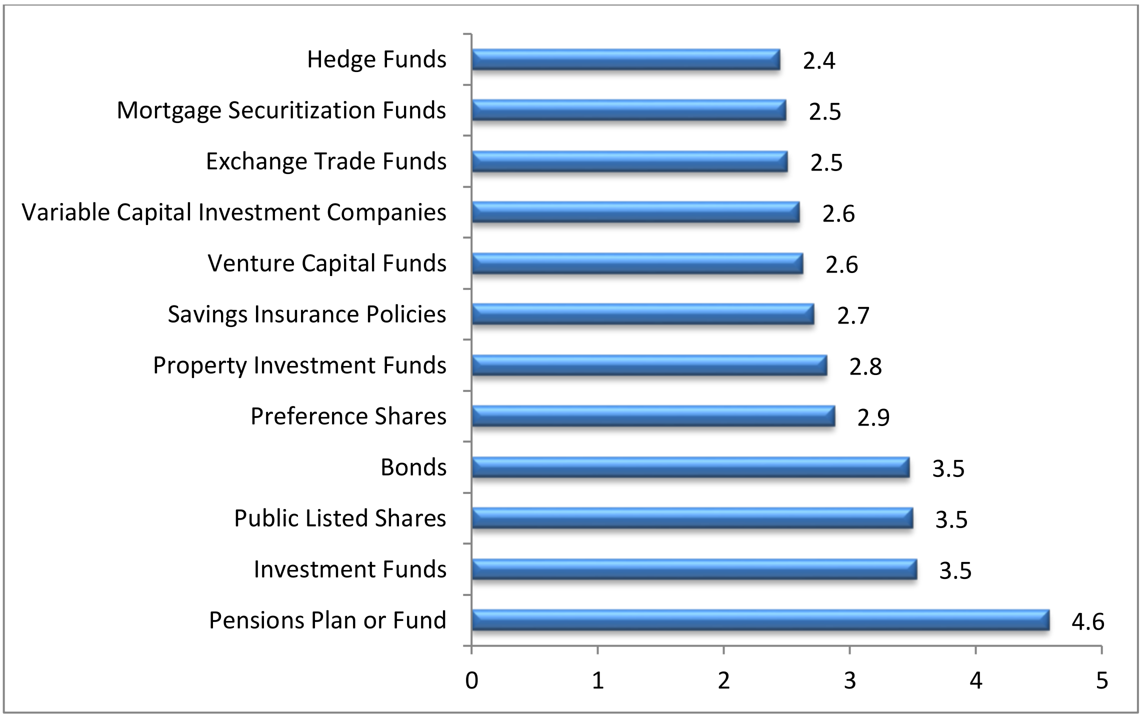
Chapter 1

What do we know about finances and investments?

"Less than half of the Spanish population has a basic level of financial literacy. The effect of Inflation on purchasing power, and compound interest are concepts not properly understood".

"Spanish people have a very poor knowledge about investment products. The product they come closest to understanding is the pension plan or fund".

KNOWLEDGE PERCEPTION, per investment products



Knowledge perception average (1 "no knowledge"- 10 "very high knowledge" per investment asset type).

1.1. FINANCIAL LITERACY IN SPAIN

Attaining a basic knowledge about financial terms and concepts is a prerequisite for individuals and families to be able to make good decisions about managing their financial resources. Financial decisions such as saving, investing, borrowing and risk-management require a basic understanding regarding the effects of inflation on the value of money over time, the effect of interest rates over the cost of loans, or the effect of compound interest on the real value of savings and investments. However, if financial literacy in these areas is lacking, this greatly increases the difficulty of choosing the correct financial strategy, thus placing the economic stability and security of one's family at risk, which is of particular concern given the relatively unstable current macroeconomic environment. Additionally, financial illiteracy also constrains individuals from actively participating in the overall economy, thus negatively impacting not only themselves but also the general economy.

With the goal of measuring the financial literacy of participants, the survey has included four basic questions about inflation, simple and compound interest rate, and risk diversification. Questions have been selected from Standard & Poor´s rating Services Global Financial Literacy Survey (S&P Global FinLit Survey), performed by Gallup in 2014. As per the S&P survey, financial literacy is demonstrated by correctly answering question about three of four basic financial concepts. Table 4 shows that only 46.8% of our sample passed this test, with only 17.3% correctly answering all four questions and 29.5% correctly answering three questions. These results suggest that a majority of the Spanish population is likely unprepared to make appropriate financial decisions related to saving, investing and borrowing[6].

TABLE 4: FINANCIAL LITERACY TEST RESULTS (% respondents)		
All four questions correct	Three correct answers	Two or less correct answers
17.3%	29.5%	53.2%

Of all the financial terms included in the questionnaire, the least understood are inflation and compound interest. Table 5 shows that only half of the participants (50%) correctly identified the effect of inflation on the purchasing value of money. This result is similar to the S&P survey at a global level, but lower than the level reached in developed countries (60%). The same pattern occurs for compound interest, where the results of our survey (just 50% of correct answers) are slightly better than those of the S&P global study (less than 50%)[7].

Of all the financial concepts in our questionnaire, the best results are related to comprehension of the simple interest rate and the diversification effect on investment risk (64% and 60% correct answers, respectively). These results are better than the S&P global

[6] In 2008, the Bank of Spain, in collaboration with the National Stock Exchange Commission, launched the first financial educational Project in order to improve basic financial knowledge within Spanish society. The project was subsequently leaded by the Spanish Treasury and General Directorate of Insurance and Pensions Funds. A webpage www.finanzasparatodos.es was the first visible outcome of this Plan.

[7] However, we should point out that the results of our test are not fully comparable to the S&P survey, as we have only included one question about compound interest, while S&P survey included two.

survey, revealing an astonishing gap (25 percentage points) regarding knowledge about risk diversification.

TABLE 5: FINANCIAL LITERACY TEST RESULTS (% of respondents, per question)	CORRECTLY ANSWERED	INCORRECTLY ANSWERED	DON´T KNOW
1. Inflation effect over purchasing power	50%	26%	24%
2. Simple interest calculation	64%	15%	22%
3. Compound interest understanding	50%	28%	22%
4. Diversification as a tool to diminish financial risk	60%	10%	30%

1.2. DOES THE SPANISH POPULATION KNOW ABOUT THE INVESTMENT OPTIONS AVAILABLE IN THE FINANCIAL MARKET?

It is absolutely crucial that individuals have good and healthy habits with regard to saving and investing. Healthy saving and investing habits will help pave the way toward maintaining ideal standards of living, both in the present as well as in the future. In planning for one's future, developing these habits is especially important given our challenging social and economic climate in which increased human longevity rates place an ever-increasing strain on public pension schemes. Bearing this in mind, it is very important that individuals not only achieve a minimum level of financial literacy, but also minimal knowledge about the portfolio of financial products available in the marketplace. As mentioned in the Financial Education Plan (2013-2017), "correctly managing and distributing the financial resources of individuals and families is getting increasingly complex, and the required skills and competencies are far greater than for previous generations".

The goal is not to transform average citizens into bona fide financial experts, but rather to establish a common ground that enables an individual to base their decisions on well-founded concepts, while also managing their wealth in the right direction – if possible, with external financial advisors that provide expert as well as neutral recommendations.

To test the extent to which the Spanish population demonstrates financial literacy regarding the most important investment products available, we included a specific question about the self-knowledge that each respondent perceives to have on this issue (see Table 6).

Of all the investment products listed, the only product on which scores are close to a passing level in terms of understanding is *Pension Plan or Fund* (4.6/10). When asked about the specific characteristics of a *Pension Plan or Fund* product, those who report understanding this product (approximately 75% of the sample), indicate that this is a low risk product (80%), has a favorable effect on taxes (71%), has medium to low liquidity (88%) and comes with a moderate yield rate (44%). Because these outcomes accurately describe this investment product, it appears as though this product is relatively well understood by a large majority of individuals.

TABLE 6: UNDERSTANDING OF INVESTMENT PRODUCTS	RATING FROM 1 TO 10
PENSION PLAN OR FUND	4.6
INVESTMENT FUNDS	3.5
PUBLICLY LISTED SHARES	3.5
BONDS	3.5
PREFERRED SHARES	2.9
PROPERTY INVESTMENT FUNDS	2.8
SAVINGS INSURANCE POLICY	2.7
VENTURE CAPITAL FUNDS	2.6
VARIABLE CAPITAL INVESTMENT COMPANIES	2.6
EXCHANGE TRADE FUNDS	2.5
SECURITIZATION FUNDS	2.5
HEDGE FUNDS	2.4
AVERAGE	**3.0**

Within the next group of financial products (scores between 2.6 - 2.9/10), it is particularly surprising to note the general ignorance regarding Savings Insurance Policies; especially considering that these products have specifically been designed for average consumers rather than sophisticated investors. We believe that an excessive product variety, with different characteristics (with varied tax effects), and with unclear product branding make it very difficult for the general population to understand their functions and their differences[8]. We believe that simplify and standardize Savings Insurance Products may help increase individuals interest and understanding of these products,

Moving to the final group of investment products (scores between 2.4 – 2.5/10), we were also surprised to see the very low level of understanding about ETFs, because this is a very useful tool to diversify savings portfolios, and an intermediate option compared to public listed shares and investment funds. Hedge Funds, as expected, were the least known/understood product (2.4 over 10), likely given that their focus and use is predominantly geared towards experienced investors with large investment portfolios and a sound financial background.

We also asked about the need of issuing financial institutions to have their annual statements formally audited. Results shown that 41% of respondents are aware of this, and similarly to other parameters of the survey, results grow in parallel to educational level (53% for bachelors) and also to wealth level (62% in the case of families with a net financial wealth higher than 30.000€).

We believe than, rather than focusing in deepening in the roots of the low literacy level of Spanish population, it is crucial to discuss and implement new ideas to change this situation in the future. Some of these ideas could be: (i) reinforce the actions already included in the project Plan de Educación Financiera, ongoing since 2008, and more precisely, to promote the

[8] Annex 1 includes a detailed description of the most important characteristics of all the specific Savings Insurance Policies objects in our study

contents of the webpage www.finanzasparatodos.es; (ii) promote finance education and competencies with the “just in time” strategy, giving the right training at the right time (i.e. at the moment individuals make financial decisions); (iii) make simpler products with regard to their tax effects and unify their characteristics (we underline the need to review the savings insurance product line); and (iv) call for higher transparency and clearer information about financial product specifications by the corresponding agents responsible for their commercialization. Nowadays, products are frequently dressed up by the branding and marketing strategy of financial agents, causing frequent confusion to consumers.

In summary, although providing more information to the public is important, our belief is that enhancing the quality of information (e.g., more structured, more relevant, better calibrated to consumer needs, etc.), would better meet population needs. Webpages of public and private institutions should follow these rules and the distribution channels should provide better and clearer information. The enforcement of MIFID II and the new Insurance Distribution Directive should encourage progress on these issues.

Chapter 2

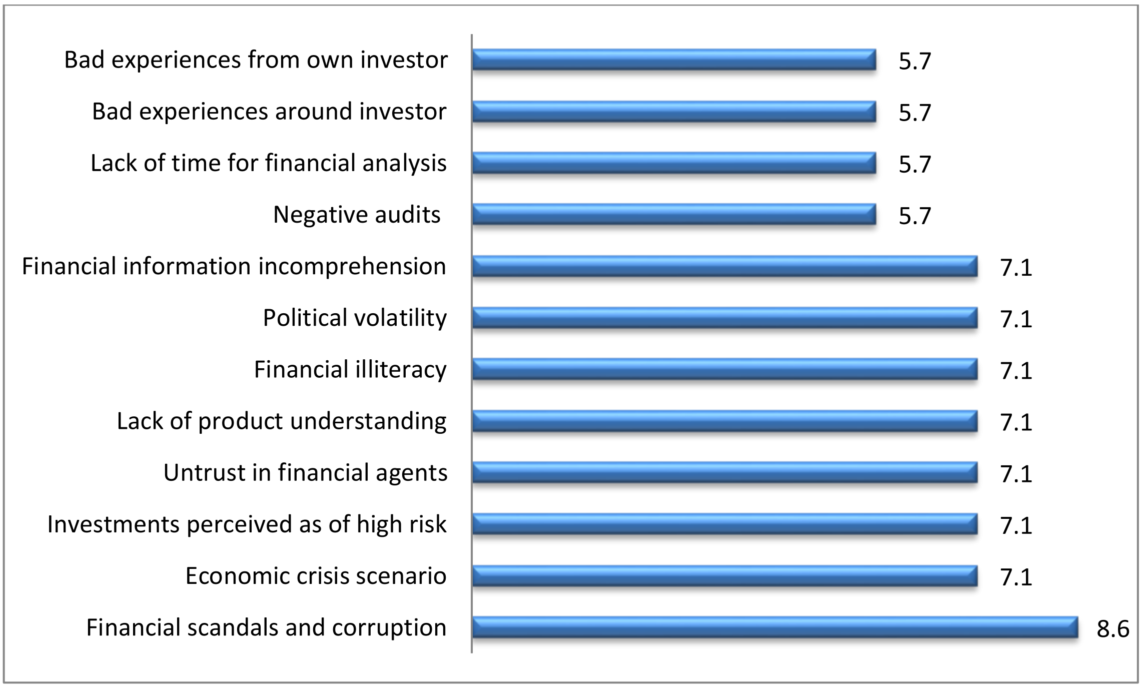
What drives or restrains us to save and invest?

"The Spanish population is very much aware of the need to save, although a quarter of the population hasn´t saved in the last two years"

"Savings are mostly made to face future contingencies and to supplement pensions"

"Financial scandals and corruption cases in Spain are the largest obstacles preventing financial investments"

MAIN BARRIERS TO INVESTMENTS (level of importance)



(1 "Not important" - 10 "Very important")

Barriers indicated by individuals towards investing (Median value whereby 50% of individuals fall on either side of the value)

2.1.- ATTITUDE TOWARDS SAVINGS AND INVESTMENTS

According to the Theory of Planned Behavior (TPB; Ajzen, 1985), an individual's intention to perform a behavior is influenced by three major determinants. The first determinant of behavioral intentions (a) is a persons' *attitude (positive or favorable versus negative or unfavorable) toward the behavior (i.e. the evaluation of the consequences of the behavior);* the second determinant (b) reflects the individuals' perception regarding their control or capability to perform a given behavior; and the third major determinant of behavioral intentions (c) is *subjective norms*, which denote an individual's belief that other people important to them expect that a particular behavior should or should not be performed.

Subjective norms, in turn, are comprised of an individual's normative beliefs, which represent the belief that other people important to the individual concerned expect the individual to behave in a specific manner, and their motivation to comply with the expectations of others. Importantly, this theoretical framework also considers the *perceived behavioral control* of an individual as an important moderating variable that can enhance the ability of this model to predict behavioral outcomes. This construct reflects a person's beliefs regarding the difficulty of performing a given behavior.

Some authors, such as B.P. Kennedy (2013) explain the financial decisions made by individuals using the model proposed by the Theory of Planned Behavior together with the element of "Financial Literacy" discussed in Chapter 1.

Drawing upon the TPB as the theoretical framework for our survey, individuals were asked about the extent to which they agreed or disagreed with certain assumptions related to saving (i.e., attitudes), their perceptions of control (i.e., perceived behavioral control), and their beliefs that others share their views (i.e., social norms). Responses were provided on a scale ranging from 1 (totally disagree) to 10 (totally agree)

As shown in Table 7, the data revealed that individuals have a moderately strong attitude towards the benefits of saving (7.7 and 6.7).

TABLE 7: ATTITUDE, CONTROL AND SOCIAL NORM TOWARDS SAVINGS (1 min - 10 max)		AVERAGE	MEDIAN*	MODE**
Saving regularly is desireable	ATTITUDE	7.7	8.6	10
Saving regularly will enhance my personal and family financial situation	ATTITUDE	6.7	7.1	10
I think I am able to make good decisions about my savings	CONTROL	6.6	7.1	6
I believe I am able to save regularly	CONTROL	5.4	5.7	6
People important to me think that I should save regularly	SOCIAL NORM	5.5	5.7	6
People similar and close to me regularly save	SOCIAL NORM	4.8	4.3	6

(*) The Median is the value separating the upper half of the sample from the lower half. A value as 8.6 indicates that 50% of the sample has chosen a value higher than 8.6, whereas the other 50% has chosen a value lower than 8.6.
(**) The Mode is the value (response) chosen most often.

Interestingly, individuals say they feel more confident about their control over making the correct saving decisions (6.6), than about being able to save on a regular basis (5.4). Finally, issues related to subjective or social norms received a neutral evaluation (5.5, and 4.8). What these data suggest is that individuals view the need to save as more important than the perceptions of relevant others close to them.

Participants responded to the same questions presented in Table 7 but instead were focused on investing.

TABLE 8: ATTITUDE, CONTROL AND SOCIAL NORM TOWARDS INVESTING (1 min - 10 max)		AVERAGE	MEDIAN*	MODE**
Investing regularly is desireable	ATTITUDE	5.5	5.7	6
Investing regularly will enhance my personal and family financial situation	ATTITUDE	5.5	5.7	6
I think I am able to make good decisions about my investments	CONTROL	5.8	5.7	6
I believe I am able to invest regularly	CONTROL	4.0	4.3	1
Key persons to me think that I should do invest regularly	SOCIAL NORM	4.1	4.3	1
People similar and close to me regularly invest	SOCIAL NORM	4.1	4.3	1

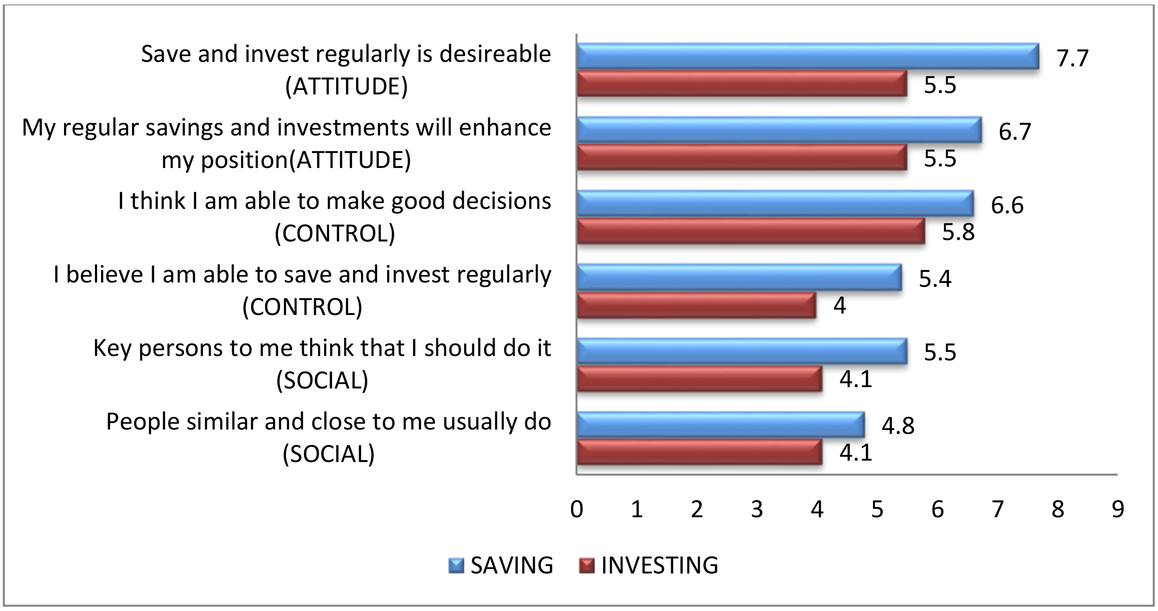
(*) The Median is the value separating the upper half of the sample from the lower half. A value as 5.7 indicates that 50% of the sample has chosen a value higher than 5.7, whereas the other 50% has chosen a value lower than 5.7.
(**) The Mode is the value (response) chosen most often.

While the general attitude about saving is clearly positive (7.2 in average), in the case of investing, results show a more neutral attitude (5.5). Thus, the data suggests that, on average, people have more positive attitudes toward saving than investing. Graph 4 shows the differences between attitudes towards saving and investing. We note interesting differences when comparing individuals' perceived behavioral control regarding their ability to save and invest wisely. People recognize they have less control and capacity when investing than saving, and this perceived lack of control is even more profound with regard to investing on a recurrent basis.

Moreover, the data reveal an interesting discrepancy when comparing individuals' perceived control over savings (6), and investing (4.9), with the results obtained in the financial literacy survey reported earlier. That is, despite have comparatively very poor objective (Tables 4 & 5) and subjective (Table 6) knowledge regarding financial concepts and the different types of financial products and what these products can provide, individuals perceive themselves as being relatively able to make good financial decisions (Tables 7 & 8).

Finally, the data regarding perceived social norms revealed that people do not perceive regular saving (5.2 in average) and investing (4.1) as common practices within Spanish society. These data indicate that, on average, individuals feel that Spanish society does not perceive the need to save or invest as a common practice, thus individuals do not appear to perceive any social pressure to regularly engage in these behaviors. We believe that changing these cultural beliefs and practices should be a high priority for public institutions.

Graph 4: ATTITUDE, CONTROL AND SOCIAL NORM ABOUT SAVING AND INVESTING



2.2.- HOW AND WHY FAMILIES INVEST IN SPAIN?

Almost one quarter of the Spanish population has not saved in the last two years, and an additional 20% does not know how much they have saved. Moreover, those who know the amount they have saved, have done so in somewhat limited amount. For example, 58% of respondents indicated that they save less than 10% of their Gross Family Income, and only 18% of respondents saved more than 20% of their GFI). When individuals do contribute toward savings, monthly contributions are the most common approach. Other forms of contributions, include quarterly, annual and non-regular, which are somewhat more infrequent approaches to saving within Spanish society.

Our data suggest that the two most important reasons Spanish people save are to face potential future contingencies and to supplement their pensions. One reason that preparing for the future may be ranked so highly is the comparatively severe consequences that followed the financial downturn that took place between 2008-2015. Supplementing one's public pension is also rated quite highly, perhaps due to concerns regarding the viability of the public pension system given the increasing financial strain placed on the system resulting from population longevity. Saving for the education of one's children is also seen as an important reason to save.

TABLE 9: TOP REASONS FOR SAVING (1 min -10 max)	AVERAGE	MEDIAN*	MODE**
Facing potential contingencies (health issues, accidents…)	7.8	8.6	10
Supplement future public pension	6.8	7.1	10
Children’ education	6.3	7.1	10
Financially support children and grandchildren	6.1	5.7	10
Pay off debts	6.1	5.7	10
Vacations	6.0	5.7	6
Legacy for descendants	5.6	5.7	1
Education	5.5	5.7	6
Durable goods purchase	5.4	5.7	6
Real-estate acquisition	5.2	5.7	1
Vehicle purchase	4.9	5.7	6

(*) The Median is the value separating the upper half of the sample from the lower half. Thus, a value of 8.6 indicates that 50% of the sample has chosen a higher value than 8.6 as the answer to the formulated question, while other 50% has given a lower value than 8,6.

(**) Mode is the value that appears more often as chosen by respondents to the question formulated.

Interestingly the data suggest that real-estate, vehicles, or long-term goods acquisitions are perceived as comparatively unimportant reasons to save money. Interestingly, in the case of real-estate acquisition, 25% of respondents report this as a non-important reason to save assigning the minimum value of 1 to it.

2.3.- WHAT MOTIVATES INDIVIDUALS TO INVEST? WHICH BARRIERS DO THEY FACE?

As seen in Table 10, the data indicated that the most important reason for investing was the need to supplement one’s pension plan (6.1). Other important reasons for investing are to obtain higher yields, to diversify and reduce risks, and to pay lower taxes. Intuitively, investing for purposes of paying lower taxes makes sense. Indeed, most of Spanish population has invested in Pension Plans or Funds due to their favorable taxation rates, as we will see in Section 2 of our study. The last set of reasons we included in the survey are poorly ranked: creating a legacy for descendants, real-estate acquisition, positive investing experiences in the past, and learning more about markets and finances.

Table 10: TOP REASONS FOR INVESTING (1 min - 10 max)	AVERAGE	MEDIAN*	MODE**
Supplement future public pension	6.1	7.1	10
Gaining higher yield	6.1	5.7	6
Progressively increase net worth	5.7	5.7	6
Pay less taxes	5.6	5.7	6
Risk diversification and reduction	5.5	5.7	6
Financial wealth creation and enlargement	5.3	5.7	6
Financial wealth legacy for children and grandchildren	5.1	5.7	1
Accumulating funds toward future real-estate acquisitions	4.6	4.3	1
Positive investing experiences	4.5	4.3	1
Positive investing experiences of friends, colleagues and family	4.3	4.3	1
Willingness to learn about finances and investments	4.2	4.3	1

(*) Median is the value separating the higher half of the sample from the lower half. One value as 7,1 indicates that 50% of the sample has chosen a higher value than 7,1 as the answer to the formulated question, while other 50% has given a lower value than 7,1.
(**) Mode is the value that appears more often as chosen by respondents to the question formulated.

We were especially interested in trying to explain what factors may restrain people from investing, so included a list of potential reasons in our questionnaire. Results are displayed in Table 11. The most compelling reasons why families do not invest include (1) financial scandals and corruption cases, (2) the crisis scenario and its consequences, (3) perception of financial institutions and investments as a high risk industry and activity, (4) lack of financial background and skills and (5) political turmoil. All these reasons have been strongly endorsed by respondents, thus we can say that individuals perceive several important barriers towards investing.

TABLE 11: MAIN BARRIERS TO INVEST (1 min - 10 max)	AVERAGE	MEDIAN*	MODE**
Financial scandals and corruption	7.3	8.6	10
Economic crisis scenario	7.2	7.1	10
Investments perceived as high risk	7.1	7.1	10
Financial Institutions perceived as high risk	6.9	7.1	10
Lack of understanding of financial assets	6.9	7.1	10
Financial illiteracy	6.8	7.1	10
Political un-stability	6.6	7.1	10
Lack of understanding of financial and economic news	6.6	7.1	10
Negative audits	6.2	5.7	6
Lack of time for financial analysis	6.0	5.7	6
Bad past experiences in friends investments	5.9	5.7	6
Bad past experiences in own investments	5.8	5.7	6

(*) Median is the value separating the higher half of the sample from the lower half. One value as 8,6 indicates that 50% of the sample has chosen a higher value than 8,6 as the answer to the formulated question, while other 50% has given a lower value than 8,6.
(**) Mode is the value that appears more often as chosen by respondents to the question formulated.

Chapter 3

Do we trust in the Financial Sector?

"30% of the Spanish population indicates they have absolutely no faith in financial institutions"

"Solvency and professionalism are the most valued aspects of financial institutions"

INSTITUTIONS EVALUATED BY INVESTORS
Rating Agencies
Insurance Agents or Brokers
Financial Advisors
Audit Firms
Bank of Spain
National Stock Exchange Commission
General Directorate of Insurance and Pensions
Insurance Entities
Banking Entities
Investment & Pension Funds Depositary Entities
Managing Entities and Stock Trading Companies

3.1.- GENERAL LEVEL OF TRUST IN FINANCIAL INSTITUTIONS

Trust in financial institutions is an essential factor for the development of sustainable saving and investment levels in our society, so we could consider it a pre-requisite and a precedent for both.

Spanish economy and society have suffered in recent years a tremendous avalanche of corruption and financial scandals which have impacted very negatively the trust in financial institutions. Therefore, given that one important goal is to improve perceptions of financial institutions, a key part of this process will involve restoring public trust.

It is certainly concerning to note the lack of trust in financial institutions, both public and private: in each case, 30% of respondents indicated “zero trust”. The results are also very poor when considering the whole group of respondents: the average trust level is 4 over 10. So we can say that, in consideration of this output, financial institutions have a tremendous challenge ahead, which is to enhance their trust and perception among citizens.

We have examined whether this pattern emerges across the different segments of population in our survey. Table 12 suggests that increased trust in financial institutions corresponds with increased income, education and wealth.

Table 12: TRUST IN FINANCIAL INTERMEDIARIES (1 min - 10 max)	HIGHLY EDUCATED*	HIGH NET WORTH**
PUBLIC ENTITIES		
BANK OF SPAIN	5.9	5.0
NATIONAL STOCK EXCHANGE COMISSION	5.9	4.8
GENERAL DIRECTORATE OF INSURANCE AND PENSIONS	5.8	4.9
PRIVATE ENTITIES		
AUDIT FIRMS	5.9	5.1
INSURANCE AGENTS OR BROKERS	5.8	5.0
DEPOSITARY ENTITIES	5.8	4.9
BANKING ENTITIES	5.8	4.9
INSURANCE ENTITIES	5.8	4.8
RATINGS AGENCIES	5.8	4.9
MANAGING COMPANIES AND STOCK EXCHANGE BROKERS	5.8	4.8
FINANCIAL ADVISORS	5.8	4.7

* Highly educated: people with a bachelor’s degree or higher
** High net worth: above 30.000 € (results do not change if considered above 50.000 €)

In order to gain more insight into how the Spanish population perceives financial institutions, we have asked respondents to evaluate certain attributes that characterize their general perception. These attributes include transparency, honesty, solvency and professionalism. Graph 5 shows that all financial institutions were rated at least 5.3 (out of 10) on a combined measure that averaged the scores across these four constructs. The most valued institutions are banks, audit firms, depositary entities and insurance companies.

Graph 5: FINANCIAL INSTITUTIONS AVERAGE EVALUATION through the attributes of transparency, honesty, professionalism and solvency

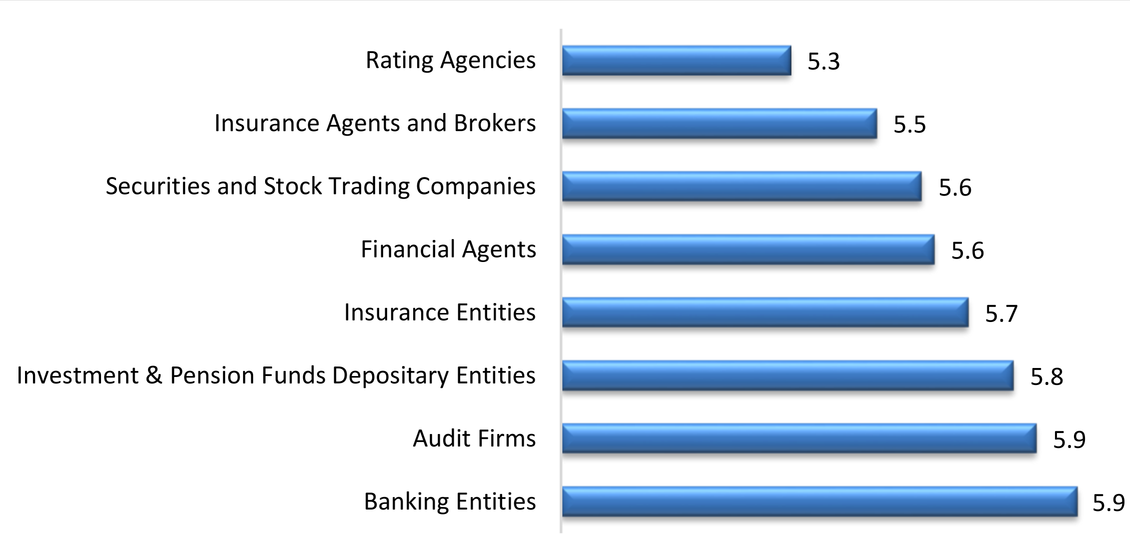


Table 13 provides more details of the evaluation of these attributes. Professionalism and solvency receive better evaluations than transparency and honesty

Table 13: FINANCIAL INSTITUTIONS EVALUATION (average, per attribute; 1 min - 10 max)

	Transparency	Professionalism	Honesty	Solvency
BANKING ENTITIES	5.3	6.5	5.3	6.7
AUDIT FIRMS	5.5	6.4	5.6	5.9
DEPOSITARY ENTITIES	5.3	6.3	5.4	6.2
INSURANCE ENTITIES	5.1	6.2	5.2	6.3
FINANCIAL ADVISORS	5.3	6.2	5.3	5.7
MANAGING COMPANIES AND STOCK EXCHANGE BROKERS	5.1	6.2	5.1	5.9
INSURANCE AGENTS OR BROKERS	5.0	6.1	5.1	5.7
RATINGS AGENCIES	4.9	5.8	4.9	5.6
AVERAGE	**5.2**	**6.2**	**5.2**	**6.0**

It is interesting to compare the similarities and differences in ratings between a general measure of public trust in financial institutions (average of 4 out of 10) and trust in specific attributes as they apply to financial institutions (Table 13): the average value in general trust is clearly below the trust per attribute. We believe that the very low level of general trust in the financial sector may be attributed to all the scandals and corruption cases that have shocked Spanish society in recent years. Indeed, recall that our respondents indicated *financial scandals and corruption* as the number one barrier to investment (see Table 11). On the other side, it is understandable that as the educational level of respondents is higher, the trust in the financial sector also grows, as they are better prepared to assess and make an opinion about financial corruption and scandals, based on better understanding of the financial sector and this is reflected in table 12.

3.2.- MOST VALUED CHARACTERISTICS OF FINANCIAL INSTITUTIONS

We also asked respondents to evaluate certain characteristics of financial institutions such as the degree of specialization, managed volume, solvency and Spanish capital. We asked respondents to rate the importance (from 1 to 10) of these features, without considering how they thought financial institutions perform with regard to them. Results are shown in Table 14 and indicate very little variation in how respondents have ranked their preferences. Regarding commercial banks, it is interesting to note that solvency is the most valued attribute, while Spanish capital ranks lowest. These data also confirm that the level of importance given to all the characteristics by participants is remarkable, in the range from 6.5 to 7.8 for all institutions. Therefore, if financial players took steps to improve their performance on these characteristics, it would be a good starting point towards regaining the lost confidence in Spanish financial institutions.

Table 14: IMPORTANCE GIVEN (per characteristic; 1 min - 10 max)

	Specialization	Volume	Solvency	Spanish Capital
BANKING ENTITIES	7.5	7.4	7.8	7.3
DEPOSITARY ENTITIES	7.2	7.2	7.1	7.1
MANAGING COMPANIES AND STOCK EXCHANGE BROKERS	7.1	7.1	7.0	6.9
INSURANCE ENTITIES	7.0	7.0	7.0	6.8
FINANCIAL ADVISORS	6.9	6,8	6.8	6.7
AUDIT FIRMS	6.7	6.7	6.7	6.6
INSURANCE AGENTS OR BROKERS	6.7	6.6	6.6	6.6
RATINGS AGENCIES	6.7	6.5	6.5	6.5
AVERAGE	**7.0**	**6.9**	**6.9**	**6.8**

We also added three specific questions about depositary/custodian entities to shed some light about some of the reasons for the loss of confidence in the financial system:

- First, we asked if it would be preferable that both the depositary entity and the management body would belong to a single group. Results show that 35% think it would be better if they do not to belong to the same group (which is recommended), 43% do not know, for 12% this is not a relevant factor and only 10% believes it would be better to have a single group. 43% of respondents with a bachelor’s degree and 46% of individuals with financial wealth over 30,000€ also think that the best solution is to separate ownership of depositary and management entities.
- Secondly, we asked whether participants were aware that depositary entities contribute to reducing the risk in investments made in both pension and investment funds. However, only 28% of respondents were aware, whereas 36% of respondents with a bachelor’s degree and 41% of individuals with financial wealth over 30,000€ were aware.

- Finally we asked participants about one of the main roles of the depositary entity, which is to monitor and supervise the management body. Results show that 27% of population knows it (these percentages are 32% for those individuals with bachelor degree and 44% for individuals with financial wealth over 30.000€).

Taken together, what this suggests is that having more knowledge about depositary entities would have positive effects on the trust that the Spanish population has in its financial institutions. It is interesting to note that only 27% of our sample is aware that one of the primary functions of depository entities is to monitor and supervise the management body. Moreover, only 28% recognize that depository entities reduce the overall risk when investing in pension plans or funds, and only 35% agrees that it would be desirable to split the ownership of depositary and management entities.

Recall that one of the outcomes of Chapter 1 indicated that a vast majority of the population (59%) do not know the obligation of issuing companies to have audited accounts. More widespread knowledge of this norm most likely would enhance the trust that society has in its financial institutions, as audit companies are one of most respected players in the financial system in terms of transparency and honesty.

The data presented above indicates that Spanish society has a relatively low level of financial literacy related to the functions carried out by relevant financial institutions. With that in mind, we should all make special efforts to implement actions that with the leadership of financial institutions should be focused on improving the financial skills and competencies of people. In turn, this will help improve the trust delivered on the whole financial system and, consequently, achieve further progress for individuals, financial entities and public institutions.

PART II: SPANISH INVESTOR´S BEHAVIOR

Chapter 4: Investor's finance qualification

4.1.- Do investors have the proper financial literacy to invest?

4.2.- Do investors correctly understand the available financial products?

Chapter 5: Investor´s motivation

5.1.- Do investors have different attitudes toward saving and investing than the general population?

5.2.- What are the reasons investors save and make investments?

Chapter 6: Investors trust in Financial Institutions

6.1.- Level of trust in financial institutions

6.2.- Characteristics investors value most about financial institutions

Chapter 7: Behavior and background of the Spanish investor

7.1- What are the most popular products?

7.2.- Do investors have positive experience with these products?

7.3.- Do investors suffer from home bias?

Chapter 8: Intermediation and investors' decision making processes

8.1.- Which institutions are used most when investing? What is the preferred channel?

8.2- What information sources do investors use when making investment decisions? Do they require expert advice? How frequently do they check their positions?

Chapter 4

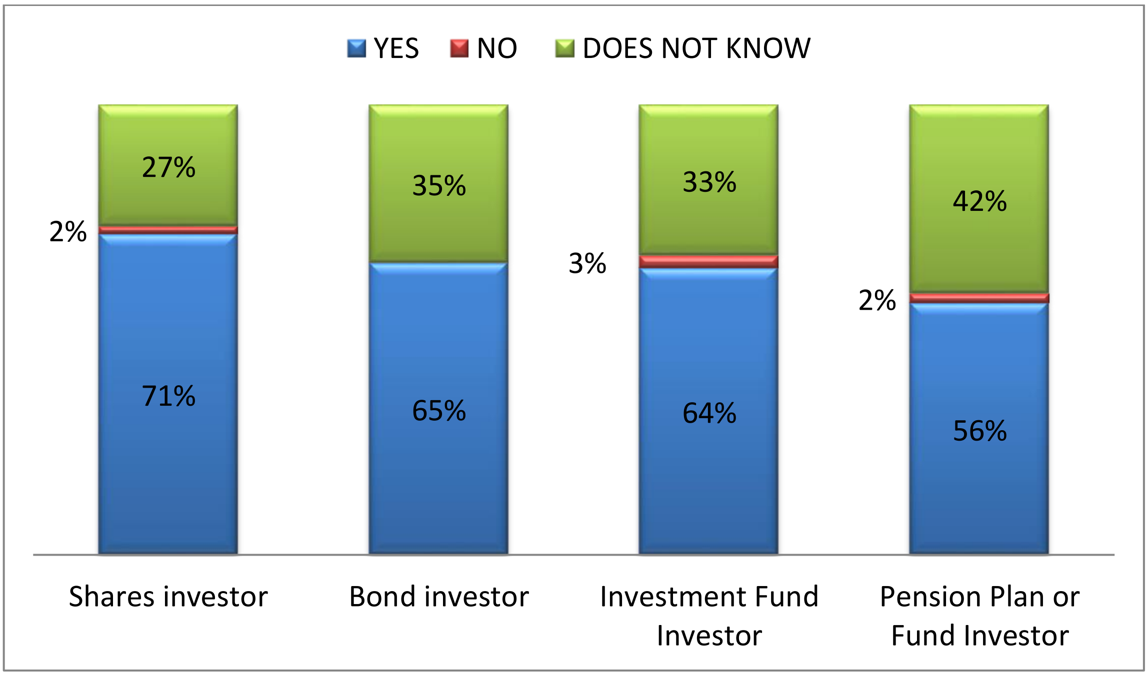
Investor's finance qualification

"55% of investors have the basic financial knowledge needed for investing ; the remaining 45% does not"

"Investors perceive they have a fair understanding of the products they acquire, with the exception of savings insurance products"

"Nearly half of investors do not know that issuing entities have the obligation to audit their accounts. Investors in publicly listed shares are most aware of this obligation"

PERCENTAGE OF INVESTORS, who know about audit obligation for issuing entities.



4.1.- DO INVESTORS HAVE THE PROPER FINANCIAL LITERACY TO INVEST?

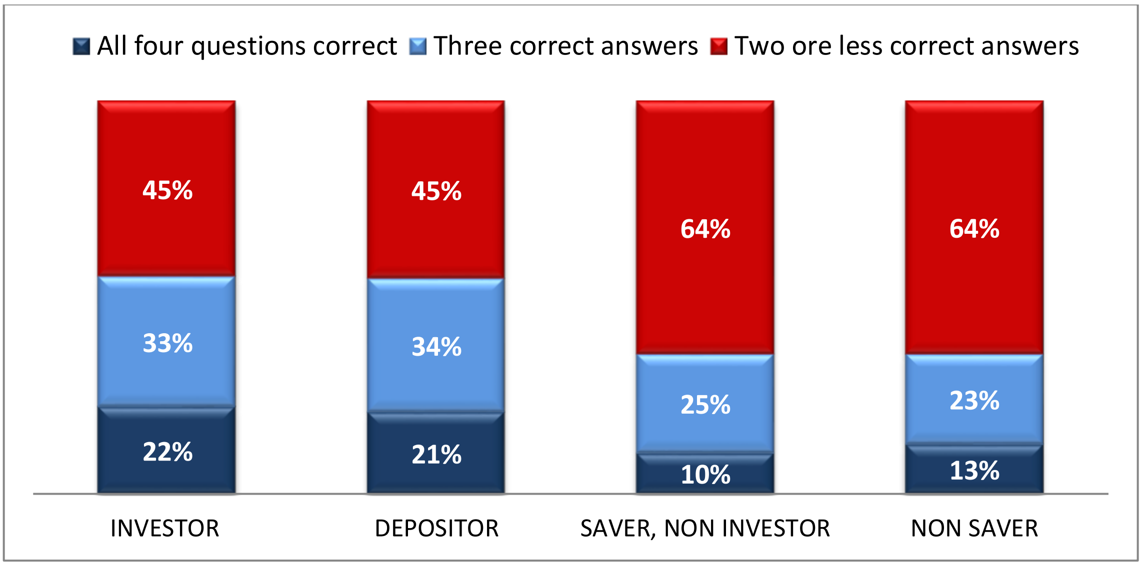
It seems logical to expect investors to have an above average level of financial knowledge for two reasons: (i) when investing, they gain experience and thus accumulate knowledge through the process of “learning by doing”; (ii) people who have a higher financial literacy (more knowledge) are likely more keen on investing.

Graph 6 confirms this assumption. More than half of “investors” (55%) in our survey have correctly answered three or more questions in the financial literacy test. It is somewhat strange that results in the financial literacy test are almost identical for the “investor” and the “depositary investor” segments in Graph 6. We would have expected the “investor” segment to rank above the “depositary investor”, thus perhaps this indicates that investors may not hold more sophisticated skills than people who simply put their money into deposits. Whatever the case may be, the fact that a large percentage (45%) of investors failed the financial literacy test, and were unable to make good investment decisions is rather concerning.

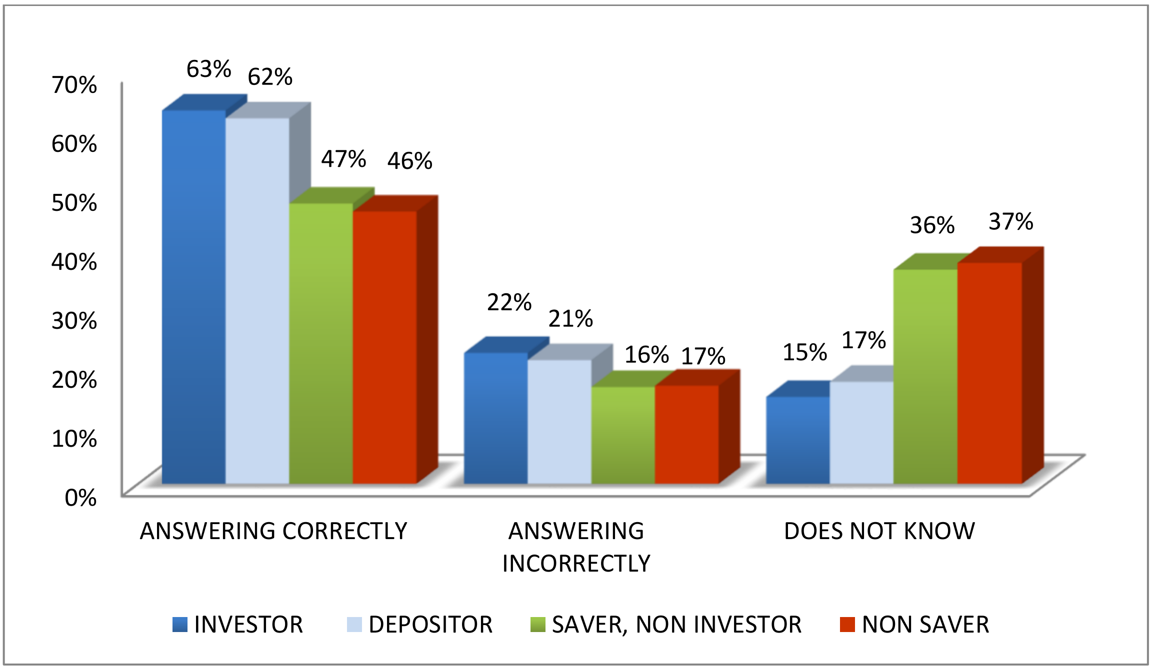
Another interesting result reflected in Graph 7 suggests that investors and depositors appear to overestimate their financial literacy, which may reduce motivation to seek out opportunities to increase their financial literacy through interactions with professional advisors, etc. This result can be seen when comparing the percentage of incorrect responses of investors/depositors with savers/non-savers (i.e., Answering Incorrectly), against the percentage of responses between these groups in which the person indicates they do not know the correct answer (i.e. Does not know). That is, savers/non-savers appear more willing to admit not having the correct response rather than guessing and risking an incorrect response. In contrast, investors/depositors appear to (falsely) believe they know the correct response rather than admit either that they do not know or are not confident that they know the correct response.

Looking at the segment of “savers, non-investors”, Graph 6 shows that only 35% pass the financial literacy test, which implies that most are not able to make good financial decisions. From a more positive perspective, this could be framed to suggest opportunity for growth, as this segment shows a saving capacity that could shift into an investing capacity once they acquire sufficient capabilities and knowledge about financial concepts. Therefore, financial institutions should carefully consider the fact that certain population groups may choose not to access the investment market due to their lack of financial literacy.

Graph 6: FINANCIAL LITERACY TEST RESULTS (number of correct answers)

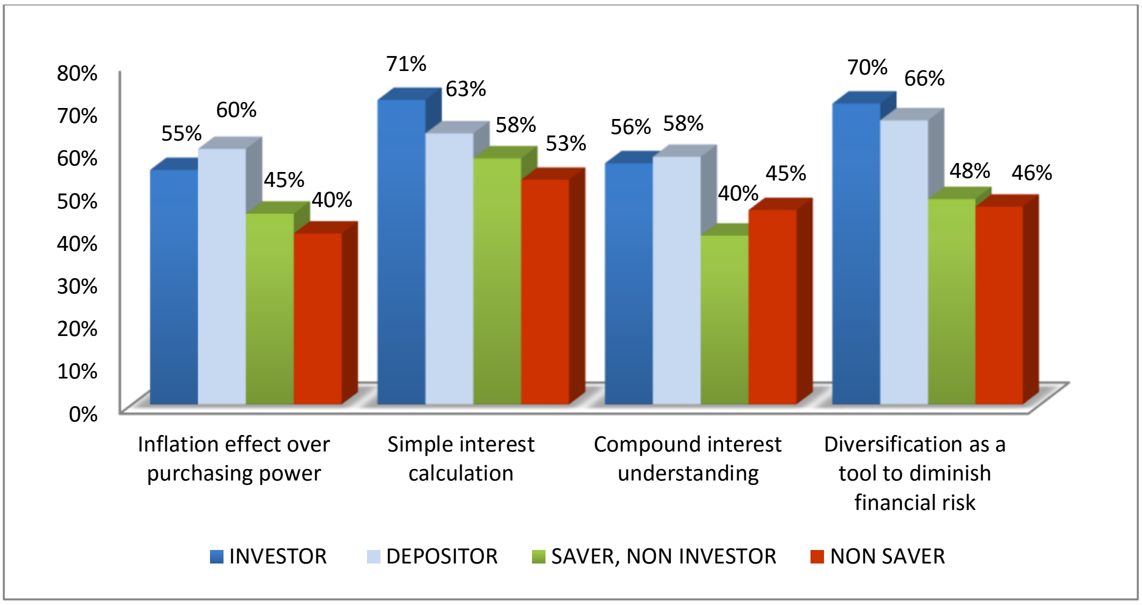


Graph 7: FINANCIAL LITERACY TEST RESULTS (percentage of correct, incorrect, and don't know answers)



Graph 8 provides more details about specific financial literacy issues according to each category of investor in our survey. We have examined four concepts, including inflation, simple interest, compound interest and risk diversification. Of the four topics examined, simple interest and risk diversification are understood the most by the greatest percentage of respondents. However, across both topics, the data clearly reveals that investors and depositary investors are more knowledgeable than the remaining groups on any of the four topics we examined. Additionally, these data suggest that a comparatively high percentage of depositary investors recognize the benefits of risk diversification (66%), so this may be a driving force that motivates this group to expand its portfolio to financial products available in the market beyond conventional deposits.

Graph 8: FINANCIAL LITERACY TEST RESULTS by concept



4.2.- DO INVESTORS CORRECTLY UNDERSTAND THE AVAILABLE FINANCIAL PRODUCTS?

Table 15 shows the results regarding financial product comprehension according to the four investor-type categories in our sample. Looking at the investors segment, the data indicate that understanding of only one product was above the midpoint of the scale (pension fund, 5.8). The very low scores, particularly for investors, are both a surprise and a concern.

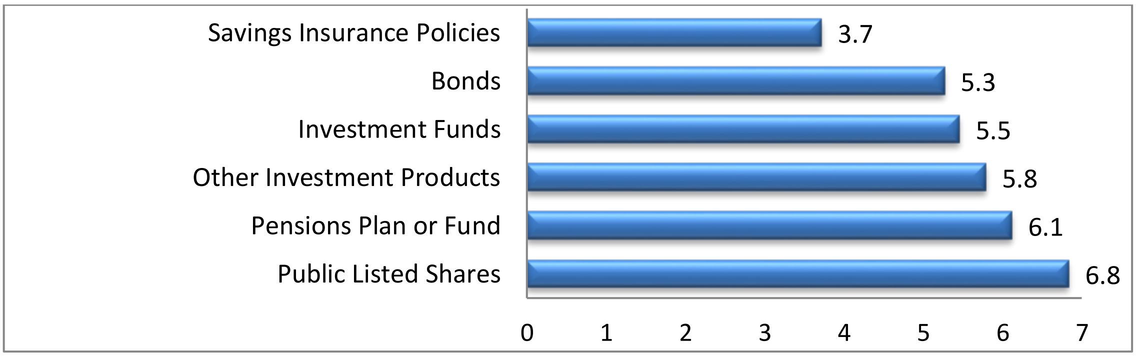
As a general rule, anyone investing in a particular financial product should have a minimum level of understanding about the product. For this reason, we have taken a closer look at what investors know about the products they have acquired (see Graph 9). Investors perceive that they have a better understanding of those products in their portfolios. The products receiving the highest ratings of comprehension include publicly listed shares and pension funds (6.8 and 6.1 respectively). Therefore, we understand that these results show that most of investor´s knowledge is gained through "learning by doing" process that although necessary, is not the best way to assure a healthy portfolio management for individuals and families.

It is also remarkable that depositor investors report such a low level of understanding regarding this broad array of financial products. Therefore, it is somewhat foreseeable that the behavior of depositors is based on its low degree of financial products understanding, thus resulting in a relatively passive financial role within society. It would be very helpful if financial institutions would look at this situation when outlining their communication strategy towards potential customers.

"Savers, non-investors" report a very low understanding of financial products, so it is not surprising that, although they have saving capacity, they do not take a step forward and make investments.

Table 15: INVESTMENT PRODUCTS UNDERSTANDING (per segment 1 min - 10 max)	INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER
Pension Funds or Plans	**5.8**	**4.1**	**3.5**	**3.3**
Investment Funds	4.5	3.2	2.6	2.5
Common Stocks	4.4	3.3	2.7	2.5
Bonds	4.2	3.5	2.8	2.6
Preferred Shares	3.4	2.7	2.5	2.2
Real Estate Investment Funds	3.3	2.7	2.4	2.2
Savings Insurance Policies	3.2	2.7	2.3	2.1
Venture Capital Funds	3.1	2.5	2.3	2.0
Variable Capital Investment Companies	3.0	2.4	2.3	2.1
Exchange Trade Funds	2.9	2.3	2.2	2.0
Mortgage Securitization Funds	2.8	2.4	2.2	2.0
Hedge Funds	2.8	2.3	2.2	2.0
AVERAGE	**3.6**	**2.8**	**2.5**	**2.3**

Graph 9: UNDERSTANDING OF THE ASSETS HELD BY THE INVESTOR IN ITS PORTFOLIO



Finally the questionnaire included one specific issue about the obligation from issuing entities to audit their books. Results showed that 55% of investors and 45% of depositor investors are aware of this obligation (see table 16). In case of investors who have in their portfolio some of the products listed, the degree of awareness with regard to audit obligation goes further. For example, 71% of investors in shares listed at the stock exchange, 65% of investors in fixed income securities, 64% of investors in investment funds and 56% of investors in pension funds are aware about this matter. We understand this outcome is positive and consistent with the deeper understanding that investors show when they invest in all these products.

Table 16	INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER
ARE ISSUING ENTITIES OBLIGED TO BE AUDITED?				
Yes	55%	45%	26%	24%
No	2%	1%	0%	1%
Don't know	43%	54%	74%	75%
	100%	100%	100%	100%

Chapter 5

Investor’s motivation

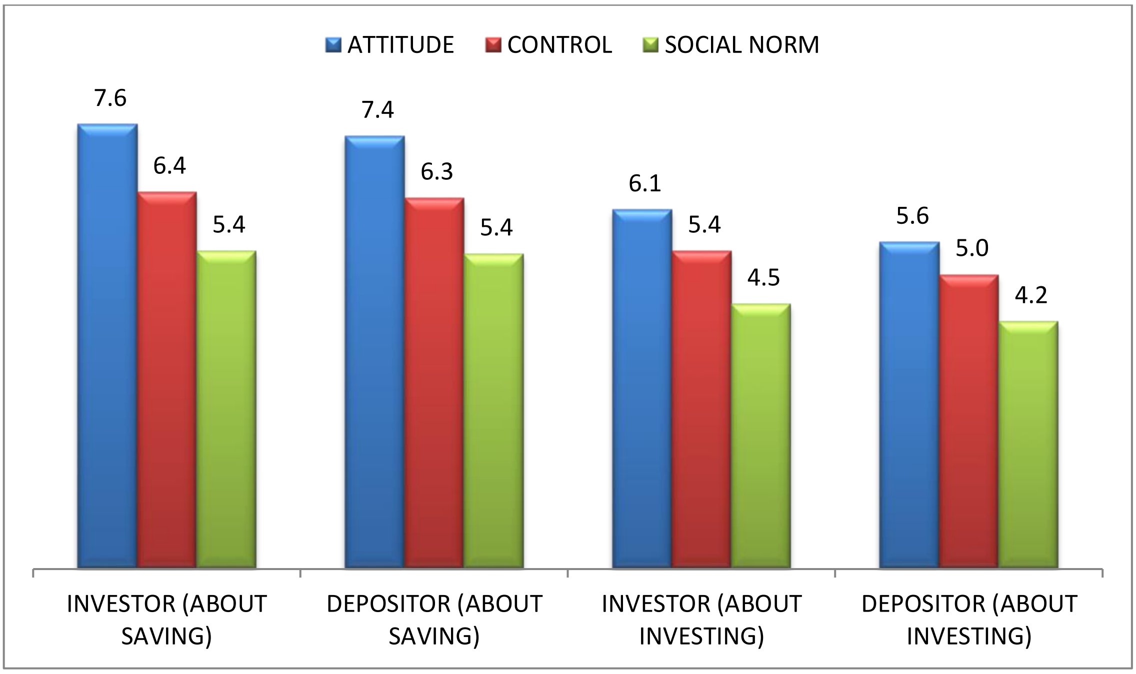
“Investors show better attitudes and greater feelings of control toward savings and investments than the rest of the population”

“The investor perceives that savings and investments are not a priority for his relatives or for society, in general”

“The driving force behind investing is to complement one’s pension and obtain higher returns”

“Financial scandals, corruption practices and the economic crisis are seen as the main barriers for investment, by investors and non-investors”

ATTITUDE, CONTROL & SOCIAL NORMS ABOUT SAVING AND INVESTING



Ratings, from 1 to 10, of the attitude, perception of control and social norms of "investors" and "depositor investors" related to savings and investments.

5.1.- DO INVESTORS HAVE DIFFERENT ATTITUDES TOWARD SAVING AND INVESTING THAN THE GENERAL POPULATION?

As explained in previous chapters, the Theory of Planned Behavior states that when people have the intention to perform any behavior, it is determined by three different variables: their attitude towards the behavior, their perception of control, and subjective norms (the influence of the social environment). This model has provided the theoretical framework to investigate the main drivers of saving and investing for the different segments of our study. In Tables 17 and 18, we present data for each category of individuals (based on their saving/investing profiles) that indicates their agreement/disagreement with a series of statements related to their attitudes, perceived control, and social norms toward both saving and investing. Responses were provided on a scale anchored by 1 = Fully disagree, 10 = Fully agree.

Table 17 presents scores on these measures as they relate to saving. The investor group (including investors and depositor investors) reported very positive attitudes (between 6.9 and 7.9) toward the benefits of saving. Investors' perceptions of control are modest (between 5.7 and 6.9), whereas a somewhat weaker effect is found regarding the perceived influence of social norms (between 5.1 and 5.7) on saving behavior.

Table 17: ATTITUDE, CONTROL AND SOCIAL NORM TOWARDS SAVING (per segment; 1 min - 10 max)		INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER
Saving regularly is desireable	ATTITUDE	7.9	7.8	7.4	7.5
Saving regularly will enhance my personal and family financial situation	ATTITUDE	7.2	6.9	6.3	6.0
I think I am able to make good decisions about my savings	CONTROL	6.9	6.9	6.5	6.0
I believe I am able to save regularly	CONTROL	5.9	5.7	5.7	3.4
Important others think that I should save regularly	SOCIAL NORM	5.7	5.6	5.5	4.8
People similar and close to me regularly save	SOCIAL NORM	5.1	5.1	4.8	3.7

In summary, the data revealed highly similar scores between the *investor* and *depositor* groups on measures of attitude, perceived control, and social norm toward saving.

However, differences on these measures between both investor groups (investor and depositor) were more pronounced when drawing comparisons with individuals in the *saver/non-investor* and *non-saver* groups. One result we would like to highlight falls within the non-savers segment, which reports a positive attitude towards saving yet a negative perception regarding perceived control and social norms. This could be explained by the economic crisis that in recent years has been affecting Spanish families and the subsequent important loss of saving capacity in the most vulnerable groups of population.

Table 18 shows the results in relation to perceptions towards investing. In general we can say that values are lower than those obtained towards saving in any of the different segments of the survey. The maximum score is 6.2 (for the investors segment regarding attitude and control) and the remaining scores show either neutral or negative perceptions. Therefore, it looks as though these results would be anticipating the investment aversion that is spread not only for the general population but also for investors.

A gradient is present in the evaluations made going from the investor to the non-saver segments, so the perception in three factors (attitude, control and social norm) goes from higher to lower levels. However, it is remarkable that investors in financial products report neutral perceptions about the benefits of investing and their control, and negative opinions regarding the social norm. It is worth saying that the "saver, non-investor" group gives a low value to the benefits of investment, which may suggest that, although this group has saving capacity, they do not perceive any advantage to investing in financial products.

Table 18: ATTITUDE, CONTROL AND SOCIAL NORM TOWARDS INVESTING

(per segment; 1 min - 10 max)		INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER
Investing regularly is desireable	ATTITUDE	6.0	5.4	4.8	5.0
Investing regularly will enhance my personal and family financial situation	ATTITUDE	6.2	5.7	5.0	4.6
I think I am able to make good decisions about my investments	CONTROL	6.2	6.0	5.4	5.0
I believe I am able to invest regularly	CONTROL	4.6	4.0	3.9	2.7
Important others think that I should invest regularly	SOCIAL NORM	4.5	4.2	3.9	3.3
People similar and close to me regularly invest	SOCIAL NORM	4.5	4.2	4.0	3.3

We could say this study shows that, as a consequence of a lack of financial literacy and very poor perceptions of control and social norms, Spanish families have low expectations for progressing to financial stability. However it is important to note that these results may be qualified by the negative economic environment that has shadowed the Spanish economy in recent years in which families have been directly affected by remarkable uncertainty.

We believe that there is a real need to promote actions and campaigns in order to change the attitude and perception of the Spanish population about saving and investing and in turn, ideally generate higher investment levels in the Spanish economy. These actions are needed not only to preserve and enhance the financial wealth of investors, but also to bring to the financial markets those individuals whose passive attitude restrains them from investing, even though they have potential capacity. Therefore it would be desirable to place incentives on financial products with higher yields that, correctly managed and diversified, would allow investors and savers to achieve better financial positions in the future. In the following pages, the analysis made on drivers and barriers to saving and investing sheds some light about the main actions and messages that could be launched and implemented.

5.2.- WHAT ARE THE REASONS INVESTORS SAVE AND MAKE INVESTMENTS? WHAT DIFFICULTIES DO THEY FACE?

Table 19 shows the reasons for saving, reported by each segment of our survey. In the case of investors and depositor investors, their primary goal is to better prepare for potential future contingencies, which happens to be the most important reason for the remaining segments, but with higher scoring (Investor 8.0 vs. Remainder 7.5) The second most important motive for saving is to supplement future pensions, although scores show significant differences (Investors 7.5, vs. Depositor investor 6.6). Child nurturing and education, and vacations go next in the reasons reported by respondents (6.0 to 6.5). Rea-estate acquisition and vehicle financing are reported as the least relevant reasons for saving for all segments of our survey, in parallel to the results gathered at aggregate level about why people save. The segment of "savers, non-investors" reports the same priority level when saving either to supplement pensions, support children's education or take vacations. As expected, the segment of "non-savers" declares the cancelation of debts as the second most important reason to save.

Table 19: TOP REASONS TO SAVE (per segment, 1 min -10 max)	INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER
Facing potential contingencies (health issues, accidents…)	8.0	8.0	7.6	7.5
Supplement future public pension	7.5	6.6	6.1	6.3
Children education	6.4	6.1	6.1	6.3
Children and grandchildren support expenses	6.2	6.3	5.9	6.4
Vacations	6.1	6.5	6.1	5.3
Debts cancellation	5.9	5.8	6.0	7.1
Legacy for descendants	5.9	5.3	5.3	5.3
Education	5.3	5.5	5.8	5.4
Durable goods purchase	5.3	5.8	5.5	4.9
Housing acquisition	5.1	5.1	5.4	4.9
Vehicles purchase	4.9	5.3	5.0	4.5

We believe that understanding the key drivers for investment is an absolute must in our survey. Table 20 presents the reasons for investing reported by our respondents. Supplementing future pensions and gaining higher returns are at the top of the list. Investors owning financial products, rank all reasons at a higher level, being the differences particularly remarkable for pension supplementation (7.1). Long term financial planning seems to be a high priority for them, which is consistent with selecting financial products different than long term deposits.

Table 20: TOP REASON TO INVEST (per segment, 1 min - 10 max)	INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER
Supplementing future public pension	7.1	5.8	5.3	5.0
Increasing returns	6.9	6.2	5.4	5.0
Progressively increase net worth	6.3	5.7	5.0	4.7
Risk diversification and reduction	6.2	5.4	4.9	4.5
Pay less taxes	6.2	5.2	5.2	5.1
Savings diversification	6.1	5.3	4.8	4.4
Financial wealth creation and enlargement	5.9	5.3	4.9	4.4
Financial wealth legacy for sons and grandsons	5.5	5.1	4.7	4.4
Having experienced positively acting as investor	5.1	4.5	4.1	3.6
Positive investing experience from friends, colleagues and family	4.6	4.5	4.1	3.6
Be willing to learn about finances and investments	4.6	4.4	4.0	3.5
Accumulating funds for future housing acquisition	4.6	4.4	4.8	4.4

Another important deliverable is to identify the most important barriers for investors. Table 21 shows the results that respondents have reported as the main barriers for them. For any segment of this study, the factors most cited as barriers have been financial scandals and corruption, a scenario of deep economic crisis, and the perceived high risk profile of financial products and financial institutions.

The investors group (investing either in financial products or in long term deposits) has ranked those three barriers more intensively (> 7.0) than non-investors. Investors have also reported other important barrier for them, their lack of sufficient knowledge about alternative investment products.

Similarly to the results gathered in our financial literacy survey, non-investors also admit that their financial illiteracy is one of the most important barriers to them, after financial scandals and the economic crisis. Therefore, it appears that financial illiteracy contributes to the non-investor populations feeling of incompetence regarding their ability to make good decisions.

This output of our study with regard to barriers for investors compels us to express the importance of financial education as a necessary step to improve the financial skills of families and individuals. Public and private financial institutions should make education about finances one of its most important priorities in order to promote investment as a means to protect the lifetime wealth of families. This would bring direct benefits for our society, particularly for the segment of the population who has the saving capacity but is limited due to their illiteracy. A more widespread strategy for communicating all available investment options should also be of high priority, in parallel with one of the barriers identified in our survey. As better information reaches the different layers of population, people could easily shift their saving attitudes. For example, moving from long term deposits to more diversified portfolios, thus potentially achieving higher returns.

Table 21: MAIN BARRIERS TO INVESTMENT (per segment; 1 MIN - 10 MAX)	INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER
Investments perceived as of high risk	7.6	7.2	6.7	6.4
Financial scandals and corruption	7.5	7.6	7.0	7.0
Economic crisis scenario	7.4	7.2	6.9	6.9
Financial institutions perceived as of high risk	7.3	7.2	6.5	6.4
Lack of product understanding	7.1	7.0	6.6	6.5
Political un-stability	6.9	7.0	6.3	6.2
Financial illiteracy	6.8	7.0	6.7	6.7
Incomprehension of financial and economic news	6.7	6.9	6.5	6.3
Negative audits	6.6	6.3	5.9	5.6
Lack of time for financial analysis	6.2	6.2	6.0	5.5
Bad experiences from own investor	6.2	5.9	5.3	5.2
Bad experiences around investor	6.1	6.1	5.7	5.7

Our analysis shows that Spanish society suffers from an endemic poor background and understanding about financial investments. Even the most favorable segments (investors and depositor investors) have scored neutrally or even below 5 on measures including their attitude, perceptions of control, and social norms when investing. These endemic characteristics have likely been exacerbated during the most recent years as a consequence of the barriers already mentioned: financial corruption and scandals, severe economic crisis, and a general sense of distrust in financial entities.

We understand that as enhancing the financial literacy of families and properly communicating information about the different financial products available in the market will not be sufficient to increase investment level if these things are not combined with parallel processes within the financial intermediaries and institutions that bring more transparency and integrity into the system. The later should offer more appropriate protection for investors and, equally important, demand accountability when financial agents engage in corruption, abuse or fraud. To achieve these goals, changes will be required in the processes, structures, and procedures used by financial entities, in conjunction with communication campaigns to restore their reputation. Admitting past errors, implementing new actions to avoid them and transmitting the core values of institutions should all be imperative messages included in a communication strategy. In parallel, another strategic action would be to design campaigns to improve public awareness of the necessity to invest as a crucial tool to supplement future pensions.

In the next chapter, we provide more details about the transformation of our financial system that is needed to achieve higher standards and better practices. We take a look at how investors qualify financial institutions and what they think their most important attributes should be.

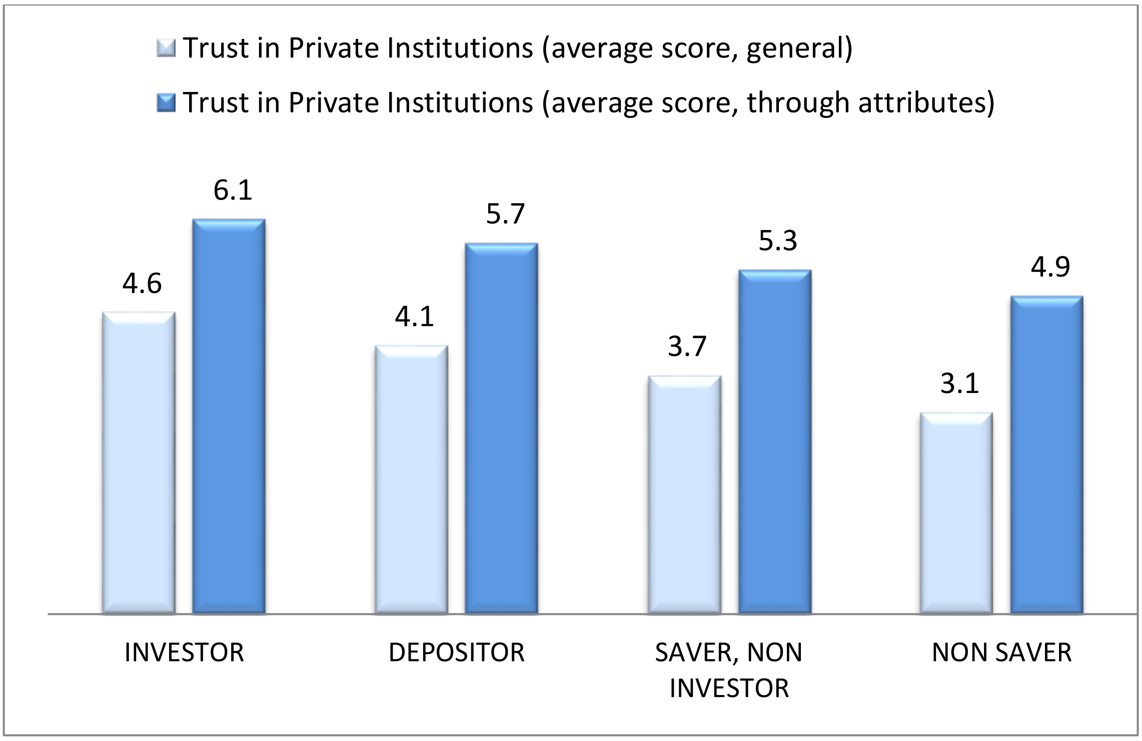
Chapter 6

Investors' trust in Financial Institutions

"Investors show insufficient trust in the financial system, although trust grows when they are asked about the system´s transparency, professionalism, honesty and solvency"

"Investors perceive higher levels of solvency and professionalism in banking entities. When we ask about honesty and transparency, auditing firms come in first place"

TRUST IN FINANCIAL INSTITUTIONS



Average confidence by population groups in private financial institutions both at a general level and through the assessment of the attributes of transparency, professionalism, honesty and solvency.

6.1.- TRUST IN FINANCIAL INSTITUTIONS

As we have seen in Chapter 5, investors rank financial scandals and corruption among the most important barriers to invest, and they do it with higher intensity, that the general population. Bearing this in mind, we turn our attention to an examination of the extent to which the investors group trusts the financial system. Trustworthiness in the financial system is a prerequisite in order to develop good financial habits and practices, and also plays a key role in developing a solid foundation for the long term financial stability of families as well as the entire financial system.

As can be seen in Table 22, the general trust in the Spanish financial system across all levels of society is very low. Indeed, feelings of trust toward all financial institutions fell below the midpoint of the scale, and clearly deteriorated as investment activity decreased (i.e., Investor > depositor > saver/non-investor > non-saver). Put differently, an as anticipated, trust in financial institutions increases as we move from investment-averted segments to investment-active segments.

Table 22: TRUST IN FINANCIAL INSTITUTIONS (per segment; 1 min - 10 max)	INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER
PUBLIC ENTITIES				
GENERAL DIRECTORATE OF INSURANCE AND PENSIONS	4.7	4.2	3.7	3.1
NATIONAL STOCK EXCHANGE COMISSION	4.7	4.1	3.6	3.0
BANK OF SPAIN	4.6	4.1	3.7	3.3
PRIVATE ENTITIES				
INSURANCE ENTITIES	4.7	4.2	3.5	3.2
INSURANCE AGENTS OR BROKERS	4.7	4.2	3.6	3.1
BANKING ENTITIES	4.6	4.2	3.7	3.0
RATING AGENCIES	4.6	4.0	3.7	3.0
FINANCIAL ADVISORS	4.6	4.0	3.7	3.1
AUDIT FIRMS	4.6	4.2	3.7	3.2
MANAGING Cos AND STOCK EXCHANGE BROKERS	4.6	4.1	3.7	3.0
DEPOSITARY ENTITIES	4.6	4.3	3.6	3.0

We believe that the extremely low trust in the financial system is a direct result of all the excesses, corruption, and financial scandals on a global scale that constituted the ignition point of the most severe economic and financial crisis in recent history.

Results in Table 23 show that individuals assign a higher score when asked for some specific components or attributes of trust, such as professionalism, transparency, honesty or solvency. Professionalism and solvency of financial institutions receive noticeably higher scores than honesty and transparency (6.0 and 5.8 versus 5.1 and 5.0, respectively). Again trust in financial institutions through the analyzed attributes increases as we move from investment-averted segments to investment-active segments.

Table 23: FINANCIAL INSTITUTIONS EVALUATION (per attribute & per segment; 1 min - 10 max)	INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER	AVERAGE
PROFESSIONALISM	6.7	6.3	5.7	5.3	6.0
SOLVENCY	6.4	6.2	5.6	5.2	5.8
HONESTY	5.6	5.2	4.9	4.6	5.1
TRANSPARENCY	5.6	5.2	4.9	45	5.0
AVERAGE	6.1	5.7	5.3	4.9	5.5

These results suggest the need to implement actions, policies and standards to increase transparency and to give guidance to institutions and their management teams when they deal with conflicts of interest. We now take a closer look to verify whether these aggregate results show different patterns when focusing on each financial player within the system.

As can be seen in Graph 10, evaluations of different financial entities collapsed across our investor segments are modestly favorable and show little variability between financial institutions. Banking entities receive the most favorable evaluation (6.5), whereas rating agencies receive the least favorable evaluation (5.6).

Graph 10: FINANCIAL INSTITUTIONS EVALUATIONS

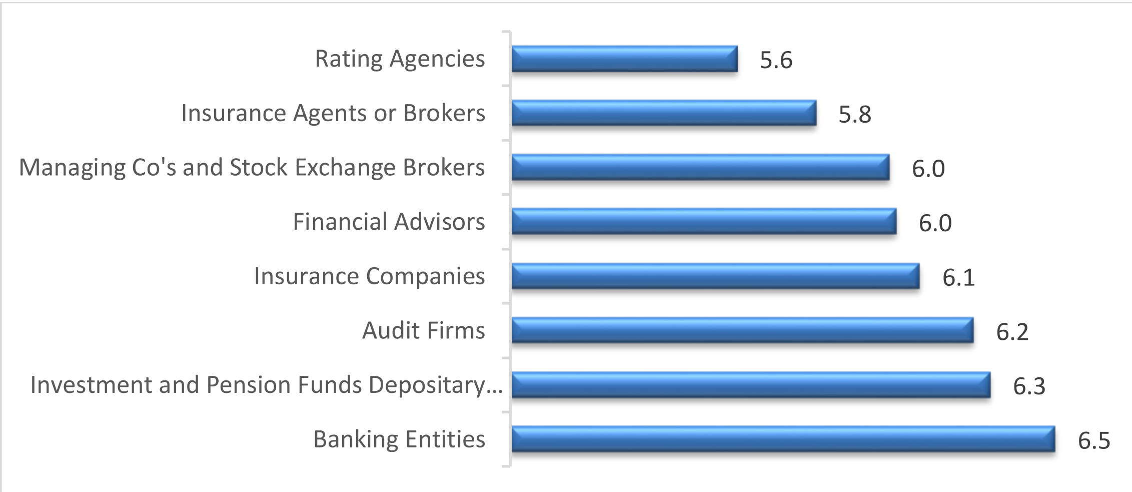


Table 24 shows the trust that investors have in each attribute across different financial entities. Results differ, depending on the attribute and the financial entity, but overall suggest that investors are more trusting of banks when they think about solvency and professionalism, and of audit firms when thinking about honesty and transparency.

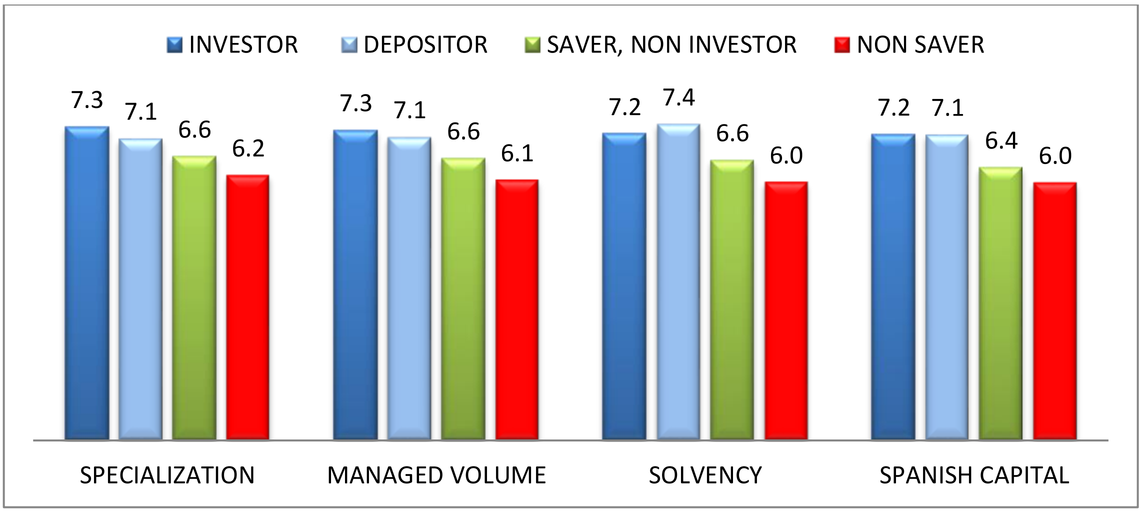
Recall that in chapter 4 we stated that 45% of investors are not aware of the issuing entities obligation to have their books audited. Importantly, audit firms have been recognized by investors as the most valued financial institution, thereby suggesting increased trust in this financial entity. With this in mind, by increasing public awareness regarding the obligation of financial entities to audit their books, this should enhance investor trust in the financial system because this process provides a means to validate the trustworthiness of the financial system through a highly valued financial institution.

Table 24: IMPORTANCE GIVEN BY INVESTORS (per attribute; 1 min - 10 max)	Transparency	Professionalism	Honesty	Solvency	AVERAGE
BANKING ENTITIES	5.8	7.0	5.7	7.2	6.5
DEPOSITARY ENTITIES	5.7	6.8	5.9	6.8	6.3
AUDIT FIRMS	5.9	6.9	6.0	6.3	6.2
INSURANCE ENTITIES	5.5	6.6	5.6	6.7	6.1
FINANCIAL ADVISORS	5.7	6.8	5.7	6.0	6.0
MANAGING COs AND STOCK EXCHANGE BROKERS	5.5	6.7	5.5	6.4	6.0
INSURANCE AGENTS OR BROKERS	5.3	6.5	5.5	6.1	5.8
RATING AGENCIES	5.1	6.1	5.2	6.0	5.6
AVERAGE	5.6	6.7	5.6	6.4	6.1

6.2.- MOST VALUED FEATURES BY INVESTORS ABOUT FINANCIAL INSTITUTIONS

We now examine certain characteristics of financial entities in order to see how investors assess them: (i) degree of specialization, (ii) managed volume, (iii) solvency, and (iv) Spanish capital. We asked respondents to rate the importance (from 1 to 10) of these features, without considering how they thought financial institutions perform with regard to them. Graph 11 indicates that the investor group placed a higher degree of importance on each of the four characteristics of financial entities than the remaining three groups.

Graph 11: IMPORTANCE GIVEN BY INVESTORS TO SOME CHARACTERISTICS OF FINANCIAL INSTITUIONS



We have gone further by conducting an analysis on a "per feature and per entity" basis (see Table 25). As can be seen, investors perceive that all characteristics (solvency, specialization, volume and Spanish capital) are more important in the case of commercial banks, managing companies and stock exchange brokers, depositary entities and insurance companies. For the remaining entities, investors still provide ratings above 6.9, thus suggesting that all four characteristics are also seen as important dimensions on which the remaining entities are evaluated.

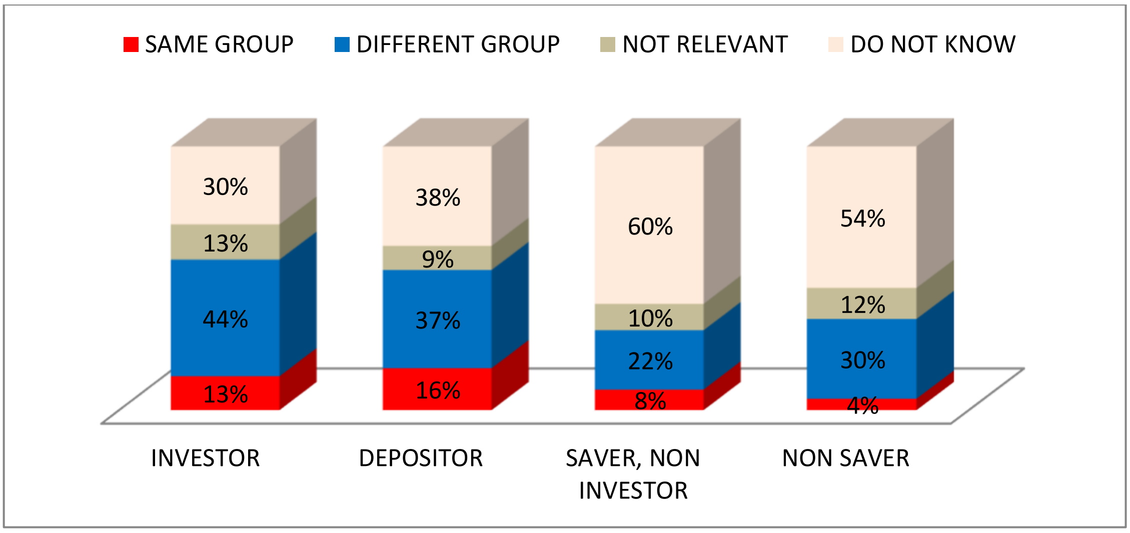
Table 25: IMPORTANCE GIVEN BY INVESTORS (per characteristic; 1 min - 10 max)	SPECIALIZATION	MANAGED VOLUME	SOLVENCY	SPANISH CAPITAL
BANKING ENTITIES	7.7	7.8	7.8	7.8
FINANCIAL ADVISORS	7.3	71	7.1	7.0
INSURANCE ENTITIES	7.4	7.3	7.3	7.2
INSURANCE AGENTS OR BROKERS	7.0	6.9	6.9	6.8
MANAGING COs AND STOCK EXCHANGE BROKERS	7.6	7.4	7.3	7.3
DEPOSITARY ENTITIES	7.7	7.6	7.5	7.5
RATING AGENCIES	6.9	6.9	6.7	6.7
AUDIT FIRMS	7.0	7.0	6.9	6.9
AVERAGE	**7.3**	**7.3**	**7.2**	**7.2**

Interestingly, although investors rate the specialization of depositary entities as important, when we dig deeper and ask for specific issues, the data indicate a remarkable confusion about the activities performed. Only 40% of investors are aware of the positive role of depositary entities, as they protect in greater way the investments made in funds (see Table 26). Graph 12 shows that only 44% of investors believe in the benefits of splitting the ownership in case of depositary and securities managing companies. Finally, only 40% of investors declare that one core mission of depositary entities is to monitor and supervise managing entities, as seen in Graph 13.

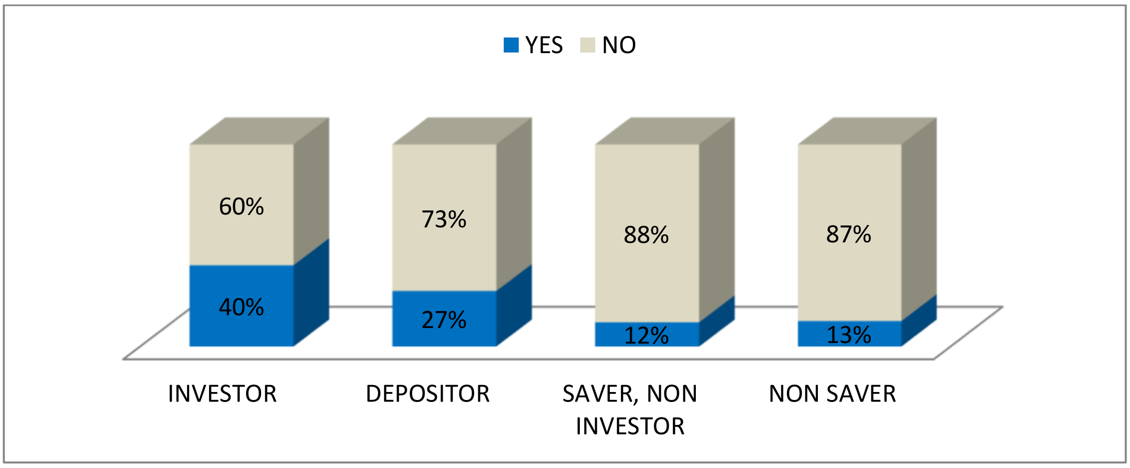
Investors in investment funds have a better understanding of the role of the depositary entities, such as bringing more guarantees and awareness. However, this does not happen in the case of investors in pension funds, whose score is similar to the average. The depositary entity concedes further guarantees to investments made in investment and pension funds and we believe that it is very important that investors understand this fact very well. If investors would acknowledge the role of depositary entities, we believe that confidence in financial system would certainly increase.

Table 26: ARE FUNDS BETTER GUARANTEED THROUGH DEPOSITARY ENTITIES?	INVESTOR	DEPOSITOR	SAVER, NON INVESTOR	NON SAVER
YES	40%	30%	15%	13%
NO	60%	70%	85%	87%
	100%	**100%**	**100%**	**100%**

Graph 12: SECURITIES MANAGING COMPANIES-DEPOSITARY ENTITIES RELATIONSHIP



Graph 13: KNOWLEDGE OF THE DEPOSITARY ENTITY ROLE OF SUPERVISION OF THE SECURITIES MANAGING COMPANIES



Chapter 7

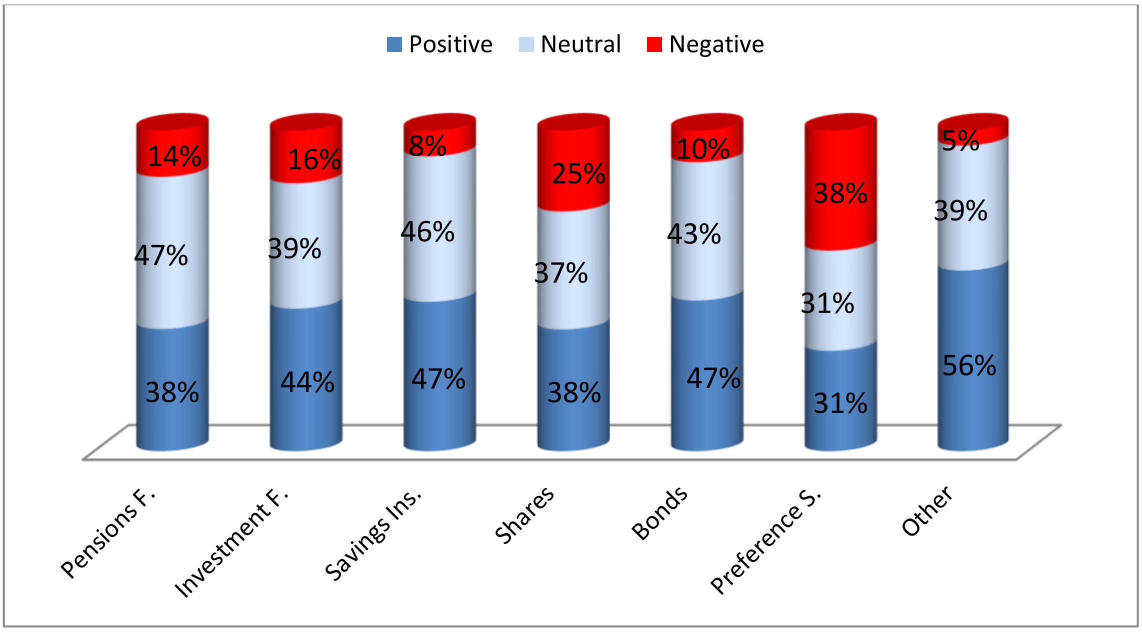
Spanish investors' behavior

"The Pension Fund is the most popular investment product in Spain, followed by the Investment Fund"

"Savings Insurance policies show the least negative experience ratios for investors. However, almost 23% of investors in these assets do not know about their specific characteristics"

"Investors suffer home biased when acquiring financial assets"

INVESTORS POSITIVE VS NEGATIVE EXPERIENCE IN PAST INVESTMENTS.

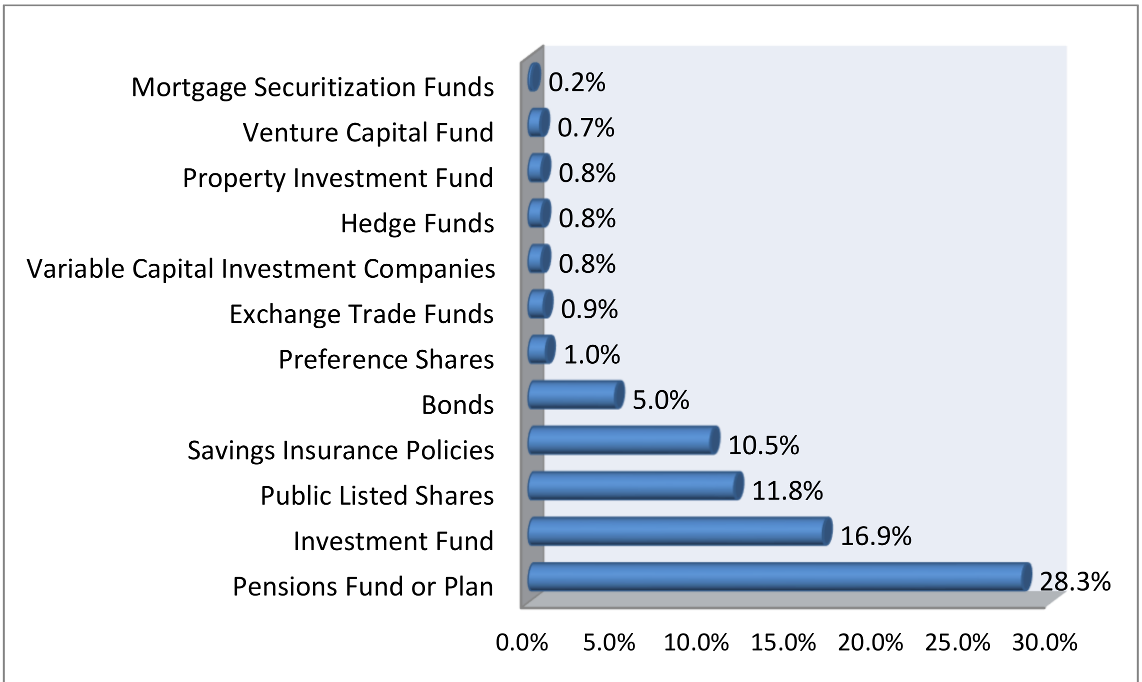


7.1- WHAT ARE THE MOST POPULAR PRODUCTS?

According to our definition of investor (those who report having any type of the specified investment products in the study during the two last years), nearly half (46%) of the Spanish population could be considered investors. That percentage would increase to 57% if we included long term deposits in our analysis. In our survey, investments during the last five years have decreased for the vast majority of investors (more than 50%), while increasing for a small minority (only 7%). One reason for this poor investment trend is linked to the salary evolution in Spain during the most recent economic crisis.

According to our survey (see Graph 14), the most popular product for investors is the pension plan or fund (more than 25% of families have invested in), followed by investment fund (17%), publicly listed shares (12%), savings insurance (11%) and bonds (5%). This ranking suggests that options other than the leading product groups are rarely chosen by investors (less than 1% of respondents)[9].

Graph 14: POPULATION THAT INVESTS IN FINANCIAL PRODUCTS



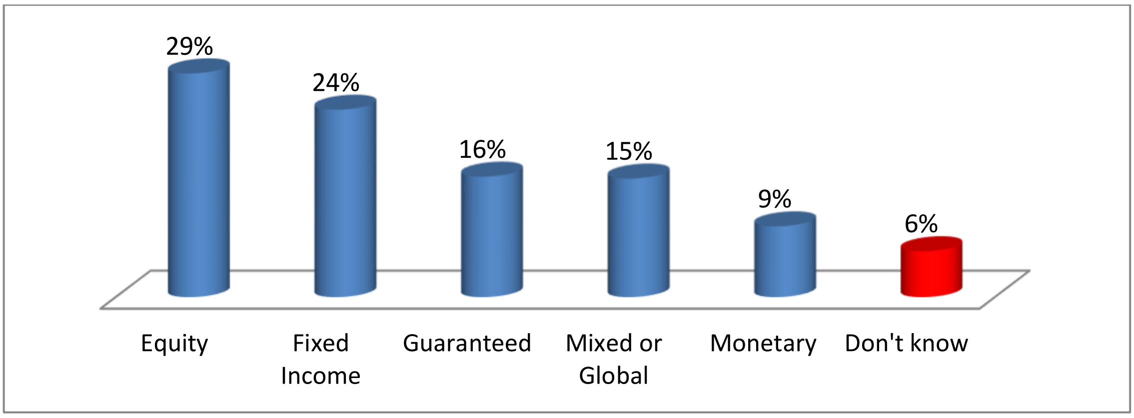
It is worth pointing out although the percentage of the population who invest in pension plans or funds is clearly greater than investment funds, investors show that when they choose the

[9] Values in our survey slightly differ from the EFF 2014 study. According to EFF, 26% of Spanish households have either Pension Plans/Funds or Savings Insurance (EFF includes both type of products within one unique category), 11% Public Listed Shares, 6% Investment Funds and less than 1% Bonds and Securities. Reasons for this variation in results may be: (i) our sample has been collected from the Internet users collective, that is representative for 72% of Spanish population (EFF sample is collected from all Spanish population); (ii) the EFF sample has a greater density of higher income households than ours.

later, they tend to invest in various funds simultaneously, which does not happen in the case of pensions.

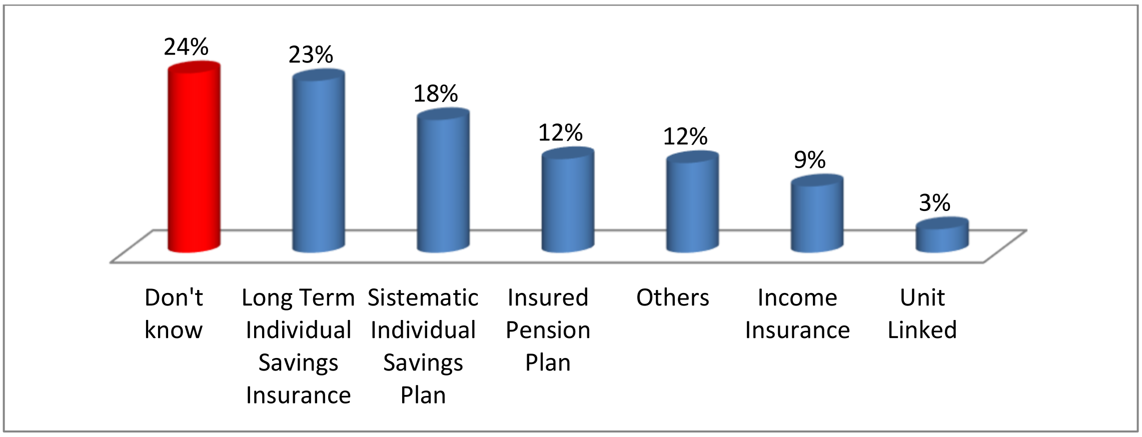
We thought it would be interesting to further qualify the survey according to product category (excluding pension funds that tend to be mixed funds as per their long term goals). These results are displayed in Graph 15, 16 and 17. Within the investment fund category, the most popular products are equity and bond funds (25% and 30% respectively), followed by guaranteed, mixed and global (15% of share). Monetary funds are the least chosen option (less than 10%), mainly caused by the low interest rates in recent years.

Graph 15: INVESTMENT FUND SPLIT



Analysis made for saving insurance products shows that the most popular options are “Ahorro Plan 5”, Systematic Individual Savings Plan and Long Term Individual Savings Insurance (23% of share, 18% and 12% respectively). It is worth mentioning that Unit Link funds, (very appropriate in the low interest scenario we live in and very popular in the UK and US), have achieved only a minor stake (3% of share in saving insurance products). Additionally, it is certainly worrisome that 24% of investors with saving insurance products do not know the specific type of saving insurance product they have. Institutions should take note of this and consider providing more transparency and clarity when financial agents perform marketing and selling activities of this type of product.

Graph 16: SAVINGS INSURANCE PRODUCTS SPLIT



7.2.- DO INVESTORS HAVE POSITIVELY EXPERIENCED ALL THESE PRODUCTS?

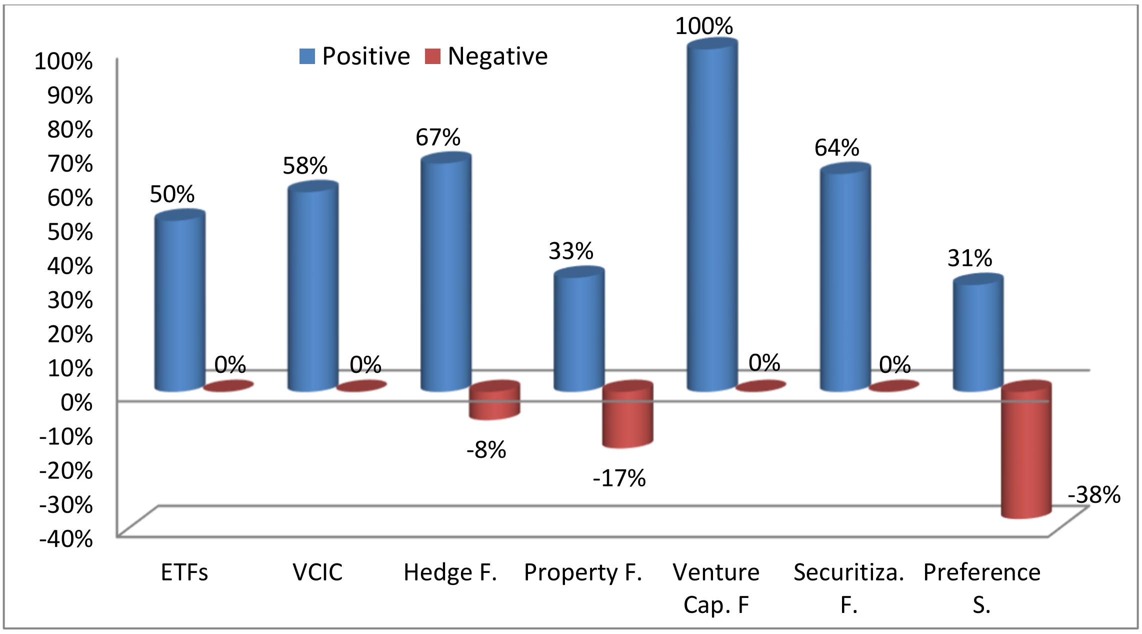
We have asked our respondents to qualify their experience with these products as positive, negative or neutral (see Table 27). Around 85% of investors (or even a higher percentage in some cases) report their experience as neutral or positive in every product except when they invest in public listed shares, where that ratio falls to 75%.

Table 27 INVESTORS EXPERIENCE RATING (per product category)	Pension F.	Investment F.	Savings Ins.	Shares	Bonds	Other
POSITIVE	38%	44%	47%	38%	47%	51%
NEUTRAL	47%	39%	46%	37%	43%	38%
NEGATIVE	14%	16%	8%	25%	10%	11%

Savings insurance products receive the lowest ratio of negative experiences (just 8% of investors). It is somewhat surprising that, with such a low bad experience ratio, savings insurance products are very seldomly chosen by investors. As we saw in previous chapters, investors acknowledge their lack of understanding regarding this product.

Table 27 also includes one additional column for miscellaneous products. For the majority of products in this category, the investors have reported either neutral or positive experiences except in the case of preferred shares (rated as bad by 38% of investors), property investment funds (17%) and hedge funds (8%).

Graph 18: INVESTORS EXPERIENCE FOR MISCELLANEOUS PRODUCTS



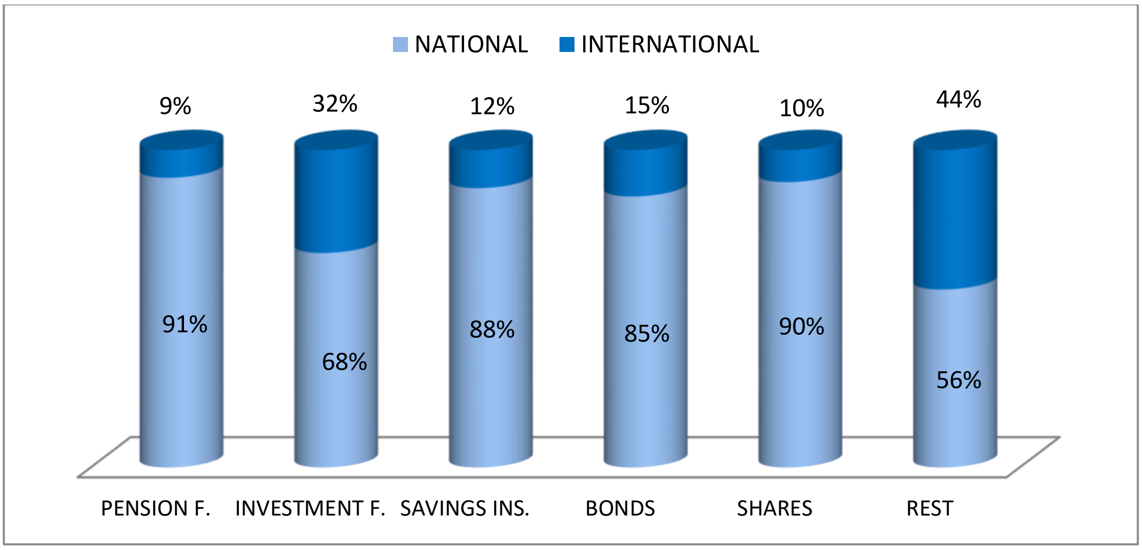
We believe that the ratio of bad experiences reported by respondents in our survey is, generally speaking, somewhat reasonable. Spanish economy, as most of economies around the world, has been hit by low interest rates and declining indexes in the stock exchange market.[10] Thus, the resulting economic environment has not provided the most ideal conditions for achieving positive investing experiences. In particular, this situation has adversely affected preferred shares, whose investors have reported very negative results. However, the negative experiences of investors in preferred shares stems not only from the challenging economic environment, but also comes as a result of bad practices and misinformation involved in the commercialization of preferred shares by some financial entities.

7.3.- DO INVESTORS SUFFER FROM HOME BIAS?

The Home bias effect refers to investment behavior characterized by a heavy focus on investing in the assests of one's own country, which in turn results in incorrect risk diversification (Coral & Moskowitz, 1999).

The Spanish population is by no means immune to this norm, or bias. Indeed, local investing is preferred in 81% of cases, whereas only 19% of investors seek out international investment options. As shown in Graph 19, most of the products categories reveal a marked home bias, except in the case of miscellaneous as well as investment funds.

Graph 19: GEOGRAPHIC FOCUS OF THE PRODUCTS ADQUIRED BY INVESTORS



It would be wise to try to correct this home bias in order to increase diversification of investors' portfolios. The full integration of Spain into the European Union, and the use of the euro as the single currency, make easier the investors' access to other European Markets while avoiding the currency risk.

[10] Later we show results about home biased decisions by Spanish investors, so it seems understandable that investors are much more influenced by the yield and trend of the Spanish Stock Exchange than by other international indexes

Chapter 8

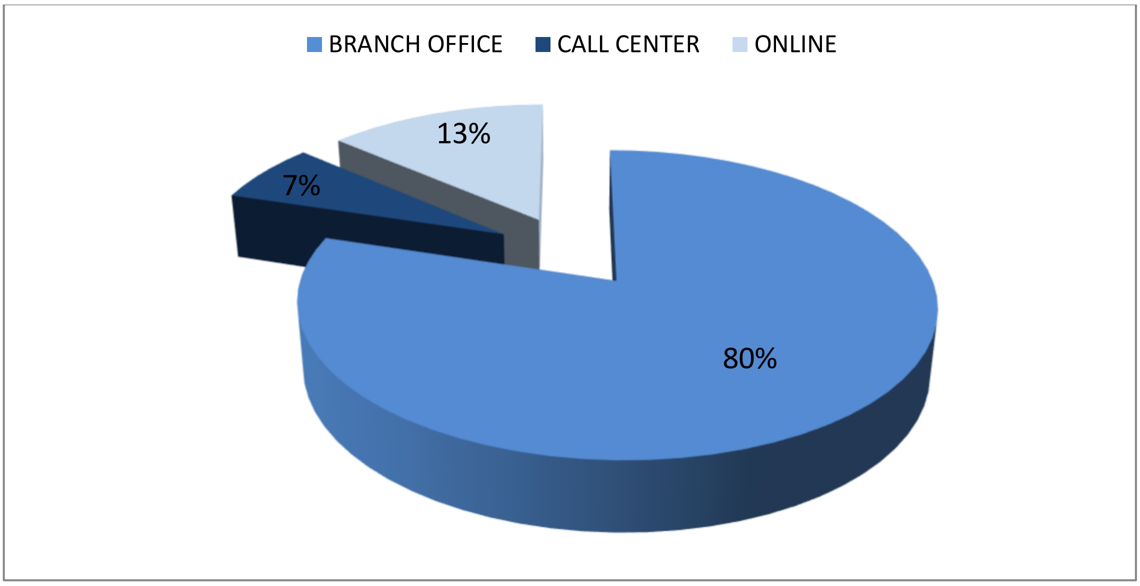
Intermediation and investors decision making process

"Commercial banks are the most important intermediary for investors. Branch offices and online banking are the preferred channels, while call centers have been cannibalized by online channels".

"Publicly listed shares are the most acquired asset through online banking"

"A vast majority of investors still turn to financial institutions' retail offices to acquire investment products"

CHANNELS PREFERED BY INVESTORS



Break down of the intermediation channels used in the acquisition of financial products by investors.

8.1.- WHICH FINANCIAL INTERMEDIARIES ARE MOSTLY USED WHEN INVESTING? WHICH IS THE PREFERRED CHANNEL?

Table 28 shows the type of institutions and channels used by investors. Banks are the predominant agent for investors, channeling approximately 80% of the volume created by investors. This is not surprising given the historical role of banks as distributors of financial products. Insurance entities are the preferred channel when the financial products entail savings insurance, while other entities (brokers, managing entities etc.) are mainly used for bonds and shares.

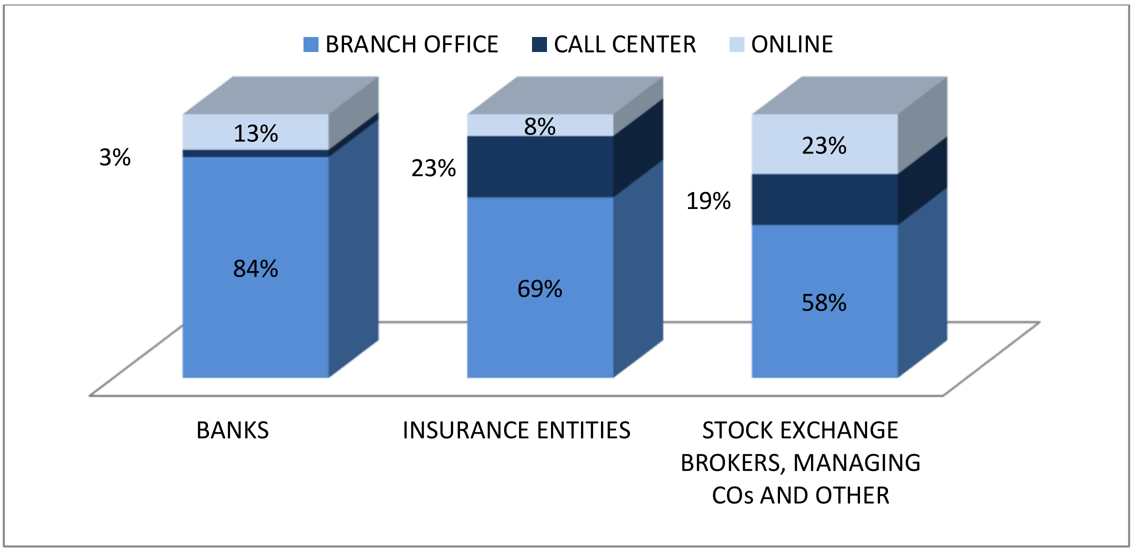
Table 28: FINANCIAL PRODUCTS INTERMEDIATION (per entity and product)			
	BANK	INSURANCE CO.	OTHERS
Pension Plans or Funds	80%	13%	7%
Investment Funds	85%	7%	7%
Savings Insurance Policies	71%	24%	5%
Bonds	81%	7%	12%
Shares	90%	2%	9%
TOTAL (*)	**80%**	**12%**	**8%**

(*) The Total also includes the distribution of the rest of the products that is not broken down, given the very minor number of investments they account for.

Graph 20 shows which specific channels investors use which reveal interesting results. For example, within commercial banks, there has been a profound shift from traditional call centers to online banking, which accounts for 13% of investments. However, 84% of investments are still managed at the branch offices of commercial banks. This strongly differs with insurance entities, whose call centers still handle 23% of investments, versus only 8% conducted online. Similarly to banks, the retail offices of insurance companies are still by far (almost 70%) the most important channel for their commercial activity. It will be interesting to see whether the shift towards increasing online investing activity within the banking industry may set a precedent that other financial entities within the insurance industry will follow. For those financial entities within the *other* category, the split per channel is as follows: 58% offices, 23% online and 19% call centers.

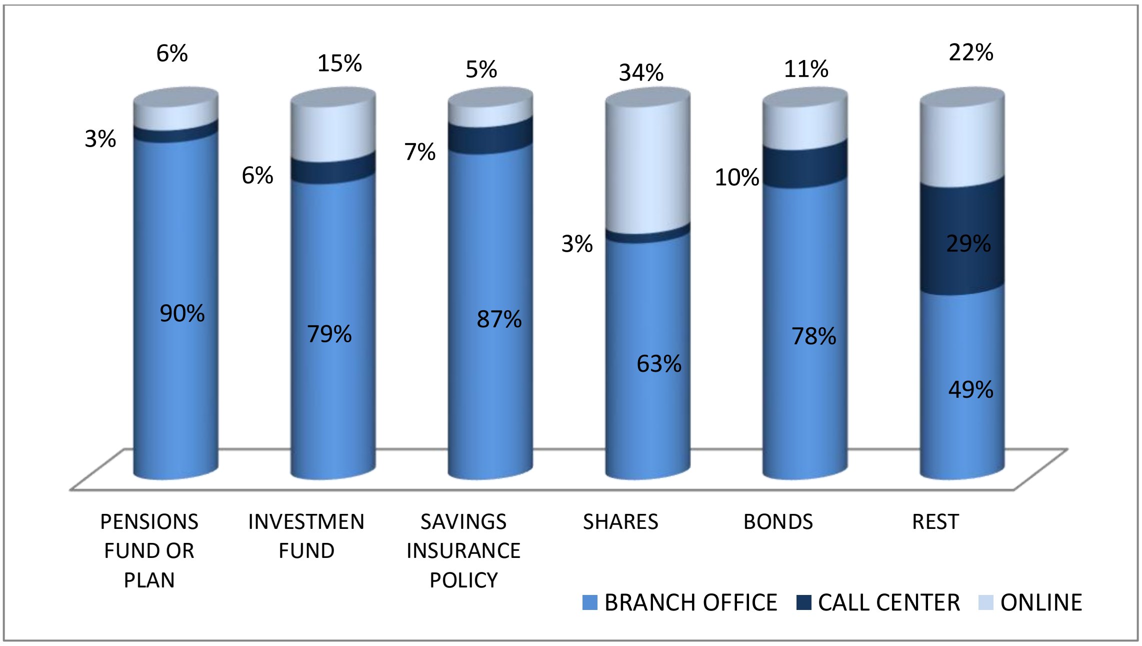
These data have generated two interesting findings that we would like to highlight. First, the huge decline of call centers as a channel for commercial banks. Although when banks first built their commercial strategy around call centers this channel proved rather disruptive to the industry, we have to wonder whether the decline in reliance on call centers is a consequence of new consumption habits or a business strategy adopted by the banking sector to be more cost effective in providing services. Secondly, it is remarkable that branch offices are still the most important channel for all the financial institutions surveyed, but more intensively for banks. We again ask if this is the result of a conscious choice by investors or a strategy from banks to bring customers and investors to their branch premises in order to cross-sell different products at the time or to build client loyalty?. This reality seems to conflict with the strategy reported by the banking industry to reduce branch offices as a means of cost cutting in a low interest rate environment.

Graph 20: PREFERED CHANNELS BY INVESTORS



Analyses on which channels are used per product category revealed that publicly listed shares are primarily acquired online (34% share), whereas pension plans and funds, and saving insurance products are primarily acquired through branch offices (around 90%). Finally, bonds and other products still have part of their investments channeled through call centers.

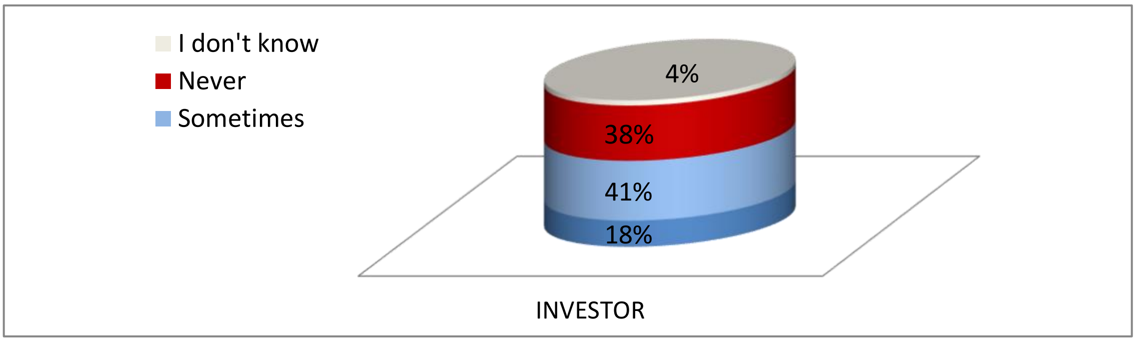
Graph 21: CHANNELS USED



8.2- WHAT INFORMATION SOURCES DO INVESTORS USE WHEN MAKING INVESTMENT DECISIONS? DO THEY REQUIRE EXPERT ADVICE? HOW FREQUENTLY DO THEY CHECK AND FOLLOW-UP THEIR POSITIONS?

Graph 22 reveals that 38% of investors have never elected to use expert advice when making financial decisions, what really strikes us, especially with the low literacy levels that investors have, as results of our survey have made clear. This may come as a result of the low level of trust investors have in the financial system combined with a lack of experts and advisors in the different channels of the financial system. Our expectation is that MIFID II enforcement, which compels the system to reinforce the skills and professionalism of financial agents and consultants, will help solve this unfavorable situation.

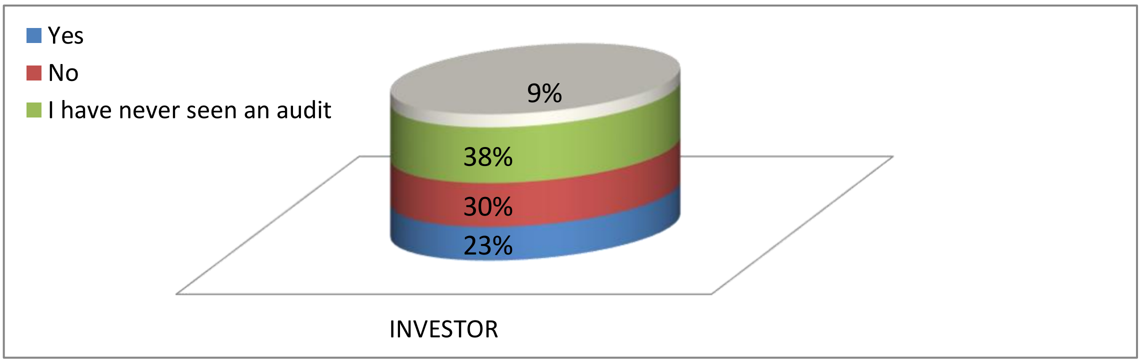
Graph 22: INVESTOR'S USE OF FINANCIAL ADVICE



We also asked investors in pension and investment funds if they took into consideration which was the fund depositary entity and 81% responded affirmatively, even when in previous chapters we have seen that investors' knowledge of the function of the depositary entity is rather deficient.

We examined the extent to which investors think it is important the audit report of the issuing entity for the investment decisions in that entity. Graph 23 indicates that 23% of investors acknowledged the importance of auditing, while 30% of them are unconcerned with auditing. Interestingly, 38% of investors report never having seen an audit report and, surprisingly, 9% do not know what they are.

Graph 23: INFLUENCE OF AUDIT REPORTS



Our data suggests that although investors use a wide variety of information sources, none of them are used on a regular basis. Table 29 provides more information about the type of sources and how often investors use them. We believe, that most likely, this variety of sources could result from the own investors financial illiteracy, combined with the relatively low levels of expert advice sought from brokers and agents.

Table 29: TOP 5 SOURCES OF INFORMATION MOSTLY USED BY INVESTORS	% of investors	Regularity
Banking offices	85%	5.8
TV	76%	5.1
Webpages with financial information	76%	5.2
National Journals	75%	5.2
Recommendations from friends, colleagues and family	73%	4.5

Branch offices from Commercial banks continue to be the most used source of information by investors, although it does not necessarily mean they receive advice from financial experts. Television, internet, newspapers and recommendations from the investor network are also used as sources. Financial specialized reports issued by auditors, analysts and agencies are used by almost 50% of investors but with no regularity (score below 3.5).

Finally, we asked our sample about the follow-up activity that investors perform on their portfolio. 67% of investors say they check positions at least monthly, while 4% say they never do so. We understand that reaching an almost 70% follow-up ratio means that families are keenly interested and concerned about correctly managing their savings; which seems quite logical given the potential consequences their investment has on their financial stability.

EXECUTIVE SUMMARY

The thrilling book “The 100 Year Life”[11], by London Business School professors, Lynda Gratton and Andrew Scott, perfectly describes that as human longevity grows (life expectancy increases 2-3 years each decade), the population needs to make substantial changes in planning the course of their lives in order to face the challenge of longer lives. Those changes include long term planning for tangible (e.g., savings, housing, pensions) and non-tangible (e.g., health, networks, reputation) assets, thus achieving financial stability in our lives constitutes a prerequisite for the general well-being of society. Spanish society needs to address this situation because although it has one of the longest life expectancy ratios in developed countries, it also has one of the lowest savings ratios. As a report from INVERCO (2017) describes, Spain has significantly lower ratio of cumulative financial savings over GDP than the European average (186% Spain versus 237% Europe).

From this perspective, we believe that conclusions derived from this Spanish Savings-Investments Survey are even more relevant. These data can improve our understanding of some of the most important drivers that positively influence the attitude of Spanish families towards saving and investing, while also highlighting interesting aspects about Spanish investors’ behavior. We believe our results are useful for Spanish financial institutions in order to design actions and to implement strategies aimed at spreading good saving and investment habits and practices within the Spanish population.

The main conclusions about the preliminary elements for saving and investment in Spanish families are summarizes in the next paragraphs:

- Spanish population has low level of **knowledge and understanding** about basic financial terms and available financial investment options: (i) 53% of individuals do not reach basic financial literacy; (ii) perception about their understanding of the different products subject of our study also is indeed insufficient.
- **Preliminary elements required for saving are well established** among Spanish citizens, but are **weaker for investing**: (i) The Spanish population is aware of the benefits derived from saving, yet not very conscious about the need to invest; (ii) people feel much more comfortable and have a higher degree of perceived control (about making the right decisions about how much and when) when they decide to save rather than when they choose to invest; (iii) people perceive that both saving and investing are not very appreciated by Spanish society, especially in the case of investing.
- The **most important drivers for saving** in Spanish society are: being prepared to face future contingencies, supplementing one’s pension, and educating children, all of which stand out from both a social and economic perspective. The drivers behind investing are supplementing pensions, obtaining higher returns, and diversifying risks, so individuals seem to recognize the benefits of investing. However, they find that

[11] L Gratton & A Scott. The 100 Year Life. How to live and work in the era of longevity. www.100yearlife.com . www.verssus.com La Vida de 100 Años – Verssus Libros

financial scandals and corruption cases are a strong barrier for them to take the step to invest.

- 30% of families declare absolutely **no trust in financial institutions**. Financial entities fail to gain the required level of trust from Spanish society.

Below we discuss results from our measures of Spanish investors' antecedents and behavior (An "investor" is anyone who in the two last years has held any of the financial products in our survey, excluding long term deposits).

A. Investors' antecedents towards saving and investing

Although an investors' background is stronger compared to the general population, it is somewhat disappointing that it still does not reach a sufficient level if we take the following conclusions into consideration.

- **The Financial literacy of investors** is higher than non-investors, but is still not enough, as evidenced by these facts: (i) 45% of investors do not have the minimum required financial knowledge to invest; (ii) of all the financial products in our survey, investors do not correctly understand any of them, with the exception of Pension Funds - however, investors perceive they correctly understand the products in which they have invested, except for Savings Insurance products; (iii) almost 50% of investors do not know about issuing entities obligation to be audited - although this percentage increases when investing in publicly listed shares.
  These outputs might suggest that investors acquire financial literacy and skills through the inner process of investing in financial products. However, this process of "learning by trading" does not seem to be the optimal method, to make sound financial decisions, especially taking into consideration the scenario faced by investors; a world characterized by an unstable economic outlook and the growing sophistication of financial products.
- **Investors' attitude and behavior towards saving** are stronger than in the general population. Investors appreciate the value of saving and acknowledge not only their control over deciding to save, but also, although to a lesser degree, the importance given to saving by the context. However, the precursory elements **for investing** are insufficient within the investors' community, especially about their control over recurrence and about the social norm (the value their context gives to investing).
- Investors have similar **goals** as the general population when it comes **to saving and investing**, albeit with more importance given to each. Investors perceive that one of the most important barriers for investment is financial corruption as well as other motives, such as perceiving high risk in financial products and financial institutions, the economic crisis scenario, and the lack of knowledge to properly understand financial options in the market.
- The **general trust that investors** have in the financial system does not reach the minimum required level, although it's higher than that of non-investors. However, the

assessment that citizens and also investors give to important attributes of financial entities (transparency, honesty, professionalism and solvency) is sufficient. Investors have a better appreciation than the general population of such attributes. Professionalism and solvency are better assessed than transparency and honesty. Commercial banks are the best ranked in terms of professionalism and solvency, while audit firms are ranks number one in terms of transparency and honesty.

- Investors have also positively assessed the **importance of relevant characteristics of private financial entities:** (i) the degree of specialization about savings and investments; (ii) managed or deposited volume; (iii) solvency; and (iv) Spanish capital. Considering the positive valuation given by investors to the importance of these four features it may be possible that financial institutions could restore the trust level of investors through actions based on them. One case could be the depositary entities. On one side, investors recognize the importance of their specialization. On the other side, they do not properly understand their function and the role they play to bring additional guarantees to fund´s investors - if depositary institutions would work out actions to make investors better understand the role of depositary entities, investors' trust levels will likely increase.

B. Investor´s behavior and experience

- The most popular financial product for investors is the **Pension Fund or Plan (28% of families report having)**, followed by Investment Fund (17%), Public Listed Shares (12%), Savings Insurance Plans (11%) and bonds (5%). Other products are only marginal to the surveyed population.
- Spanish investors are importantly **home biased**. 80% of investments are made and base locally in Spain, although acquisitions of Investment Funds show less bias as 32% have an international focus. There is a factor that empowers investors to reduce their financial risk while also decreasing this home bias: the operating in euro as single currency for the Euro-zone that followed the full integration of Spain into the European Union.
- Investors with financial products in their portfolios have reported fairly reasonable results in their **investment experience**. The ratio of negative experiences is reasonable for the majority of financial assets analyzed: pension and investment funds only reach 15% as negative, public listed shares 25% and bonds and saving insurances below 10%. We need to frame this with two factors that have heavily influenced the economic scenario, such as a severe financial crisis and also a negative stock market performance, with declining indexes over several years.
- Commercial banks act as **intermediaries** on 80% of investments, insurance entities on 12% and others, such as managing entities and stock exchange brokers, on just 8% of investments. Branch office is the most used channel by investors. Online channel is robust for banks and brokers, mainly for shares transactions. The insurance sector is more traditional and still keeps some shares coming from call centers, which have lost almost all their presence in the banking industry.

- 38% of investors have never been advised by **financial advisors**. The sources of information used most by investors are banking offices, television, internet, journals and recommendations from their networks.

Although we could extent about the insights and findings of this study, we would like to summarize the two most important conclusions that we have drawn from the results. These conclusions should be relevant to design strategies that may spread good and healthy habits about saving and investing in Spanish society:

- It is really needed to increase the financial literacy level of Spanish population, together with a more profound understanding of available investment options. Financial literacy should be a goal pursued mainly by financial authorities and official institutions. The educational system should also have an important role in financial education, enabling citizens to make appropriate decisions in an uncertain and increasingly complex financial environment. Private entities should take the lead in order to provide both savers and investors with high quality information about the available investments options in the market, and doing it with professional advice, honesty and transparency. The enforcement of new legislative pack about Insurance Distribution and MiFID II, undoubtedly will contribute to higher standards in this matter.

- It is absolutely crucial to restore trust and confidence in the Spanish financial system by implementing regulatory and supervisory schemes that guarantee best practices, transparency, honesty and professionalism across all the entities that operate in the system. Another important goal is to provide investors with information about the functions and the specific tasks that are developed and performed by all the players involved in the financial system (e.g., regulators, auditors, depositary entities, managing companies, insurers, banks, rating agencies etc.).

Achieving both objectives (greater financial literacy and higher guarantees of best practices by financial entities), will radically and significantly contribute to scale up the investors' confidence in the financial system and to promote a healthy and positive culture not only towards saving, but also towards investing.

BIBLIOGRAPHICAL REFERENCES

- Ajzen, I. (1985). From intentions to actions: A theory of planned behavior. In J. Kuhland & J. Beckman (Eds.), Action-control: From cognitions to behavior (pp. 11-39) Heidelberg: Springer.J.Y. Campbell, T. Ramadorai and B. Ranish (2014). Getting better of feeling better? How equity investors respond to investment experience. Technical report, National Bureau of Economic Research.
- Encuesta Financiera a las Familias del Banco de España 2014 (EFF 2014).
- Financial education in a digital age. Initiatives by the European insurance industry. March 2017.
- L. Gratton and A. Scott. La Vida de 100 Años. Vivir y trabajar en la era de la longevidad. Verssus Libros 2017. www.verssus.com
- INVERCO. Las Instituciones de Inversión Colectiva y los Fondos de Pensiones. Informe 2016 y Perspectivas 2017.
- D. Joshua Coval, ad Tobias Moskowitz (1999). Home Bias at Home: Local Equity Preference in Domestic Portfolios. The Journal of Finance. Volume 54, Issue 6, December 1999.
- B.P. Kennedy (2013). The Theory of Planned Behavior and Financial Literacy. A Predictive Model for Credit Card Debt? Marshall University. Marshall Digital Theses, Dissertations and Capstones.
- Plan de Educación Financiera 2013-2017. Comisión Nacional del Mercado de Valores Banco de España – Eurosistema.
- A.Seru, T. Shumway and N. Stoffman (2010). Learning by trading. Review of Financial studies 23.
- Standard & Poor´s ratings Services Global Financial Literacy Survey (S&P Global FinLit Survey).

Annex 1: Characteristics of Insurance Savings Plans considered in our survey.

- PIAS (Sistematic Individual Savings Plan):
  - Its goal is to build a lifetime income that will be drawn five years after the first contribution, so there is no obligation to wait for retirement. Two options are available: guaranteed fixed yield, linked to long term bonds and variable yield, usually linked to stock indexes.
  - It is always associated to one life insurance policy.
  - It can be redeemed after just one year, but loosing the tax benefits of the cumulative yields.
  - Premiums paid do not have tax benefits, but the lifetime income received do have tax exemptions if done five years after the first premium paid; if premiums do not exceed 8,000€ annually and 240,000€ cumulative; and that policyholder, insured and beneficiary are one single person. This tax benefits on cumulative yields grow in accordance with the starting age of the person receiving income.
- SIALP or CIALP (Long Term Individual Savings Insurance):
  - Is a long term (5 years) saving product that guarantees at least 85% of contributed premiums at either the due date or early cancellation. To benefit from tax exemptions, the product has to be kept until due date and annual maximum premiums cannot exceed 5,000€.
  - It can be redeemed at any time for the total capital, but loosing the tax benefits
  - CIALP obliges the reimbursement of principal at the 5 year term, while SIALP allows the reinvestment of the principal plus interests accrued in a new individual insurance policy.
- IPP (Insured Pensions Plan):
  - Is a life/savings insurance plan whose premiums are redeemed at the time of retiring, with similar tax benefits than Pension Plans (deduction over the base of personal income tax, limited to 8,000€ annual contribution and tax treatment as earned income), but with interest guaranteed during the lifetime of the plan. It covers the same contingencies as Pension Plans: retirement, disability and decease. Benefits can be either income or capital and they are liquid when exceptional circumstances occur (severe illness or long term unemployment).
- Unit Linked:
  - Is a life/savings insurance plan linked to investment funds, so a large proportion of the premium is directly invested in these funds, while remaining amount is directed for life insurance subscribing. The policyholder assumes the financial risk and can decide at any given moment the funds (of the contract list) in which he chooses to invest. Yields are subject to taxation as securities income.
- Income Insurance:
  - They guarantee to the policyholder a periodical income throughout a determined time period or till the decease, in exchange for a unique premium. In parallel, holder may subscribe an additional decease policy, so that beneficiaries will earn an agreed capital. Tax benefits, on income tax, depend on the age range in which holder is entitled to earn the income and on the type of income involved.

About the authors

Laura Núñez Letamendia is Associate Professor of Finance and Academic Director of the Center for Insurance Research at IE Business School. In addition she was Director of Research at IE for the period 2001-2007. She was awarded a Bachelor's degree in Economics from the Universidad Autónoma de Madrid and a Doctorate in Financial Economics from the same University. She has been invited as visiting researcher by Bentley University (Boston, USA) and the University of Queensland (Brisbane, Australia) and has attended specialized courses at Harvard Business School. Laura commenced her professional life in the financial and insurance industry in companies such as Bestinver SVB, GVC SVB and Norwich Union, where she developed different functions as financial analyst, trader and portfolio manager. Laura's research interests are focused on the analysis of financial and insurance topics and the application of artificial intelligence and econometric techniques to them (saving, investment, risk management, etc.). Her work has been published in influential international academic journals under peer review.

laura.nunez@ie.edu

Ana Cristina Silva is Associate Professor of Finance and Founding Director of the Financial Capability Center at Merrimack College, North Andover (Massachusetts, US). She is also Research Affiliate at the Center for Insurance Research at IE University (Madrid, Spain). She has received numerous recognitions for the contribution of her Center to the community, including the 2016 Outstanding Financial Counselling and Planning Award by the Association for Financial Counselling and Planning Education (AFCPE) in the US. She has a Ph.D. in Financial Economics by the University of Houston (Texas, U.S.) and an MBA by Madrid Business School- U. of Houston. She is Bachelor in Biological Sciences by Universidad Complutense de Madrid (Spain). Her areas of interest are Financial Capability and Financial Inclusion. She has numerous publications in referee international journals such as the Journal of Banking and Finance, Journal of Applied Corporate Finance, Venture Capital, and Emerging Markets Review, among others.

silvaa@merrimack.edu

CENTER FOR
INSURACE
RESEARCH

FACTORS INFLUENCING SAVINGS AND INVESTMENTS: FINANCIAL LITERACY, ATTITUDES AND TRUST

Laura Núñez Letamendia
Ana Cristina Silva

CLIFFORD
CHANCE

SCOR
The Art & Science of Risk

INFORMÁTICA
El Corte Inglés