

# Financial Health of EU Citizen: Overview & Significance

## 1. Project Overview

- **Title:** Financial Health of EU Citizen
- **Purpose:** To conduct an in-depth research study on the financial health of citizens across 10 European countries: Spain, Italy, France, UK, Germany, Poland, Czech Republic, Hungary, Slovakia, and Sweden.
- **Objective:** Provide valuable data and insights on European citizens' awareness about the importance of financial stability and adequate management of finances, on existing behaviours, attitudes and skills related to spending, saving, investing and saving for retirement as part of managing personal and household finances. Provide actionable recommendations based on the findings.

## 2. Significance of the Project

- **Relevance:** Financial health is a multidimensional concept, encompassing knowledge, awareness, confidence, and overall financial resilience. It means that individuals can meet their current obligations, secure their future, and enjoy financial freedom. Better management of finances is linked to reduced stress and enhanced physical and mental health. Better management of finances depends on factors such as awareness about the importance of financial wellbeing, financial literacy and access to financial products and to financial advice. Understanding financial health is crucial for developing programs and services that can enhance the economic well-being of EU citizens.
- **Impact:** The issue of financial health is not only central to personal finances but also a challenge for the modern economy. Education is the foundation of financial health.. The results of this study will be valuable to various audiences, including policy-makers, educators, psychologists, financial institutions, financial and investment advisors, and consumers.

## 3. Research Methodology

- **Scope:** The study will encompass CAWI surveys and data analysis from different sociodemographic groups across the specified countries.
- **Approach:** Collaborate with leading EU research panels to conduct the fieldwork and with academia to quality-check, analyze, and interpret the results.

- **Lead Researcher:** Katarzyna Sekścińska, PhD, Department of Business Psychology and Social Innovation at the University of Warsaw.
- **Pilot:** A national study “Financial Health of Poles” was performed in 2024 in Poland by WIB and EFPA Poland. The results of the study enjoyed widespread repercussions and appraisal and have been presented to the Higher Chamber of the Polish Parliament. The full report is available [here](#). The Polish results will be integrated into the European report.
- **Research Partnership:** EFPA is honored to partner with BETTER FINANCE in this research, involving the support of the international networks of members and the policy research teams of both associations, to analyse findings and produce recommendations.

## 4. Expected Outcomes

- **Report:** A detailed report comparing the findings across different European countries and highlighting key insights and recommendations. The report will be produced in English language.
- **Presentation:** Presentation at a targeted event in Brussels with the presence of policymakers and stakeholders. Follow-up initiatives to disseminate the results to stakeholders. Tentative timing: October 2025.
- **Policy Influence:** Provide actionable insights for policymakers and financial institutions.

## Press Release on the pilot research: The Financial Health of Poles, a report on the quantitative survey

24 Oct, 2024. EFPA is pleased to share the report on the recent research carried out by the Warsaw Institute of Banking (WIB) and EFPA Poland titled “The Financial Health of the Polish People – a report on the quantitative survey”.

In October 2024, EFPA Poland celebrated its 15th anniversary, and the theme of it was “Let’s take care of the financial health of Poles.” This year was also the Year of Economic Education in Poland, on the centenary of

Władysław Grabski's reforms, the establishment of the Bank of Poland and the introduction of the Polish zloty.

The National Strategy for Financial Education adopted by the Polish Government in 2024 places a special emphasis on the financial wellbeing of citizens, which requires modern, engaged and practical financial education.

Financial health is a multidimensional concept, encompassing knowledge, awareness, confidence and overall financial resilience. It means that we can meet our current obligations and secure our future and are able to enjoy financial freedom. Better management of finances is related to reduced levels of stress and enhanced physical and mental health. The issue of financial health is not only central to personal finances but is a challenge for the modern economy.

The study carried out by EFPA Poland and its partners seeks to provide insight and inspiration to different audiences who could draw inspiration and insight from it, including educators, psychologists, financial institutions, financial and investment advisors, and of course, the most important group – consumers.

As Mariola Szymańska, President of EFPA Poland, stressed:

*“The financial health of Poles is a goal worth the joint effort of the financial sector and public institutions. It requires excellent cooperation and courage to break the old paradigm of thinking. Let us move from product distribution to financial planning. Let the port to which we sail be financial health, a state in which finances allow us to live our values, develop our capabilities and enjoy life. EFPA wants to sail to this port for the next 15 years and invites you to join.”*

The report was produced in cooperation with EFPA Poland: Foundation for Financial Advisory Standards and PFR TFI, as part of the Year of Economic Education.



# THE FINANCIAL HEALTH OF POLES

## Report on the quantitative survey

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Analytical and Research Programme  
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## About the report

The report "**Financial Health of Poles. Quantitative Research Report**" was commissioned by the Analytical and Research Programme of the Warsaw Banking Institute Foundation, in cooperation with EFPA Poland: Foundation for Financial Advisory Standards and PFR TFI, as part of the Year of Economic Education.

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## About the programme

The **Analytical and Research Programme at the WIB Foundation** was established in 2019 as a response to the needs of the banking sector in analysing phenomena, creating studies and organising knowledge in the areas of cyber-security and new technologies, as well as the broadly understood environment of the banking sector, shaping the operating conditions of banks in Poland. The analytical and research work under the programme is carried out with a view to the practical use of its results for the development of the banking sector, increasing the level of security of services and creating value for banking customers. The ARP WIB places great emphasis on the development of cooperation with the academic and expert communities, seeking synergies between the authors' research interests and the development needs of the banking sector.

The programme provides analysis and research in the following areas:

-  New technologies in the banking sector, cyber-security of banks and payment systems
-  Economic analysis of the developments in the banking sector, bank stability, macroeconomic environment
-  The legal and regulatory environment of the banking sector and the challenges arising from the rulings of national and European courts
-  ESG and sustainable finance
-  Analytical and research work on specific areas of bank operations and on the functioning of benchmarks indicators

More on the programme's activities at [www.pabwib.pl](http://www.pabwib.pl)

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After the painful experience of the pandemic time, we started to care more about physical health. The outpouring of human tragedies, especially among young people, has awakened interest and the first actions for mental health care. However, we still pay little attention to financial health, both at the individual level and in terms of systems and public policies.

Noble health... We all know this poem by Jan Kochanowski and agree with its message about the need to take care of health.

We do the compulsory inspections of the car, the gas installation, some of us keep an eye on the periodic physical health reviews. But what about a financial health check-up?

Numerous studies, which have so far dealt with the components of financial health among Poles in a rather fragmented way, have pointed to a number of problems in Polish society. These include: a low savings rate, an unsophisticated way of saving, a negligible percentage of people undertaking to invest spare funds (including a minimal percentage of people undertaking conscious, active and self-controlled investing) and a relatively low percentage of people demonstrating a precautionary motive when making financial decisions (despite awareness of the existence of such circumstances as the need to save for retirement). For many Poles, what matters is the here and now. Hence, as a society we consume a lot, but accumulate little. It is high time to put an end to justifying this problem by the low levels of wealth by Poles. While in 2004 GDP per capita (according to purchasing power parity) in Poland was 51.5% of the average for the EU countries, by 2023 we will have reached 80%. In recent years, we have surpassed Greece, Slovakia, Portugal and Hungary in this respect. Poland increasingly aspires to become one of the 20 largest economies in the world, and as of 2018 is considered a developed economy. Following the consumption pattern of Western European countries, it is high time to give up the convenient excuse and start serious discussions on conscious saving and rational management of the household budget (which is conducive to improving financial health). During the past 20 years of Poland's presence in the European Union, the Polish economy has experienced a significant leap in development. However, it is necessary for the development of the economy to be followed by an increase in public awareness - awareness of financial health and the possibility of taking active care of it.

With the study presented here, we are sending out a call for the development of a culture of financial health in Poland.

On the initiative of EFPA Polska and the Analytic and Research Programme of the Warsaw Banking Institute, with the support and involvement of PFR TFI, we decided to convene a consortium for the financial health of Poles. And since, according to the well-known theorem of Peter Drucker, 'What gets measured gets improved', we decided to start the process by diagnosing the current state of financial health of the Polish citizens. We wanted to answer the question of how Poles understand financial health, how important it is to them and how they assess it. The main motivation for conducting the study was to find recommendations for actions that are needed to improve the financial health of Poles.

We conducted the study at a special time: in the Year of Economic Education in Poland (REE), announced in 2024 by a resolution of the Senate of the Republic of Poland, in the year when the Government adopted the National Strategy for Financial Education, and on the eve of Poland's assumption of the presidency of the Council of the European Union. REE 2024 will culminate in the presentation of recommendations that are expected to bring about a lasting change in the way Polish citizens build modern competencies in managing their finances, understanding economic processes and entrepreneurship. This is an opportunity to enter the path of financial health and develop a culture of financial health in Poland.

We submit the results of the Survey on the Financial Health of Poles with the conviction and hope that they will be of interest and of use to a wide range of stakeholders in the coalition for the financial health of Poles: public institutions, financial institutions, educators and citizens themselves.

*Mariola Szymańska, President of EFPA Poland, Vice President of the WIB, Initiator of the Study*

*Tomasz Pawlonka, Ph.D., Director of the Research and Analysis Team of the Polish Bank Association, Director of the WIB Research and Analysis Programme, Assistant Professor at the Department of Finance of the Warsaw School of Economics*

Financial health allows us to focus on our goals and aspirations, leading to a greater sense of satisfaction with life, so it is not without reason that the vast majority of Poles rate its importance highly. But what does it really mean?

Analysing the findings of our study, I am convinced that financial health is a multidimensional concept. It encompasses knowledge, awareness, confidence and overall financial resilience. In practice, it means that we can both meet our current obligations and secure our future and are able to make choices that allow us to enjoy life - in other words, ensure financial freedom. When we manage our finances better, we feel secure and make informed decisions, we experience less stress, which allows us to take care of our physical and mental health and build better relationships.

Our financial health is also of paramount importance from an employer and productivity perspective. Last year's Global Financial Literacy Excellence Center study found that employees spend an average of eight hours a week dealing with financial stress - four of those hours are spent at work. In the US, it is estimated that employee financial stress costs employers up to \$500 billion a year in lost productivity, higher health costs and increased employee turnover. So we can see that the issue of financial health is not only central to personal finances, but is also a challenge for the modern economy as a whole.

The report in front of you shows how Poles approach financial health, focusing on those areas that are most problematic. At the same time, it encourages you to approach this issue openly, with a high degree of understanding and empathy. The basis for taking care of financial health is, of course, education - at every stage of life. Therefore, anyone who wants to take care of their financial health should develop their financial knowledge. This is what we encourage in this study.

To conclude, financial health is no different to physical fitness. Olympic medalists would not have achieved their success solely by gaining theoretical knowledge of their disciplines. It is the practice that makes them perfect, so financial health has to be earned, and the best way to do this is to use your knowledge, using the financial instruments available. It is worth starting with systemic solutions - such as the standardised employee pension products (PPK), which are widely available and affordable for everyone.







*Tomasz Orlik, Member of the Management Board of PFR TFI*





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# Executive summary



## Rationale for implementing the study

According to the definition adopted by the World Health Organisation (WHO), "Health is a state of complete physical, mental and social well-being and not merely the absence of an objectively existing disease or disability" (taken from the Constitution of World Health Organization). However, it seems that in addition to the three areas mentioned by the WHO, a fourth key area of health can also be mentioned that directly and indirectly affects people's quality of life - financial health. Financial health refers to a person's overall financial health and lack of stress related to finances. People feel financially healthy (1) when their financial obligations (e.g. loan instalments, contractual payments) are a low percentage of their income, (2) when they can afford necessary purchases without fear of running out of money until their next payday, (3) when they feel financially secure because they have a secure source of income and/or have an adequate amount of savings, at best generating a profit, i.e. invested. To maintain financial health, economic knowledge and the ability to reduce stress related to financial insecurity are needed. A sense of security can be provided by an adequate income, the ability to save, which translates into the accumulation of a satisfactory amount of funds, the ability to properly manage financial risk, which translates into appropriate investment decisions and making adequate financial decisions in other situations involving the risk of financial loss or loss of liquidity (such as credit, gambling and insurance situations). The recent years of the Sars-Cov-2 pandemic, followed by rising interest rates, record high inflation (in October 2022 the highest in 27 years) and the war in Ukraine, have particularly demonstrated the importance of financial health for human functioning. The importance of financial health and the topic of the riskiness of financial choices and attempts to regulate it is also noted by financial regulators and supervisors. This is reflected in more and more new legislative regulations imposing obligations on financial institutions related to ensuring the safety of the customer in the context of taking risky financial decisions (e.g. Recommendations T and S of the PFSA, the Consumer Credit Act, the Mortgage Credit Act, the EBA Guidelines,

Directive of the European Parliament and of the Council, the MIFiD and MIFiD II Regulations and many others).

It should also be noted that financial health remains strongly linked to other aspects of human

well-being. First and foremost, it can translate into physical health, as a better financial situation is undeniably associated with better access to health services, easier access to prophylactic checkups and a reduction in factors that can cause illness as a result of prolonged stress or exhausting, low-paid work. Financial health is also important for well-being in the area of social relationships. In addition to its functional roles (being a means of payment, a measure of value, including deferred value and a means of saving), money also has symbolic roles within which, among other things, it supports interpersonal relationships and community and cultural functioning (Bloom 1994; Gąsiorowska, 2008) and can be used to gain and maintain esteem, social acceptance and approval, security, love and self-satisfaction (Hantley and Wilhelm, 1992). Finally, financial health has an important relationship with mental health. Financial variables may be associated with psychological distress (Dijkstra-Kersten et al, 2015; Lorant et al, 2007; Orpana, Lemyre and Gravel, 2007), and a person's mental health can be linked to both objective indicators of financial situation (Bridges and Disney, 2010; Fitch et al, 2011; Wildman, 2003) and subjectively perceived financial situation (Wilson et al, 2020; Dijkstra-Kersten et al, 2015; Ferrie et al, 2003). Furthermore, psychological distress may be related to individual dispositional characteristics related to finances - such as materialism, economic optimism or willingness to take financial risks (Kahle et al, 2003; Maner and Schmidt, 2006; Muñiz-Velázquez, Gomez-Baya, Lopez-Casquete, 2017). A study by Sekścińska and colleagues, conducted during the Sars-Cov-2 pandemic, confirmed that factors related to objective and subjective financial situation, as well as individual's financial characteristics, were important in explaining the level of perceived psychological distress (anxiety and depression), with the latter group being the most significant (Sekścińska et al., 2022). The study also confirmed the importance of propensity to risk, materialism, optimism and a sense of financial security as important explanatory factors for psychological distress (anxiety and depression) in a health and/or life-threatening situation.

It would seem, therefore, that taking care of financial health should be one of the priorities for every person, as it facilitates healthy functioning in other areas as well. But is this really the case? What does financial health mean to Poles? What importance do they attach to it? Do they care about it? And are they financially healthy? Finding answers to these



questions can be an extremely important point for planning actions that can increase the well-being of Poles, directly in the area of financial health, but also indirectly in the areas of physical, mental and social health.

### Purpose of the study

The study was conducted to achieve three equivalently important objectives, which included:

- 1) Exploring the definition of financial health by Poles
- 2) Understanding the importance Poles attach to financial health
- 3) Checking the level of financial health of Poles based on 9 groups of indicators:
  - the financial situation of the sample,
  - a sense of security and financial stability,
  - planning and achieving financial objectives,
  - assessment of financial knowledge and skills,
  - the level of financial commitments,
  - level and form of financial security,
  - financial security for retirement,
  - level of financial control,
  - attitudes of Poles towards money.

### Survey methodology

The survey was conducted on 26 June - 5 July 2024 using the **CAWI** (Computer Assisted Web Interview) **technique** on the **Ariadna National Survey Panel**.

### Participants in the study

A total of 1,068 adult Poles took part in the survey, forming a nationally representative sample by gender and age, differentiated by education and place of residence.

### Recipients of the report

The results of the study may be useful to a wide audience. The first group are educators and institutions responsible for formal education in Poland, who may draw inspiration from the report as to what areas of financial knowledge and competencies are particularly worth strengthening in Polish society. Another group of recipients are psychologists working with people with financial difficulties, who can draw inspiration from the report about the links between various financial behaviours. Another group are financial institutions, who can adapt their information/education projects and offers to clients to their capacities by better understanding the areas of risk. The report can also be useful to financial and investment advisors, coaches and financial trainers, who can draw inspiration from the report for their more efficient work, to the benefit of the consumer. Finally, we should not forget about the most important audience - consumers, who can find in the report motivation to analyse their own situation and see the possible consequences of their financial decisions today.

The authors of the report are also convinced that the results presented should be of interest and useful to public institutions in the search for solutions for systemic change to strengthen the financial health of Poles.

### Conclusions of the study

- **FINANCIAL SITUATION.** According to the declarations of the study participants, the financial situation of most Poles does not allow them to achieve a level of financial well-being that could be defined as financial health. As many as 25% of Poles declare that their household budget allows them to secure only their basic needs. At the same time, 11% of Poles declare that they can live a full life without worrying about money.
- **WHAT IS FINANCIAL HEALTH ACCORDING TO THE POLISH PEOPLE.** Poles believe that financial health is, first and foremost, about not being stressed about money, feeling financially secure, having one's own income, regular and stable over time, not being in debt, especially excessive debt, and being in control over one's spending and income. It is worth noting that Poles do not include in the definition of financial health a

component relating to goal-setting and realisation, which is one of the 3 basic elements of financial health given in scientific definitions (next to control and financial freedom).

- THE IMPORTANCE POLES ATTACH TO FINANCIAL HEALTH.** Poles attribute a very important role to financial health, while also recognising that it has an impact on other areas of human functioning, affecting mental, physical and social health. At the same time, Poles see the strongest link between financial health and mental health.
- ACHIEVING FINANCIAL HEALTH.** 85% of women and men believe that achieving and maintaining financial health is within their capabilities, although more than half of Poles consider it a difficult task.
- SENSE OF FINANCIAL SECURITY AND STABILITY.** Just over 40% of Poles feel financially secure (both in the short and long term), and around 60% of Poles feel that their income is stable in the short and long term. Thus, looking from the opposite perspective, almost 60% of Poles today do not feel financially secure and almost 40% do not feel that their sources of income are stable, which is an important indicator in the context of interpreting financial health.
- PLANNING AND IMPLEMENTING GOALS** The vast majority of Poles (90%) report having at least intermediate skills in formulating and implementing goals, but only 64% actually have formulated financial goals. Furthermore, one in four women and one in five men have defined financial goals, but do nothing to implement them.
- FINANCIAL KNOWLEDGE AND SKILLS.** In the survey, 87% of respondents rated their knowledge and skills in various areas of financial functioning as at least average. Taking into account the numerous surveys testing the actual condition of Poles' financial knowledge, it can be concluded that their self-assessment is a little too optimistic. This is especially true in areas such as investing and long-term retirement saving, where the majority of Poles score at a low level of basic knowledge in knowledge tests. This discrepancy between subjectively assessed and the actual knowledge may result in an inadequate assessment of the need for education in this area. Although 72% of Poles perceive a need to increase their knowledge and/or skills in various areas of financial functioning, they may underestimate the extent of their knowledge deficits. Nevertheless, the percentage of people aware of the need to acquire additional knowledge (even if unaware of the extent of their lack of knowledge) indicates the great potential of educational and information activities, if they are well matched to the needs and capabilities of their recipients.
- FINANCIAL OBLIGATIONS.** Approximately half of Poles today have financial obligations which they have taken and they repay. The average burden on Poles' household budgets by credit instalments is below 40%, i.e. the limit defined by the Financial Supervision Commission as the threshold for safe credit. The results showed, however, that in many Polish households the presence of other fixed liabilities can make repaying loan instalments a challenge. 28% of credit/loan holders had a problem with repayment in the past year. This demonstrates the importance of education in estimating the real disposable income of households and taking on financial obligations more consciously.
- FINANCIAL SECURITY.** 82% of adult Poles put aside some amount of money at least from time to time, including 40% who do so regularly, every month. The savings accumulated by the majority of Poles do not provide them with long-term security in the event of job loss or inability to work. These results show the importance of educating Poles in the habit of systematic saving and the importance of securing one's future financially.
- USING SAVINGS - INVESTING.** The form of using capital most willingly chosen by Poles is placing it on a deposit or savings account, which 59% of respondents do, or keeping money in cash and on a non-interest-bearing bank account (33%). Interest in more complex financial instruments is much lower, ranging from 4% (cryptocurrencies), to 14% (mutual funds units, shares, ETFs, combined). Women are more likely than men to keep money in cash, in a non-interest-bearing bank account, in deposits or in savings accounts. While men, more often than women, choose investment instruments, currencies and cryptocurrencies for the use of savings. Given that research indicates that Polish women want to invest in what they perceive as safe and familiar, and point to a lack of knowledge as the main barrier to investing (Sekścińska for TFI PZU,2024), the results obtained in this



study correspond well with previous ones, reinforcing the conclusion that financial education of Poles on financial instruments is necessary, with a particular emphasis on educating women. Poles are more willing to save in the short term, most often by hedging their savings on "a rainy day". And yet it is the long-term saving and investing that are the most important pillar of financial health. It is worth bearing this in mind when making recommendations and educating people about investing.

- **FINANCIAL SECURITY FOR RETIREMENT.** The majority of Poles do not know how much currently do they have in retirement contributions in their account with ZUS (the public social insurance agency in Poland, the Social Insurance Institution), but regardless of this, only 39% of adult Poles take any deliberate action to secure their financial future in retirement - and this is more often the case for men than women. Poles most often secure their retirement by saving money in a current bank account, through standardised employee pension products like PPK/PPE, tax exemption pension products like IKE/IKZE, investing in shares, bonds, mutual funds or real estate. However, interest in individual instrument initiatives is much lower than it should be, particularly with regard to instruments dedicated to long-term saving/investing for retirement, e.g. PPK/PPE, in which around 20% of respondents consciously invest. This demonstrates the overwhelming need to raise awareness of pension instruments and reliable knowledge about them.
- **FINANCIAL CONTROL.** The vast majority of Poles take various measures to try to control their finances and are aware of what they spend their money on. One in three Poles even declares that they are very much in control of their spending. Nevertheless, a small percentage (<20%) of Poles are able to specify their income and/or expenditure in the past month with an accuracy of up to PLN 1,000 (less than 250 Euro). These results show the potential of Poles in the area of financial self-control and the willingness to implement it, but at the same time they indicate the need to learn about control tools, which would help increase the effectiveness of one's own actions in this area. There is a need for systemic solutions and actions motivating people to implement good habits of controlling personal finances.

- **ATTITUDES TOWARDS MONEY.** Money evokes emotions in the majority of Poles, so it is not only a tool to perform economic functions, which by definition is emotionally neutral, but it is also a symbol which is a measure of success, happiness, a central element in life, a tool giving a sense of security and freedom. In this context, it is worth noting that every third Pole displays a materialistic attitude. These are important results, showing the importance of working on changing attitudes among Poles, which would shift the role of money towards its economic rather than symbolic functions. It is worth showing the impact that individual people's money can have on shaping the immediate environment and the world around us.

## Recommendations

- Taking care of financial health should be habitual, just like taking care of physical and mental health. No one is debating the wisdom of building physical resilience or stable self-esteem as the key to mental balance. It is worth thinking, in the same way, about the foundations of financial health and building a solid foundation for it. It would be valuable to run integrated campaigns for the general well-being of Poles, showing different areas of health as equivalent and interacting with each other. Such campaigns could help build awareness among Poles that neglecting any one area of health (physical, mental, social and financial) has consequences for the others as well. We need wide-ranging, diverse activities of all stakeholders to develop a culture of financial health for Poles.
- Poles recognise the importance of financial health for general wellbeing in people's lives, which is a very important factor on which to build education and information campaigns. This is also a very valuable starting point for organising individual consultations between Poles and financial advisors/experts, during which it would be possible to diagnose the condition of the consumer's financial health and pre-develop a "recovery plan", if necessary. Such meetings with advisors, if carried out on a large scale, would be a hugely important measure to improve the financial health of Poles. The voluntary Financial Health Check project ([www.zdrowie.efpa.pl](http://www.zdrowie.efpa.pl)) is an example of this.

- Most Poles do not feel financially secure, although they would like it to be otherwise. Unfortunately, Poles often do not know how to bring about a change in the current situation. They also often do not know what the finish line in the race for financial security is supposed to be. In this context, it seems important to promote awareness of the importance of setting, operationalising and implementing financial goals in such a way as to realise them in harmony with oneself and with one's actual needs (and desires), but also with one's capabilities. It is worth helping Poles to ask themselves questions: How am I here, where am I today? Where would I like to be today /tomorrow/ in 5-10-15 years? What has to happen for me to be there?
- The implementation of long-term or demanding financial goals is usually associated with experiencing difficult moments, which are not always overcome by staying on the desired course. Therefore, it is important to sensitise Poles to what barriers they will in fact have to overcome in order to reach their goals and to pay attention to what strengths (resources) they can rely on.
- A factor blocking investment and insurance decisions and affecting credit, savings and other decisions, is often the level of financial knowledge held. Although Poles assess their level of financial knowledge as average, their subjective assessment varies between areas of financial decision-making, performing worst in the more difficult areas such as investing, long-term savings instruments and taxes, and slightly better in areas relating to everyday consumer experience. Furthermore, Poles' objective level of knowledge is clearly lower than their subjective self-assessment. Thus, in order to improve the financial health of Poles, it is necessary to raise their level of financial knowledge.
- 72% of Poles feel the need to deepen their financial knowledge, yet the vast majority of them do little in this regard. As studies show, less than 10% of Poles deliberately seek financial knowledge in the field of investing, long-term saving, credit or insurance, about 45% deepen their knowledge only if they are interested in something they hear by chance, while the rest know as much as they learn on occasion and do not verify or deepen their knowledge at all (Sekścińska, 2023; Sekścińska, 2024). When planning education/information activities, it is worth bearing in mind each of these three audiences. Thus, it would be valuable, alongside other activities, to offer knowledge also in a form that would reach the recipient as if "by chance". It would be worthwhile for it to be presented in such a way as to encourage those who are willing to read more to do so, while at the same time taking care of those who are not. The information should be concise and straightforward, clearly describing the issues in a way that does not require in-depth study if only basic knowledge is required.
- ZUS (the Social Insurance Institution in Poland) projections for the replacement rate of future pensions do not fill us with optimism, e.g. for 2060 it is 24.6%. This shows the overwhelming importance of Poles having additional financial security for retirement. Most Poles expect that the funds they will be paid out by ZUS will not allow them to live with dignity when their working lives are over, but only less than 40% of respondents indicated that they are taking steps to secure their financial future. Moreover, in their spontaneous responses, respondents asked about the need for save for retirement, the percentage of Poles who do not save for retirement is 10% lower, indicating that some activities are automatic (e.g. PPK) and may not be an expression of everyday concern for the financial future. Poles do not save for retirement for a variety of reasons, but in terms of educational activities, two of these are worth noting in particular: (1) insufficient awareness of long-term saving/investment instruments and insufficient knowledge of the pension system and pension instruments, and (2) unsupportive attitudes and beliefs, relating primarily to fears about the security of one's funds, which is the result of a lack of trust in politicians (won't they change the law?), financial institutions managing the capital entrusted to them (will they invest my money well?), one's own knowledge and competence (will I choose well a financial instrument, and an institution that I trust?), the instruments themselves (are they really what I think they are?). Addressing these doubts and improving knowledge of pension instruments would be hugely valuable and could go a long way to increasing Poles' interest in financially securing their retirement.





- For many Poles, money is a symbol of / measure of their happiness, success and is central to their lives, which is a manifestation of materialist attitudes. Furthermore, money often becomes the measure of a person's worth, which makes the relationship with it no longer healthy. It is worth noting that materialistic attitudes are passed on between generations. Parents transfer them onto their children, which can be seen while observing young people, for whom a brand is nowadays much more than just the name of a manufacturer of a particular item. - A brand is a symbol, something that defines the owner of an object. Although the movements for reduced consumption, minimalism, zero waste

and an ecological approach to goods have been growing in strength, the materialistic approach is still going strong and is not significantly declining. Meanwhile, the damage that materialistic attitudes can do to a person's mental health is obvious, so it is very important to try to counteract this attitude to money. Of course, it is unrealistic to expect money to have an exclusively economic function for people, but it is possible to try to make symbolic roles relating to social relationships and evaluating oneself and others less important than they are today.

dr hab. Katarzyna Sekścińska

# Survey methodology





The survey was conducted **using the CAWI** (Computer Assisted Web Interview) **technique** on the **Ariadna National Research Panel**, which holds a current **PKJPA certificate** confirming the high quality of its research services. The total size of the panel exceeds 300,000 registered respondents.

Data was collected between 26 June and 5 July 2024 among registered participants panel who

met a total of three criteria: being of legal age, working and agreeing to give their income specified in a range.

A total of 1,068 adult Poles took part in the survey, forming a nationally representative sample by gender and age, differentiated by education and place of residence.

# Sociodemographic characteristics of the survey sample





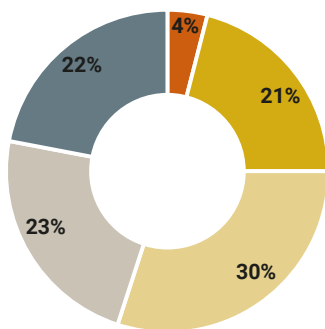
A total of 551 women, 514 men and 2 non-binary people took part in the study, ranging in age from 19 to 78 years (mean age 43 years).

The sample analysed was diverse in terms of place of residence, including geographic location and size of place of residence. The largest number of study participants came from the Mazowieckie (17%) and Śląskie (12%) areas and the smallest from the Opolskie and Lubuskie areas (2% each), which reflects the demographic structure in Poland.

In terms of the size of their place of residence, 37% of respondents were residents of rural areas, 32% residents of large and major cities, and 31% residents of small and medium-sized towns.

Slightly more than half of the respondents had a university degree (51%), persons with primary and basic vocational education accounted for 9% of the sample, while 40% of respondents declared that they had completed secondary or post-secondary education. Compared to the educational background of the Polish population, the sample was over-represented by the most educated Poles and under-represented by those with the lowest education, which is largely due to the methodology of the study - the least educated people often also have digital difficulties and often do not register with the research panels, which is compounded by the fact that basic education more often applies to older people than to young adults or middle-aged adults.

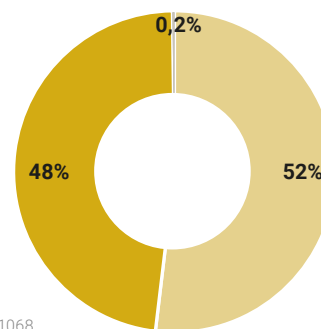
Age of respondents



N = 1068

- 18-24 years, 25-34 years, 35-44 years, 45-54 years, 55 years or older

Gender of respondents

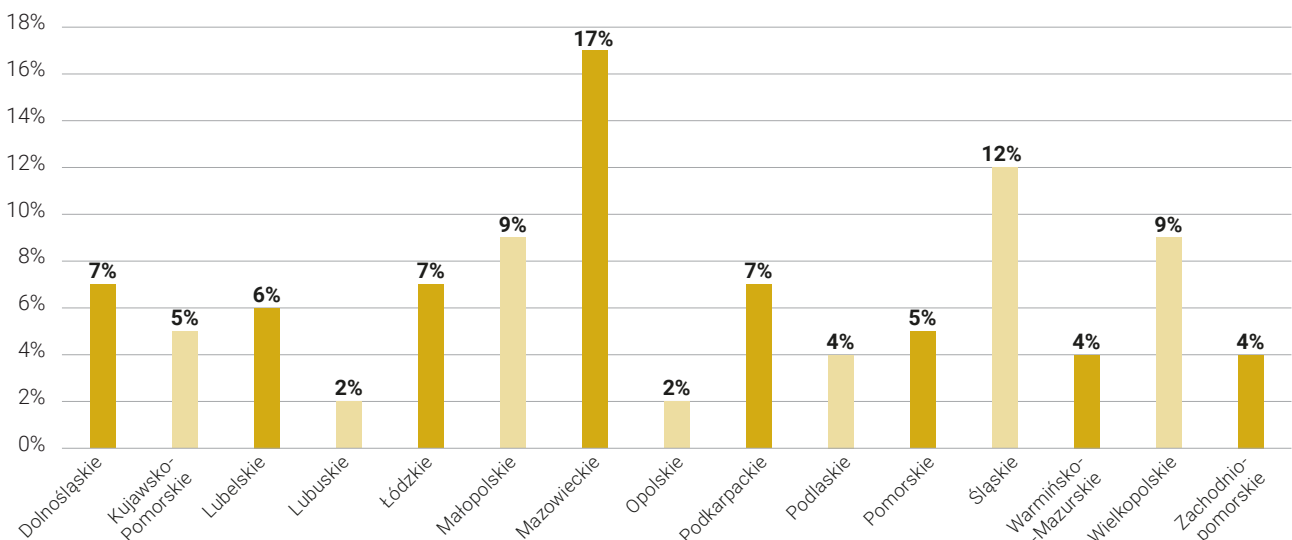


N = 1068

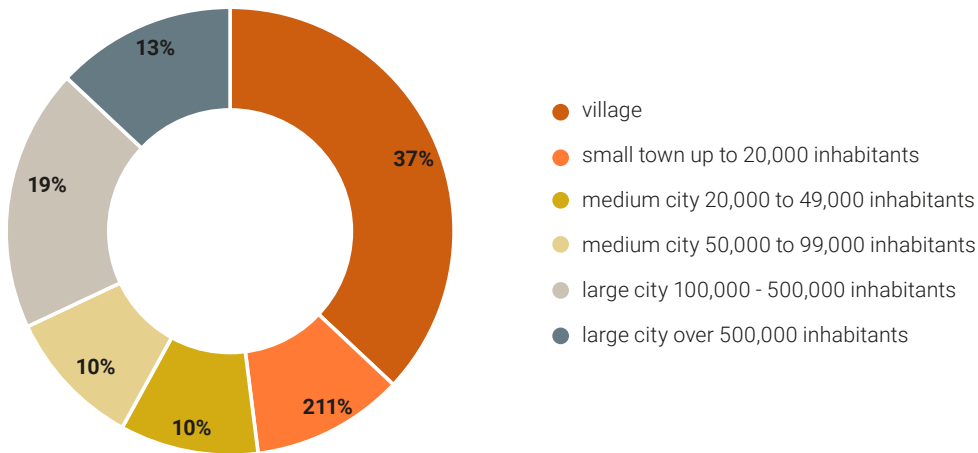
- Female, Male, other (non-binary)

Province of residence

N = 1068

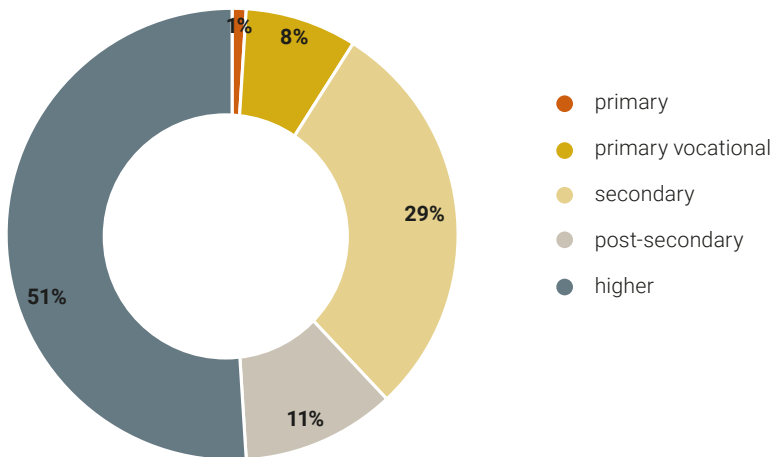


Size of residence



N = 1068

Education



N = 1068

All respondents were economically active. 84% of the participants were working "full-time", 10% were self-employed, 10% had casual jobs, 2% were stu-

dying, 3% were retired and 1% were housewives. Some people indicated more than one answer to the question on the form of employment.

# Financial health of the survey sample



The objective financial situation of the study sample varied, with median results ranging between 3001 and 4000 PLN of net monthly income per person in the household. 2% of respondents indicated a net income of less than PLN 1000 per person, while 5% declared their household income of more than PLN 8000 per person. The average disposable income per person in Poland in 2023 was PLN 2678.30. Given that the statistic has been growing consistently over the past years, it can be expected that it will be slightly higher in 2024 than in 2023. At the same time, it should be borne in mind that people at risk of economic exclusion, the poorest, are usually not included in panel studies, as they are not registered in them, which shifts the average income of panellists slightly upwards. It seems that, taking into account the factors described above, the recruited sample reflected the Polish population well in terms of financial situation.

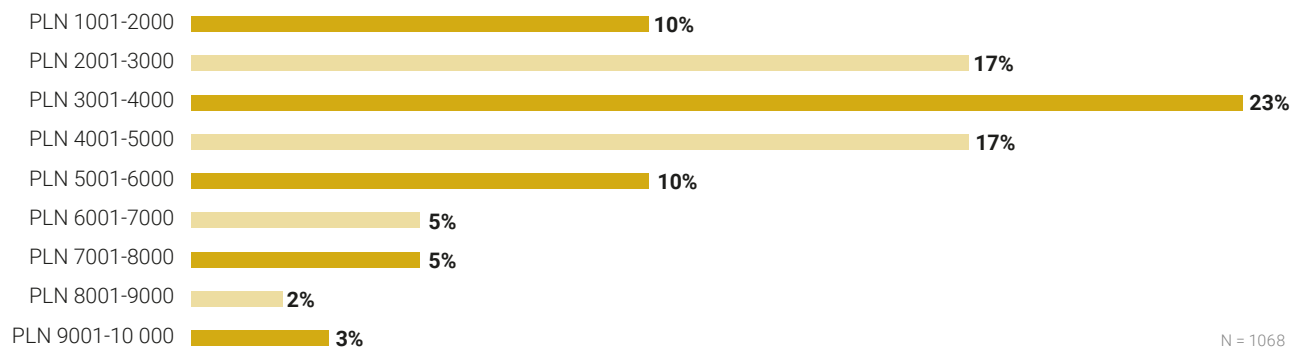
The variation in the objective level of income in the sample translates into its subjective assessment by respondents. As a result, 12% of respondents described their financial situation negatively (of which 1% as very bad), 44% positively (including

4% as very good) and 44% indicated that it was average.

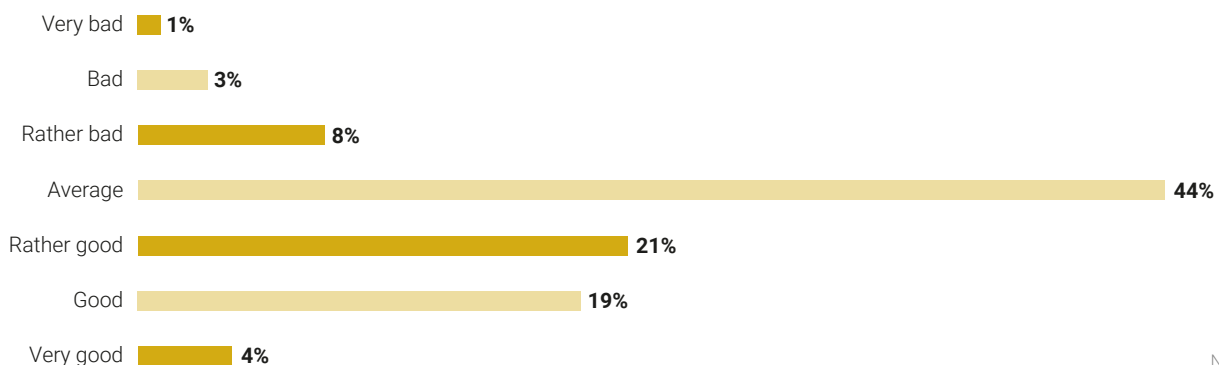
The study described above also measured financial situation through the lens of 12 categories of needs that can be met within a household budget: (1) the necessary costs of living, (2) feeling financially secure, (3) purchases that make me feel part of a group I want to belong to, (4) my family's day-to-day shopping needs, (5) making a major purchase at least occasionally, (6) putting aside some of the money I earn each month, (7) developing and pursuing passions, (8) securing my financial future, (9) securing my children's financial future (if not applicable, hypothetically), (10) achieving my life goals, (11) realising my dreams, (12) living life to the full.

Individuals who have achieved financial health should be able to satisfy needs from all the categories analysed. However, the financial situation of the majority of Poles does not seem to allow them to achieve optimal levels of financial wellbeing that falls within the definition of financial health, as respondents' answers indicate that:

### Net income per person in the household



### Subjective assessment of one's own financial situation





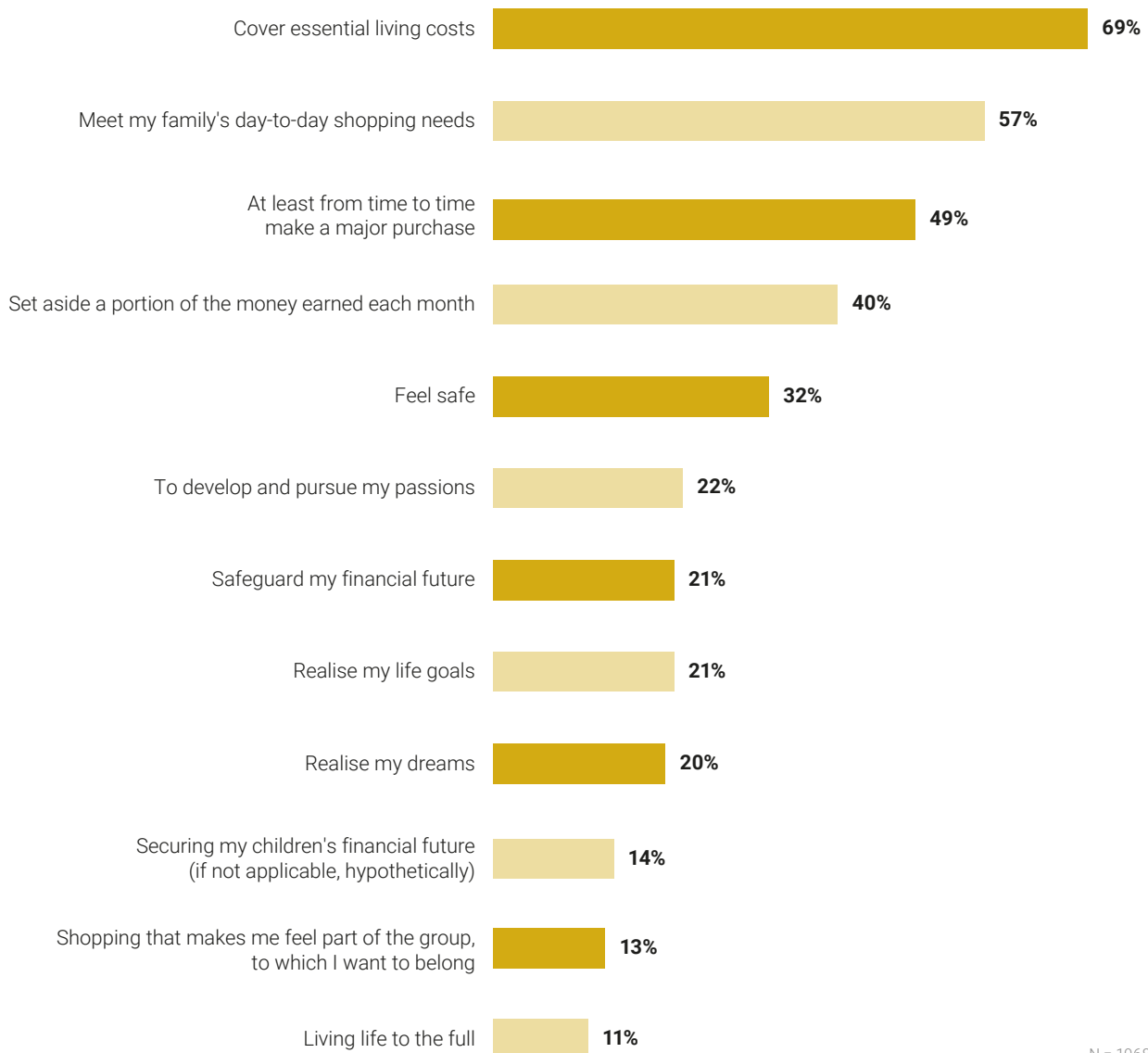


- The financial situation of the household allows only 11% of adult Poles the freedom to spend so as to live life to the full;
- only one in five Poles can afford to develop passions, pursue dreams or life goals;
- One in three Poles feel secure in their financial situation, one in five can afford to secure their financial future and only 14% can secure the financial future of their children.

Only less than 2% of respondents (20 persons to be exact, including 16 women and 4 men) decla-

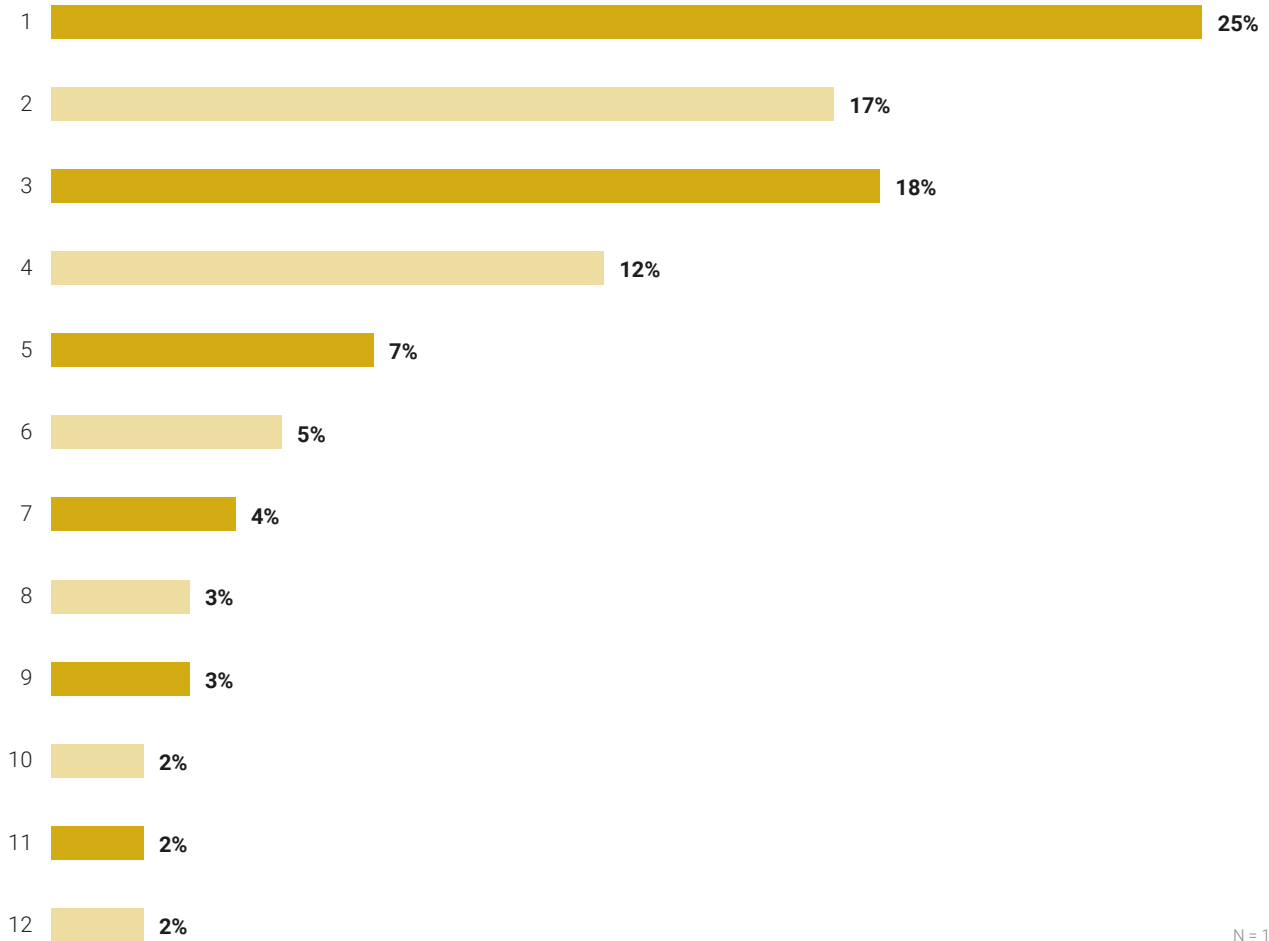
red that their financial situation allows them to satisfy their needs from all categories analysed. One in four respondents indicated that the only thing their household budget allows them to do is to cover the basic, necessary costs of living. A further 35% of Poles said that their situation allows them to meet two or three categories of needs at best, with this most often referring to the family's current shopping needs and a larger purchase from time to time. In total, 79% of adult Poles are able to meet no more than 5 of the 12 categories of needs that fall under the definition of financial health within their budget.

My financial situation allows me to:



N = 1068

Percentage of people who indicated a given number of categories of needs that could be met within their household budget



N = 1068

# Understanding the concept of financial health



People create their own definitions of financial health, usually reflecting their ideas of what a financially healthy (not always meaning financially fulfilled) person looks like. In this study, participants were asked to give their own definition of this concept. Of the various components mentioned by the people surveyed, 17 were indicated by at least 5 per cent of the group, which is above the limit of statistical error.

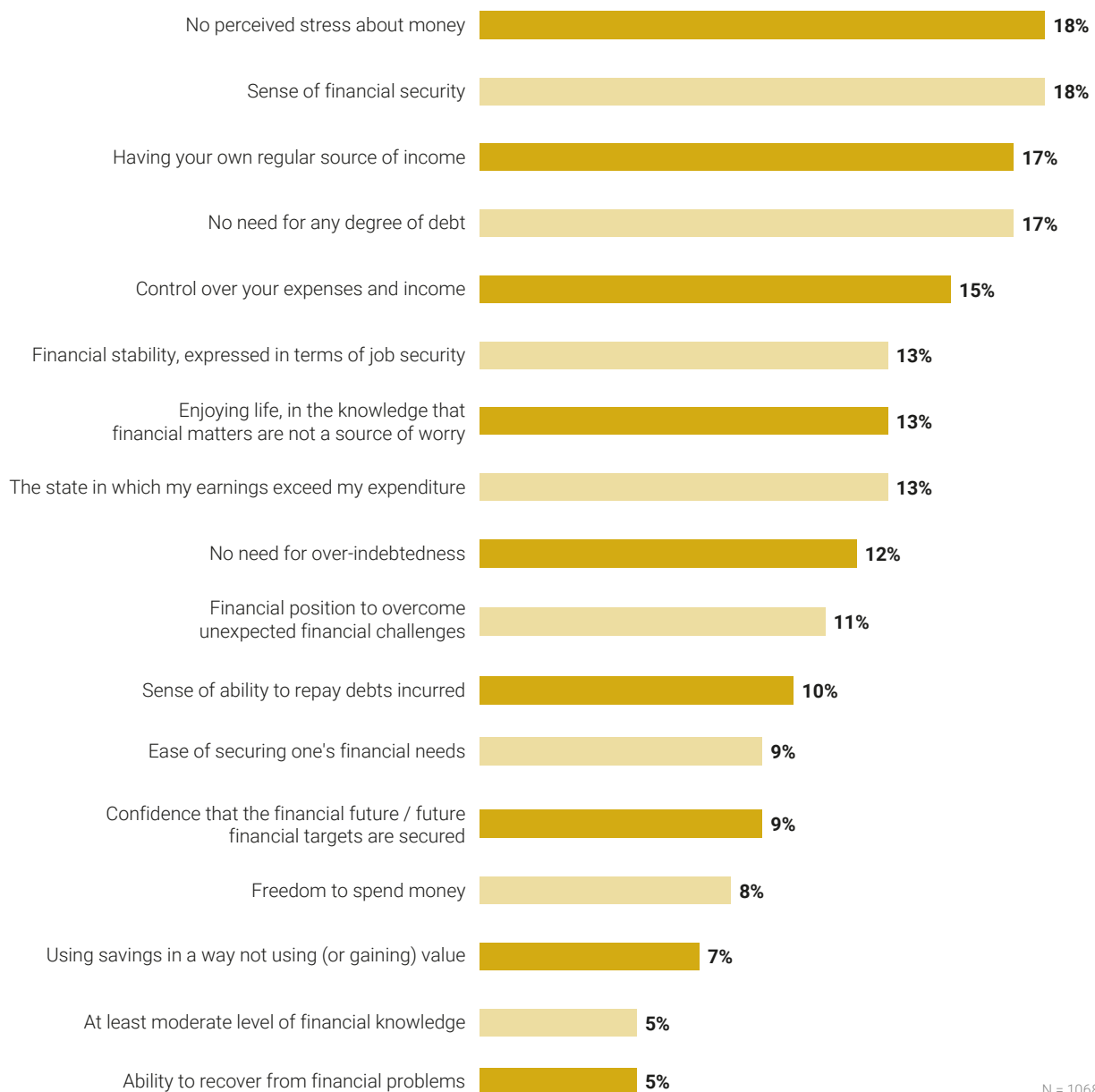
The most commonly identified components of financial health relate to the peace of mind associated with the financial aspect of life, expressed in the

absence of money-related stress, a sense of financial security, having one's own (regular!) and stable source of income over time and not having to go into debt (too much or at all).

15% of Poles include control of their budget – both expenditure and income - in their definition of financial health, while 13% of respondents add the ability to save money on a regular basis. 13% of respondents indicate that financial health is a state when you can enjoy life without worrying about finances.

### What is financial health?

(Percentage of people who indicated a criterion as very important and most important)



N = 1068



Another aspect of financial health is coping with financial challenges, such as the ability to repay debts (10%), overcoming unplanned financial difficulties/challenges (11%), and the ability to recover from financial problems (5%). The low percentage of indications for the latter example may be due to the fact that Poles perceive the state of financial health as one in which financial problems do not happen.

Interestingly, only 9% of Poles identify financial health with securing one's financial future and 7%

with investing. Furthermore, only 5% of respondents perceive having financial knowledge as a component of financial health. It is worth noting this and trying to show Poles the importance of these factors in the context of financial health, as the foundation for maintaining financial health in the long term is securing the financial future supported by specific investment decisions. And one of the key reasons for not investing most frequently mentioned by Poles is insufficient financial literacy.

# Definition of financial health adopted in the study





In order to standardise the participants' understanding of the concept of financial health so that the results could be interpreted collectively, they were presented with the following definition and asked to adopt it for the purposes of participating in the study.

The record presented to the study participants read:

*"There are many different definitions of financial health. In this study, by financial health we mean a state in which:*

- *You are in control of your day-to-day finances and your monthly and annual budget,*
- *You are able to cope with unexpected major expenses,*
- *You meet your financial targets according to plan,*
- *You have the financial freedom to make decisions that allow you to enjoy life.*

*We ask you to adopt this definition when answering further questions in the survey."*

# Subjective meanings of financial health







Poles rate the importance of financial health highly, rating it on average at 8.15 on a 10-degree scale. On average, women rated the importance of financial health significantly higher than men (mean among women = 8.34 vs. mean among men = 7.95,  $t(1064)=4.65, p<.001$ ). Nevertheless, a value of 8 out of 10 was the most frequently indicated - both among men (30% of indications) and women (32% of indications).

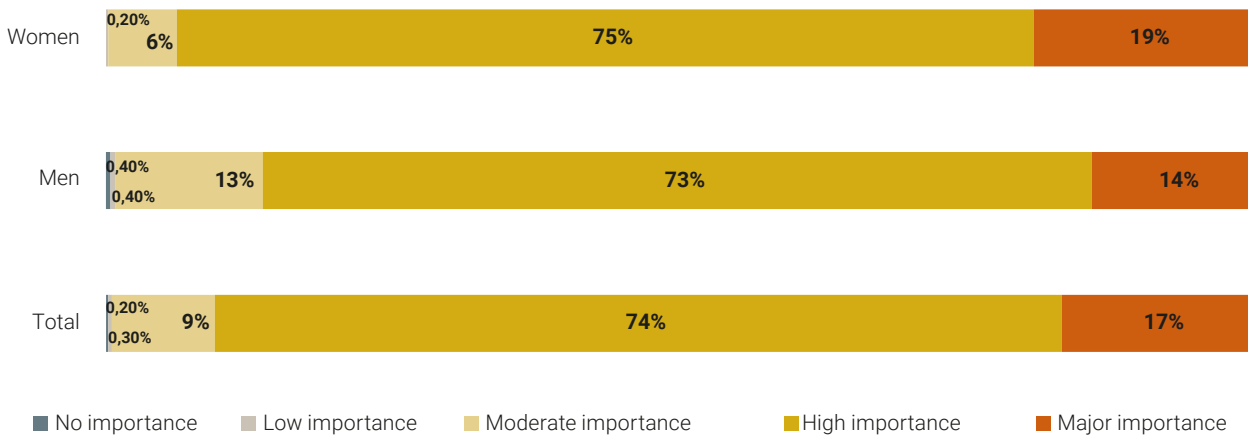
It is noteworthy that 91% of Poles attribute high importance to financial health, and this is more often the

case for women (94%) than for men (87%). Furthermore, 17% of Poles believe that financial health is the most important thing in their lives. On the other hand, only 0.5% of respondents neglected or underestimated the importance of financial health. Interestingly, this group included only men (0.8% of men).

Poles recognise the impact of financial health on other areas of functioning, in particular mental, social and physical health. The strongest relationship is observed by respondents between financial health and mental health. In this aspect, the impact of fi-

How important is your financial health to you?

N = 1068



To what extent does your financial health directly or indirectly affect other areas of your health?  
(average score on a scale from 0 - has no impact at all to 10 - has a very high impact)



N = 1068

financial health is high, estimated at an average of 8.1 on a scale of 0-10.

The interpretation of the score for physical health is similar and also indicates a perceived high impact of financial health, but the score is significantly lower than for mental health at 7.3 on a scale of 0-10.

It is worth noting that money is important in terms of building social relationships, status and how people are perceived by others. However, this is not the first, spontaneous association, and it is often a relationship that people ignore, overlook or even deny. Hence, there is probably not much, but rather a moderate role of attributing financial health in explaining social health.

For each of the health areas analysed, a stronger impact of financial health on them is perceived by women than men, with a statistically significant difference in each case<sup>1</sup>

Clear differences can be seen in the case of assigning a very high role to financial health in explaining other areas of health (scores of 9 and 10 on a scale of 0-10). In the case of mental health, the two highest values are attributed by 48% of the respondents (56% of women, 40% of men), in the case of physical health by 26% of the respondents (31% of women, 22% of men), and in the case of social health by 20% of the respondents (23% of women, 16% of men). Importantly, in each case it is women who more often attribute the highest importance to financial health in shaping other areas of health, with the greatest - 16% - difference in the area of mental health.

When it comes to financial ill-health, Poles see the greatest threat to mental health, but many also perceive a strong threat in other areas, with women showing greater sensitivity in this area than men.

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<sup>1</sup> Social health:  $t(1064)=3.07$ ,  $p<.001$ ; mental health:  $t(987)=6.18$ ,  $p<.001$ ; physical health:  $t(1064)=4.56$ ,  $p<.001$ .

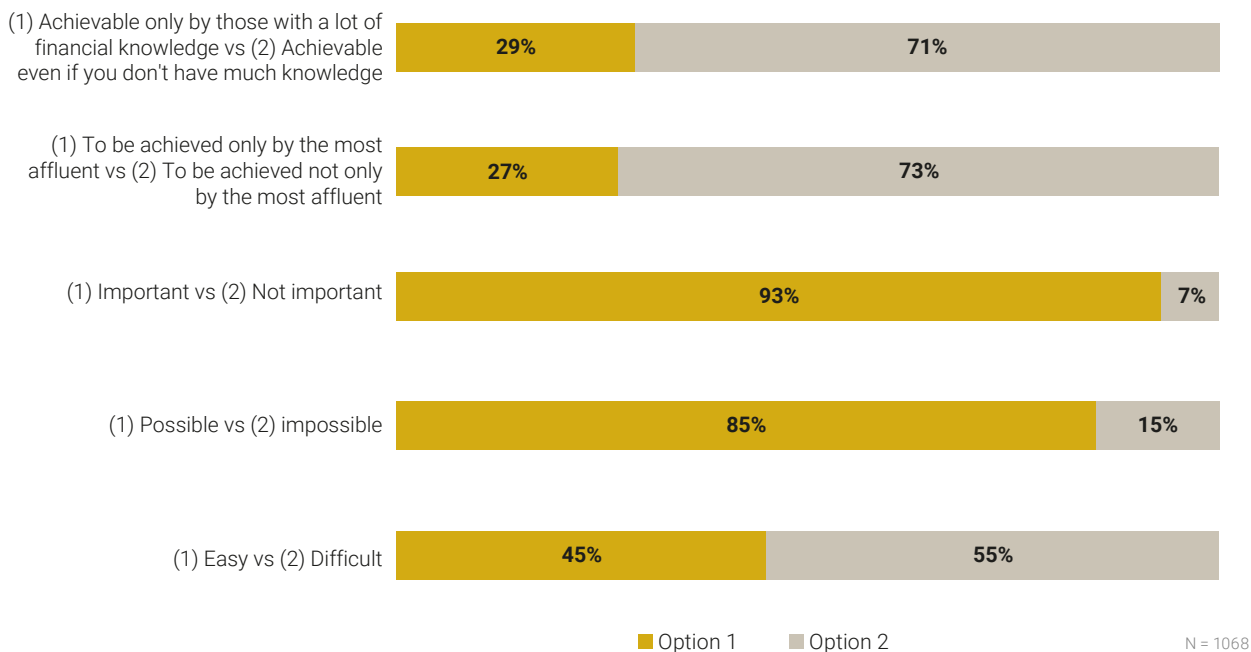
# Perceived ability to achieve and maintain financial health



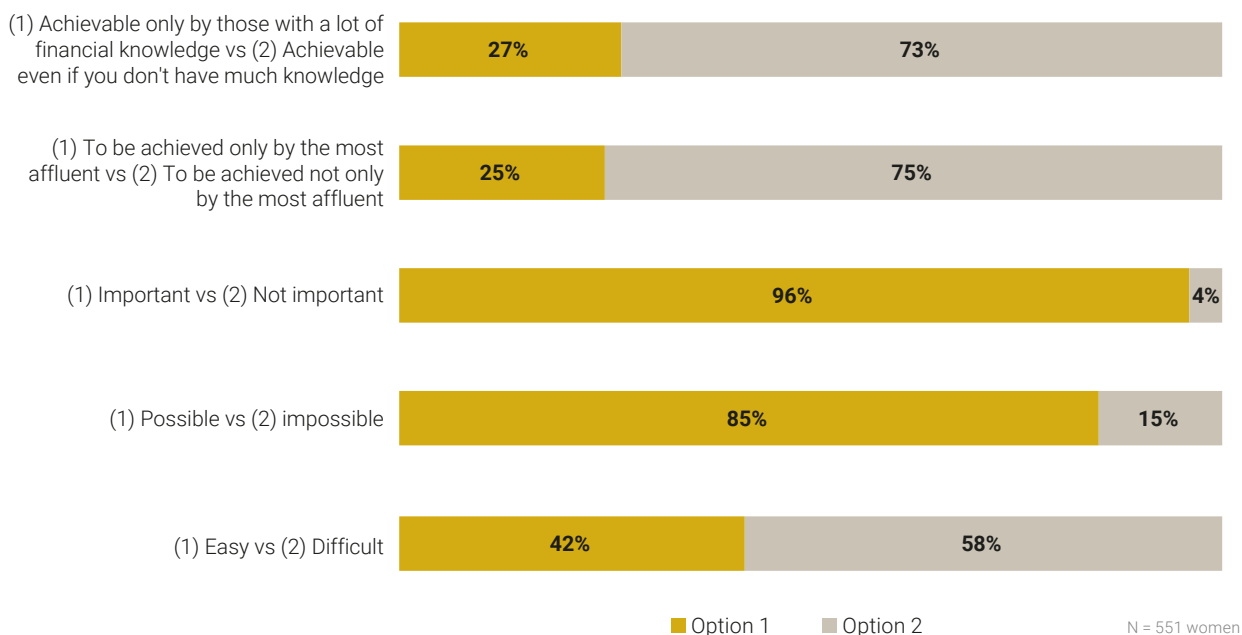
In the opinion of more than 70% of Poles, financial health can also be achieved by a person who is slightly less wealthy and does not have very extensive financial knowledge (women are slightly more likely to respond in this way than men). This is an important result, especially in the context of the two main reasons usually

cited accounting for not saving and not investing - insufficient budgeting and insufficient knowledge, while saving and investing are the most important pillars of financial health. This inconsistency may indicate that the reasons for not saving are often an excuse rather than a real reason.

**Achieving and maintaining financial health is for me / in my opinion (TOTAL RESEARCHED):**

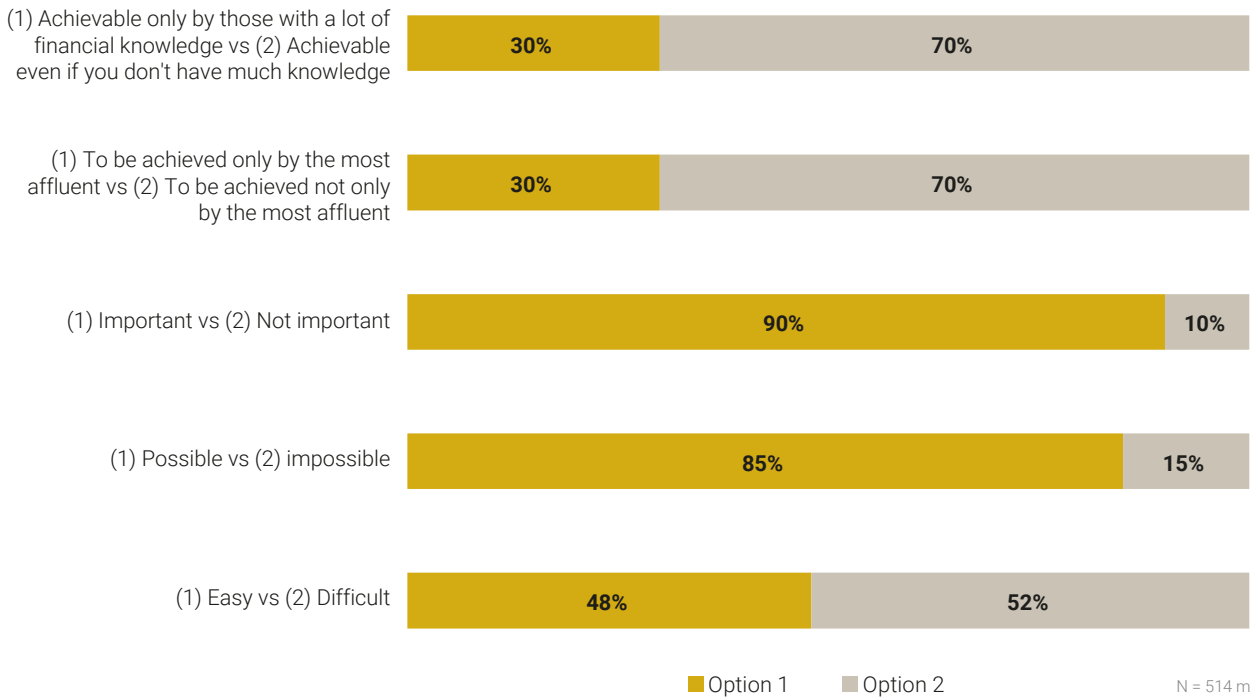


**Achieving and maintaining financial health is for me / in my opinion (WOMEN'S OPINIONS):**





**Achieving and maintaining financial health is for me / in my opinion (MALE OPINIONS):**



# Subjective assessment of financial health





The average self-assessment of financial health made by Poles is 4.6 on a 7-point scale, meaning a value between neutral (neither good nor bad) and positive (rather good). However, men rate their financial health on average slightly higher than women (4.7 vs. 4.5). Half of Poles rate their financial health positively (52%) - of which 18% rate it well and 5% rate it very well. Positive ratings are more common among men than women (55% vs. 49%). It seems, therefore, that at least in the case of half of Poles, it would be worthwhile to strive for better financial health.

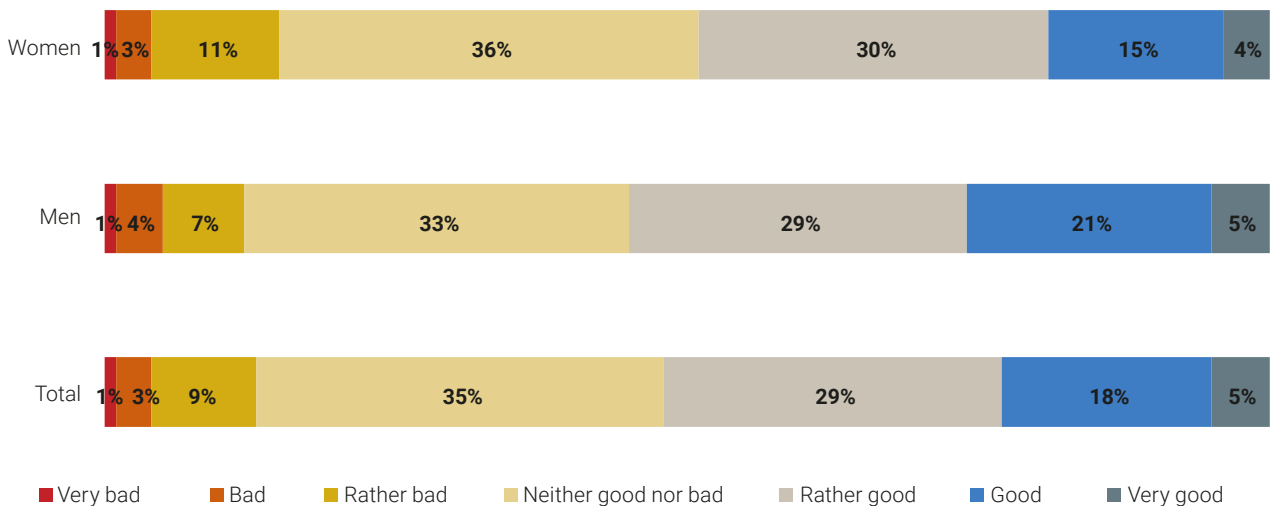
years) and longer (several years) time horizons. A sense of financial security is usually defined by Poles as a financial situation that secures the future so that they can "sleep soundly".

42% of Poles give a positive assessment of their financial security over the next few years, while 41% make such an assessment with a time horizon of several hundred years. At the same time, this means that almost 60% of adult Poles do not feel financially safe either in the long or in the short term. The results indicate that men are more likely than women to feel that their financial situation allows them to sleep soundly. This applies both to their perception

One of the key components of financial health is a sense of financial security, both in the short (several

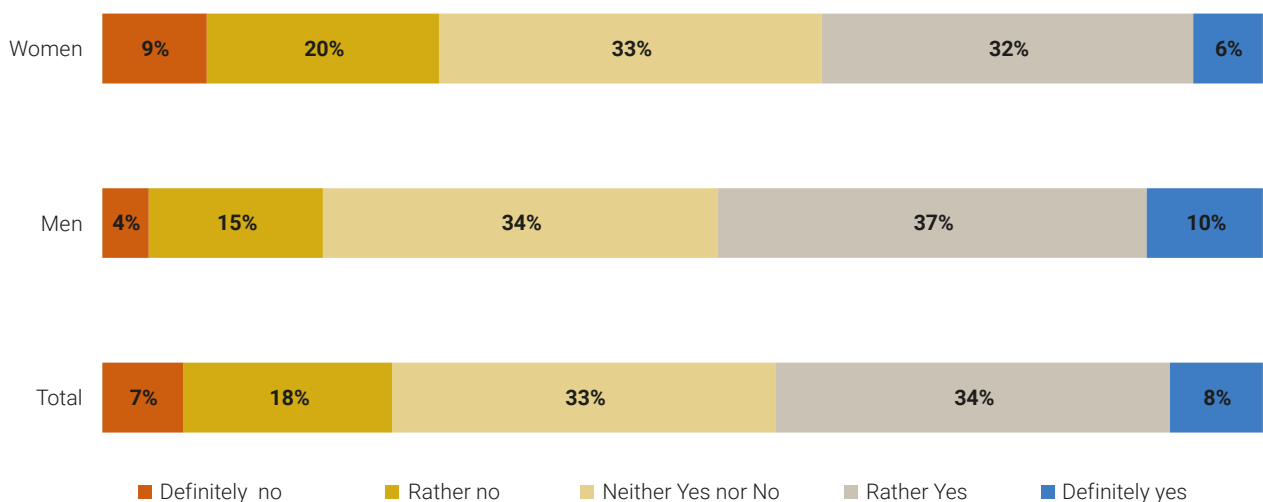
How do you assess the condition of your financial health?

N = 1068



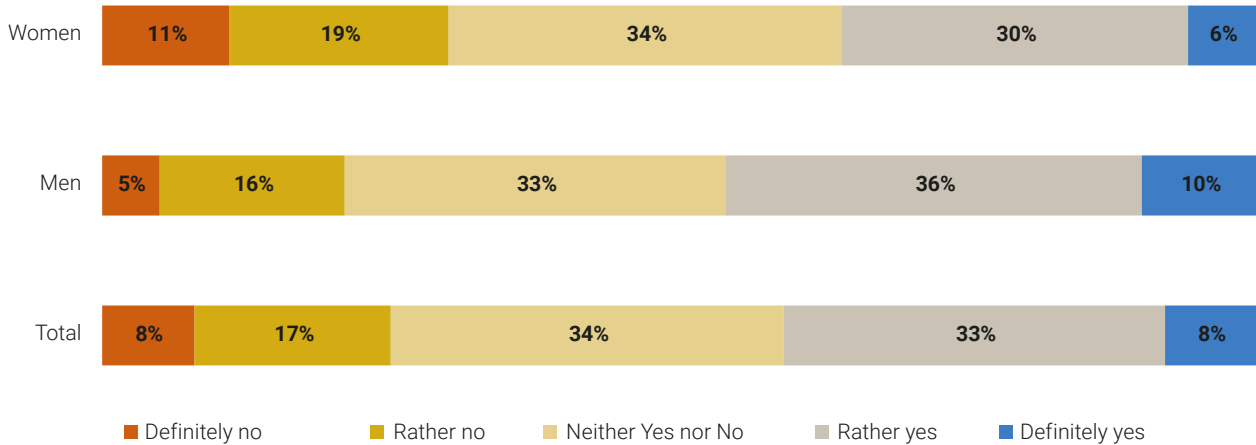
Do you feel that you have the financial security to rest assured, given the horizon of the NEXT FEW YEARS

N = 1068



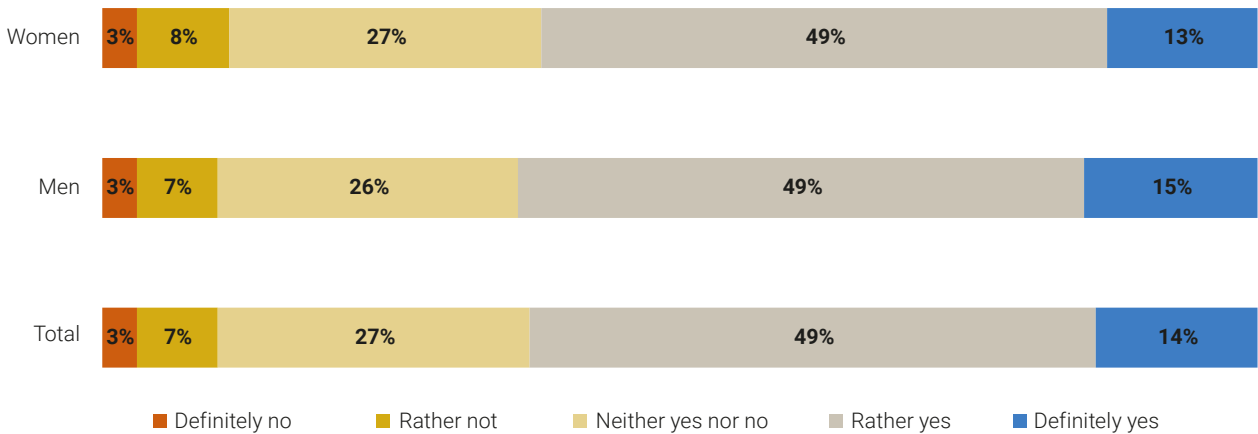
**Do you feel that you have the financial security to sleep well, given the horizon of SOME years to come:**

N = 1068



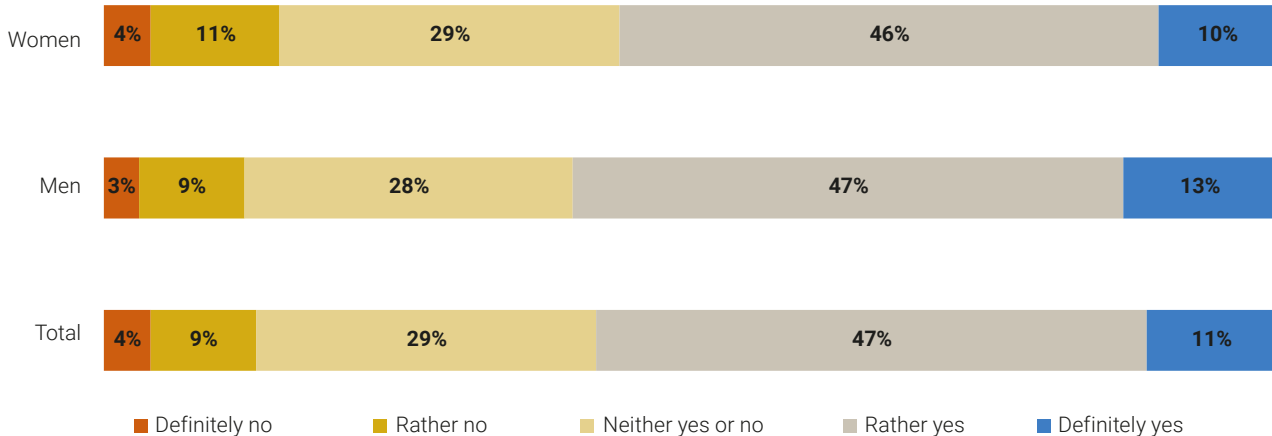
**Do you feel you have stable revenue streams considering the horizon of the NEXT FEW YEARS**

N = 1068



**Do you feel you have stable revenue streams, given a horizon of SOME years to come:**

N = 1068







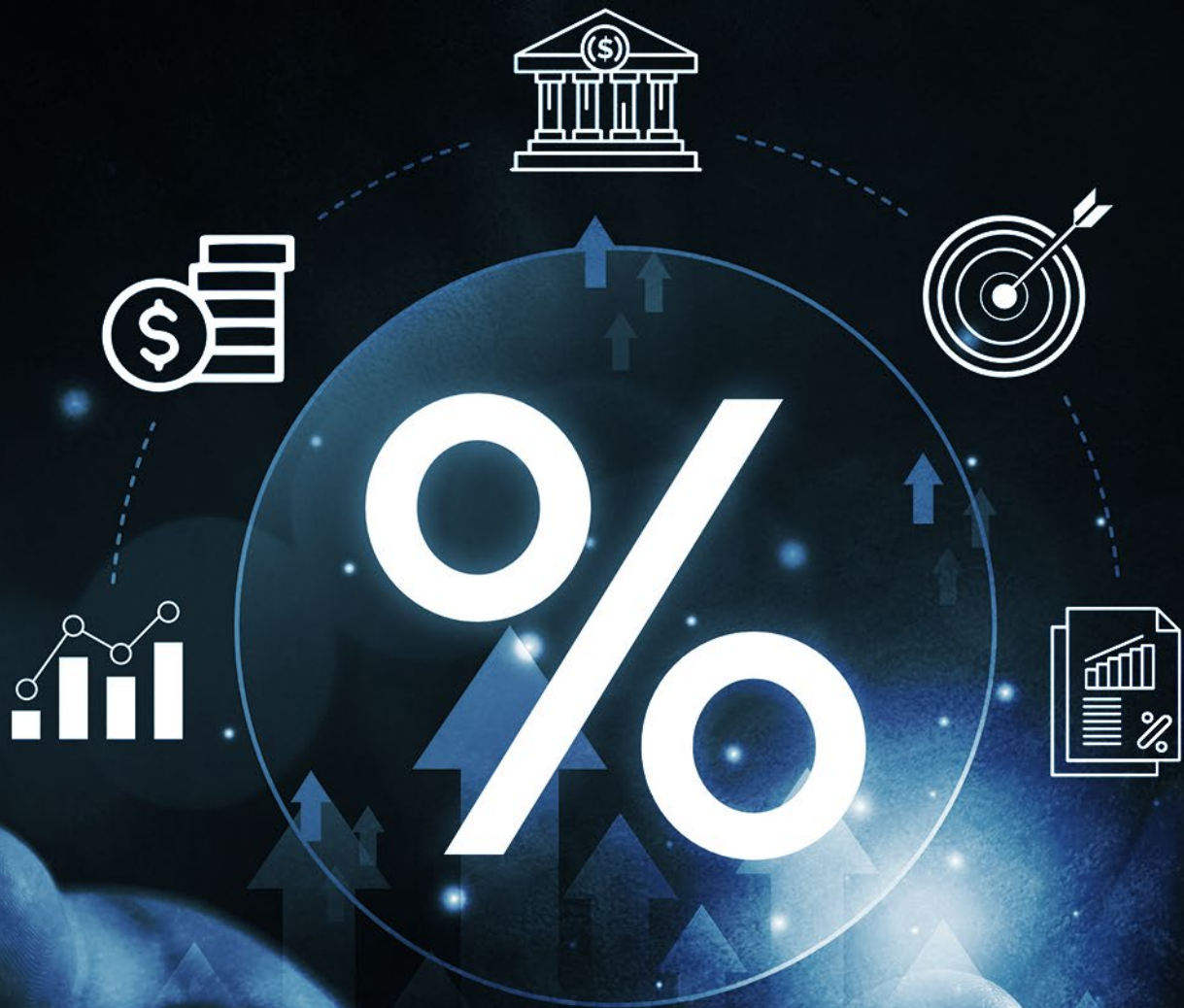
of their own financial security for the next few years (47% vs. 38%) and for the next several years (46% vs. 36%).

In addition to a sense of financial security, another very important indicator of financial health is a sense of financial stability, expressed in terms of a sense of stability of current sources of income.

The results showed that 63% of adult Poles feel that their sources of income are stable over several years, while 58% of adults also expect their sources of income to be stable over several years.

Women's and men's perceptions of income stability are at similar levels, with a slight advantage for men (at 2% in a few years and 4% in several years).

# Ability to formulate and implement objectives





A key element in the context of achieving and maintaining financial health is to formulate goals well and to pursue them persistently. To do this, it is essential to have a range of skills.

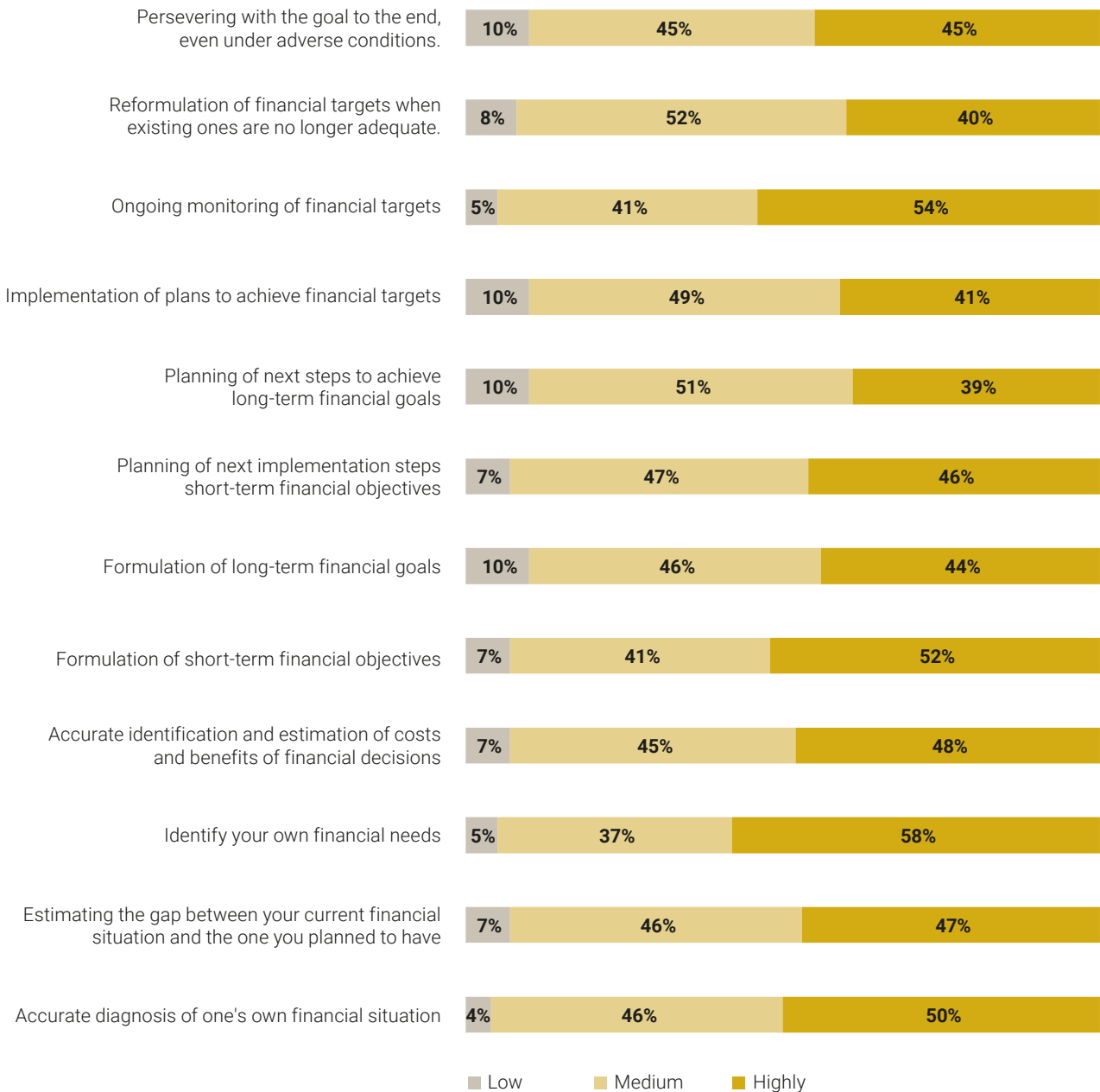
The starting point for any goal is always an accurate diagnosis of the current situation. Half of adult Poles have a high opinion of their abilities in this area, and this applies almost equally to women and men.

The next step is to recognise one's own needs and to define the discrepancy between how things are and how a person would like them to be. A high recognition of one's own needs is declared by 58% of the respondents, similarly by women and men, but a high ability to accurately estimate the discrepancy is declared by 47% of the respondents (3% more men than women).

The next stage is to estimate the potential benefits of achieving the goal and the costs to be in-

How would you rate your skills in the following areas: (TOTAL RESEARCHED)

N = 1068



curred to achieve it. On average, 48% of Poles indicate their own high skills in this area, but this is clearly more often the case for men than women (51% vs 37%).

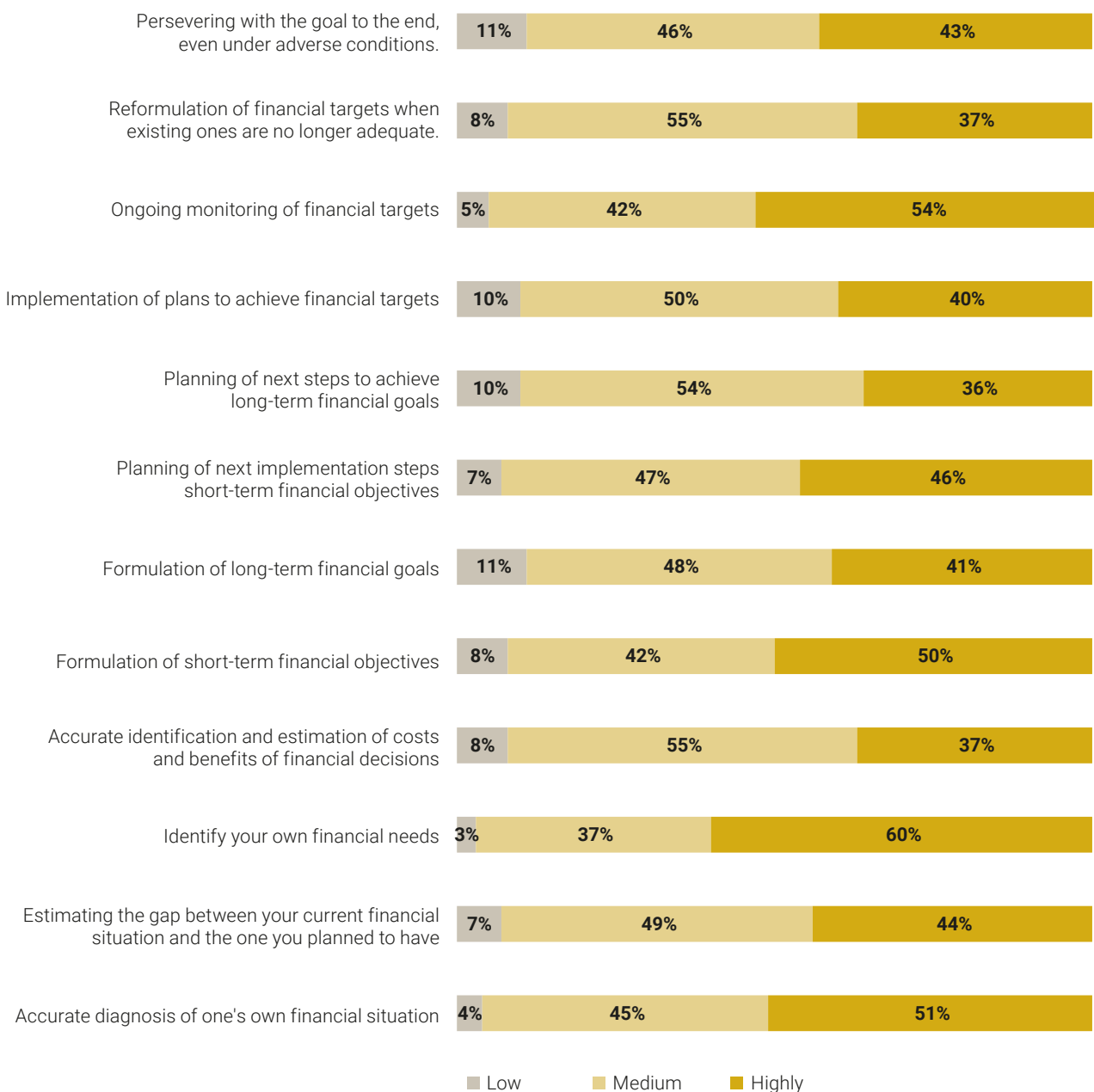
The next stage is goal formulation. Poles are more likely to rate their ability to set short-term goals highly than long-term goals (52% vs. 44%), and in both cases this is slightly more often the case for men than women (4% difference).

The ability to plan the next steps in achieving goals is rated highly by 46% of Poles in the case of short-term goals and 39% in the case of long-term goals, with no differences between men and women in the case of short-term goals, but in the case of long-term goals, men are more likely to have a high rating.

The implementation of plans is a crucial moment, because even the best formulated goals all too often remain in the realm of dreams, despite the fact that

**How would you rate your skills in the following areas:  
(WOMEN'S RESPONSES)**

N = 552





they could be realised many times over. A high level of skill in this area is claimed by 41% of respondents, slightly more often by men than women (43% vs 40%).

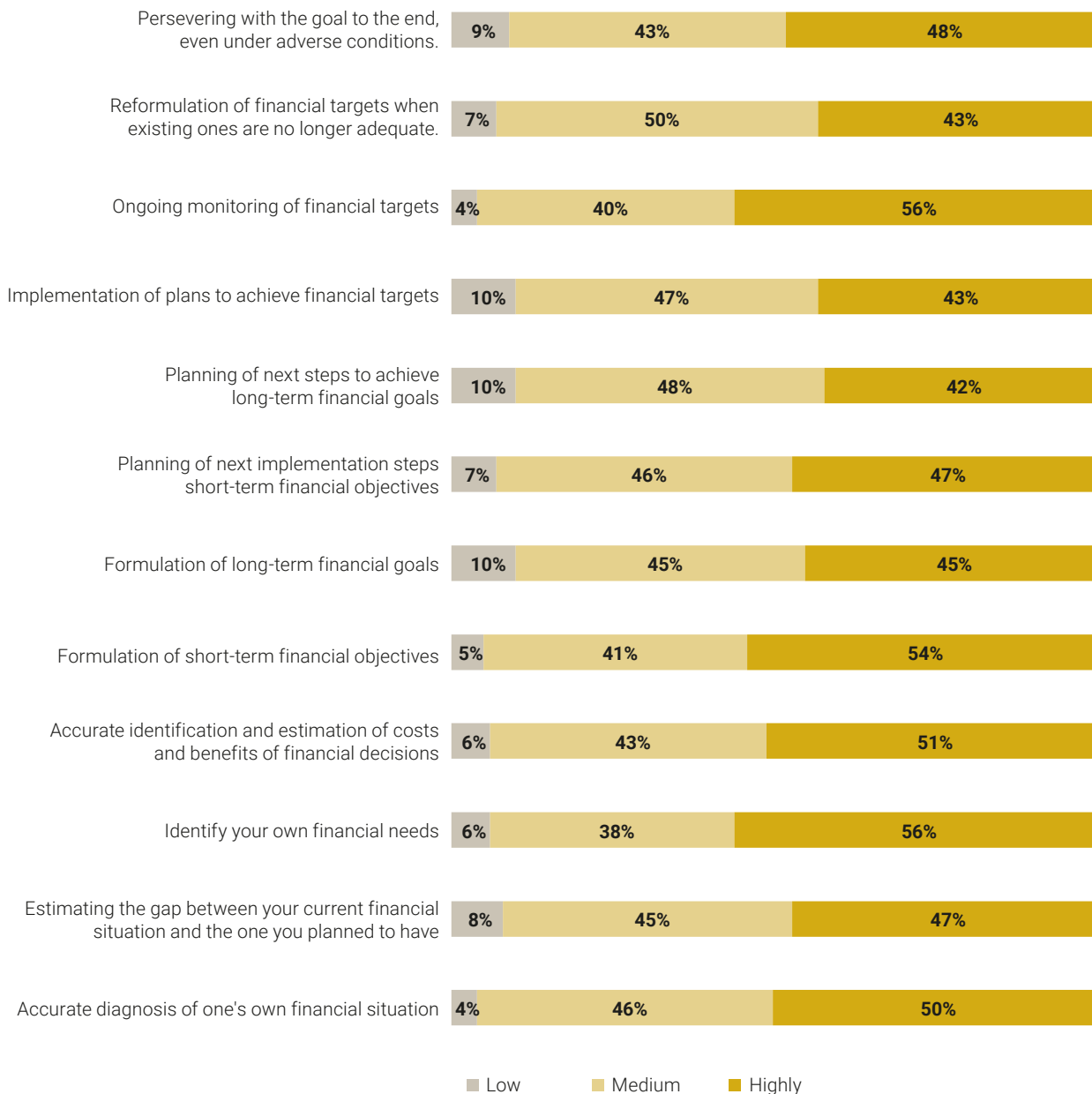
A common mistake made in achieving a goal is to overlook their ongoing monitoring, not only in terms of progress, but also in terms of benefits and costs. 54% of Poles indicate that they are highly skilled in this area (women and men alike). The fact that this stage of goal realisation is

often overlooked is indicative of having the competence, but not using it to the optimum extent.

It is not uncommon for the verification of a goal during its implementation to lead to conclusions that would dictate abandoning its further implementation or modifying it even slightly. Due to the costs incurred in the past (in terms of time, money, energy and others), the need to close projects and be consistent, many find it difficult to abandon or change their goal. Only 40% of adult Poles indicate high self-

**How would you rate your skills in the following areas:  
(MALE REPLIES)**

N = 514



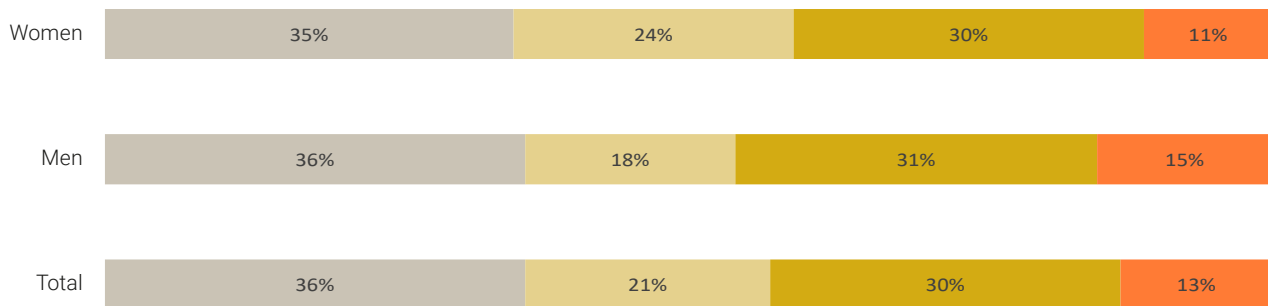
f-competence in this area, with 6% more men than women declaring this.

The final stage is to persist with the goal despite unfavourable conditions. High skills in this context are indicated by 45% of adults, with 5% more men than women.

The natural question arises as to how declared skills translate into actual setting of long-term goals. 36% of Poles do not have defined long-term finan-

cial goals, which applies almost equally to women and men. 24% of women have formulated long-term financial goals, but are not pursuing them, while the same response is given by 18% of men. Approximately 30% of Poles have already taken the first steps to realise formulated long-term goals, while 13% have been consistently pursuing them for some time. It is worth noting that consistent realisation of already set goals concerns men slightly more often than women (15% vs. 11%).

**Which of the following sentences best describes your situation?**



- I do not have formulated long-term financial goals
- I have formulated long-term financial goals, but have not yet done anything with them.
- I have formulated long-term financial goals, have planned how I will achieve them and have already taken the first steps.
- I have formulated long-term financial goals, have planned how I will achieve them and have been consistently working towards them for some time.

Total = 1068, Nwomen = 552, Nmen = 514

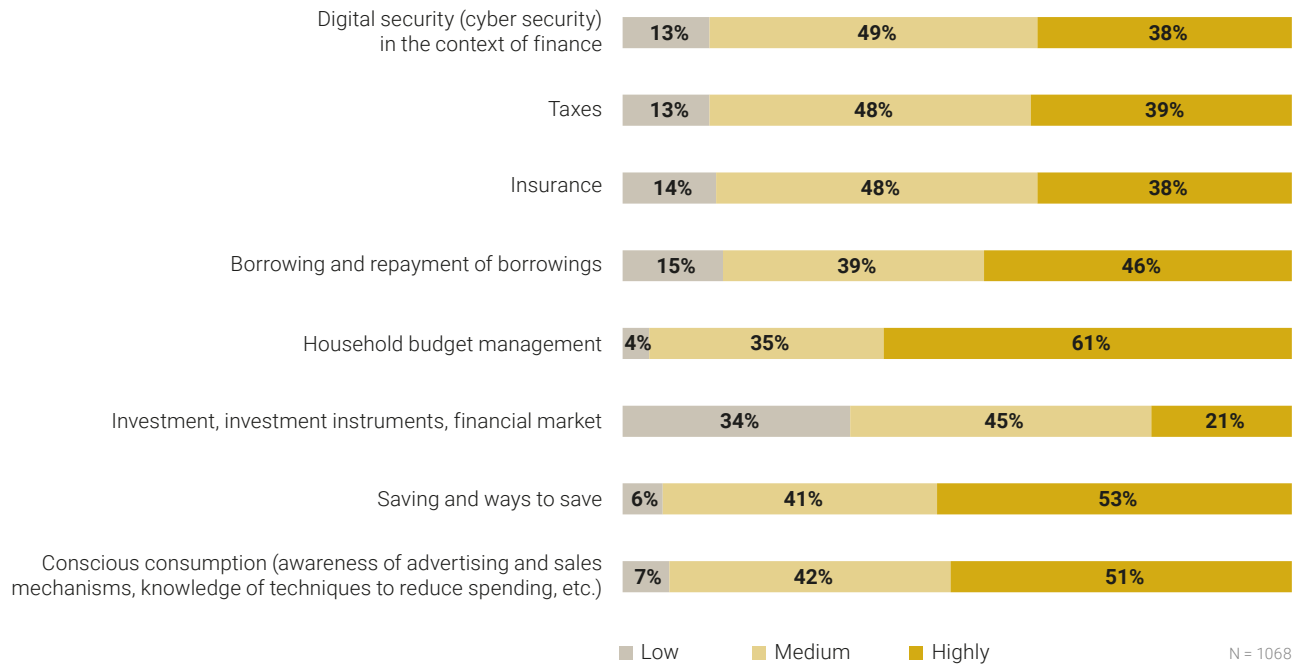
# Self-assessment of knowledge in different areas of financial decisions



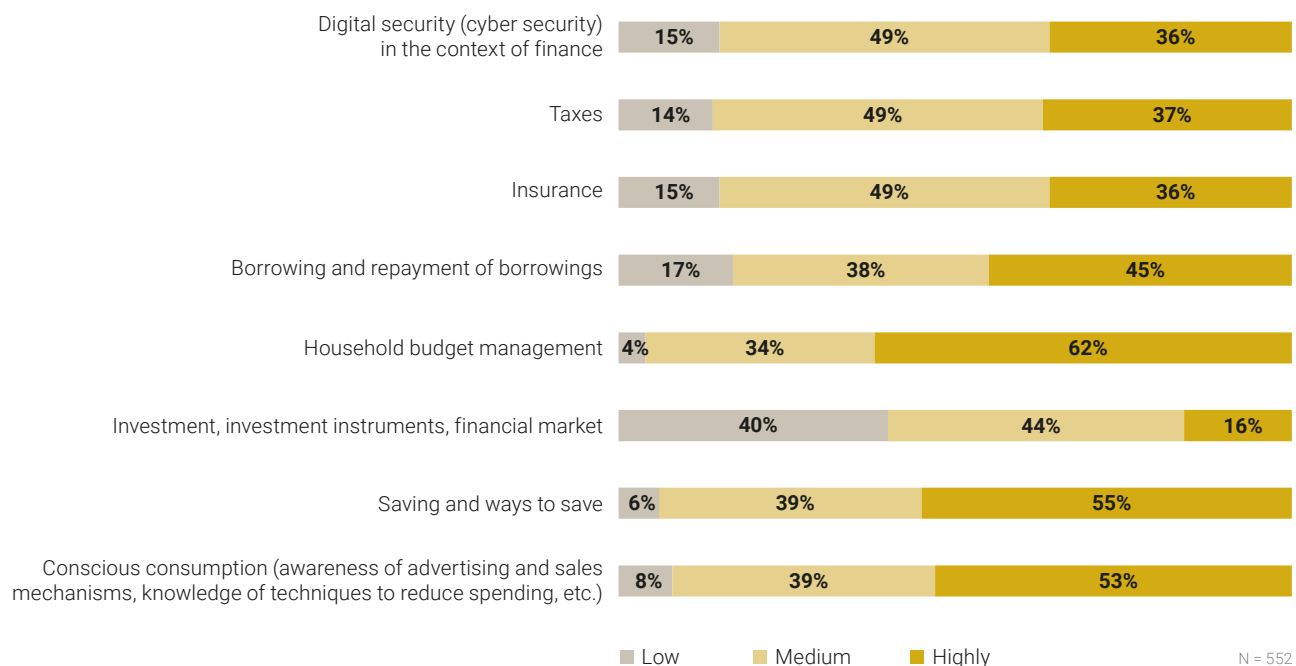
Compared to other financial areas, Poles rate their knowledge of investing, investment instruments and the capital market relatively lowest. On the other hand, they rate their knowledge of

household budget management, conscious consumption and saving highest. Thus, the highest level of knowledge is declared by Poles in the context of daily, basic use of money- consuming

**How would you rate your KNOWLEDGE (know) in the following areas (TOTAL RESPONDENTS):**



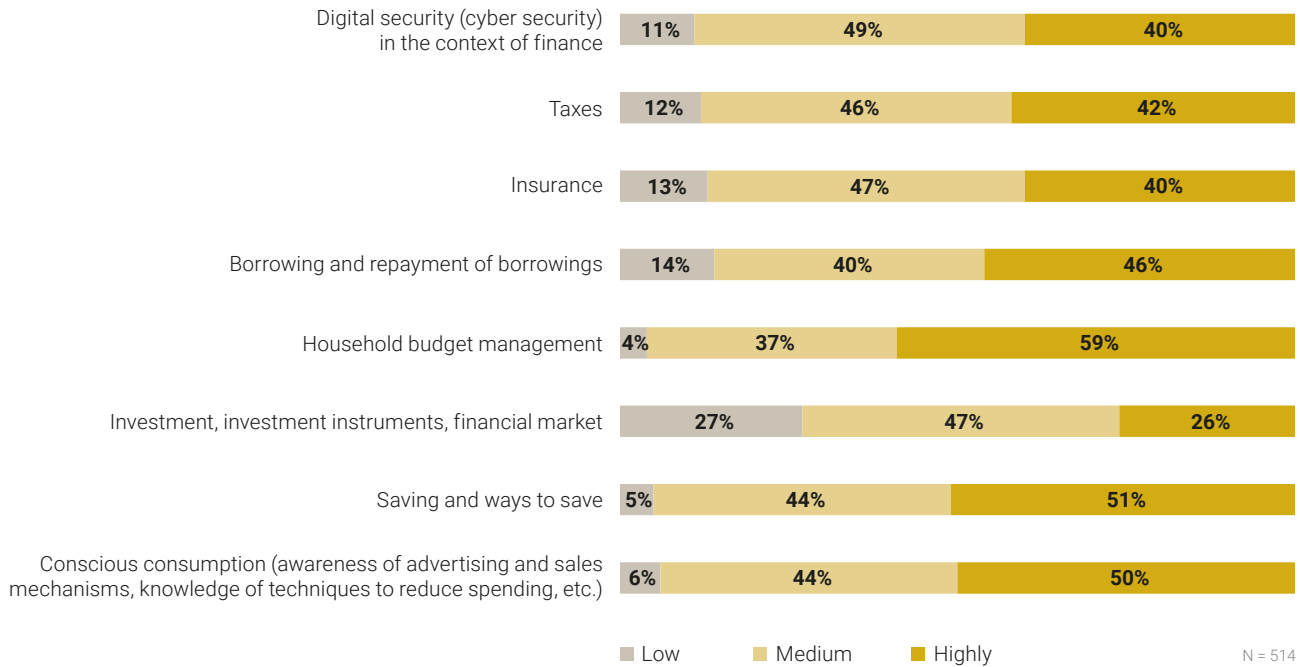
**How would you rate your KNOWLEDGE (know) in the following areas (WOMEN'S RESPONSES):**







**How would you rate your KNOWLEDGE (know) in the following areas  
(MALE RESPONSES):**



and saving it, and the lowest, in the context of multiplying savings.

It is worth noting that only 39% of Poles have a high opinion of their knowledge of taxes, which may be a consequence of the complexity of the tax system, but may also partly explain the tendency of many Poles to avoid paying taxes (*"I don't know what they are and what they translate into, so I don't want to pay"*).

At the same time, only 38% of Poles rate their knowledge related to their own security highly, referring to insurance and cyber-security in the context of finances.

A high level of knowledge regarding loans and cheques is declared by 46% of respondents. It is worth

noting that the average assessment of knowledge in this area is higher among people with financial obligations than among those without. In the group of people with credit/loans, it is estimated at an average of 3.5 on a 5-point scale, which corresponds to an assessment of one's own knowledge at a level between medium and rather high.

In most areas of financial behaviour, the self-assessment of men's and women's knowledge is at a similar level and no statistically significant differences in average assessments are observed. Nevertheless, a higher self-assessment of men's knowledge is observed than of women's in the cases of: investment and investment instruments ( $t(1096) = 5.03, p < .001$ ), insurance ( $t(1096) = 2.07, p = .02$ ) and digital security in the context of finance ( $t(1037) = 2.48, p < .01$ ).

# Self-assessment of skills in different areas of financial decisions





In the context of skills relating to various areas of financial behaviour, Poles have the highest rating for their own skills related to day-to-day household budget management (highly rated by 55% of respondents) and related to conscious consumption (highly rated by half of respondents) and saving skills (46% rate them highly). In addition, 64% of Poles rate their ability to use mobile banking and banking apps highly, which corresponds well with conscious household budget management.

As with the assessment of knowledge, Poles rate their own investment skills lowest. Only 21% of respondents rate them highly, while at the same time 34% declare that they invest their money. Thus, some Poles who are already investing believe that their skills in this area are at best average.

Another important result relates to digital security skills. 37% of Poles indicate that their skills in this area are high, with the rest rating them significantly lower. This result is disconcerting given the scope and volume of digital threats.

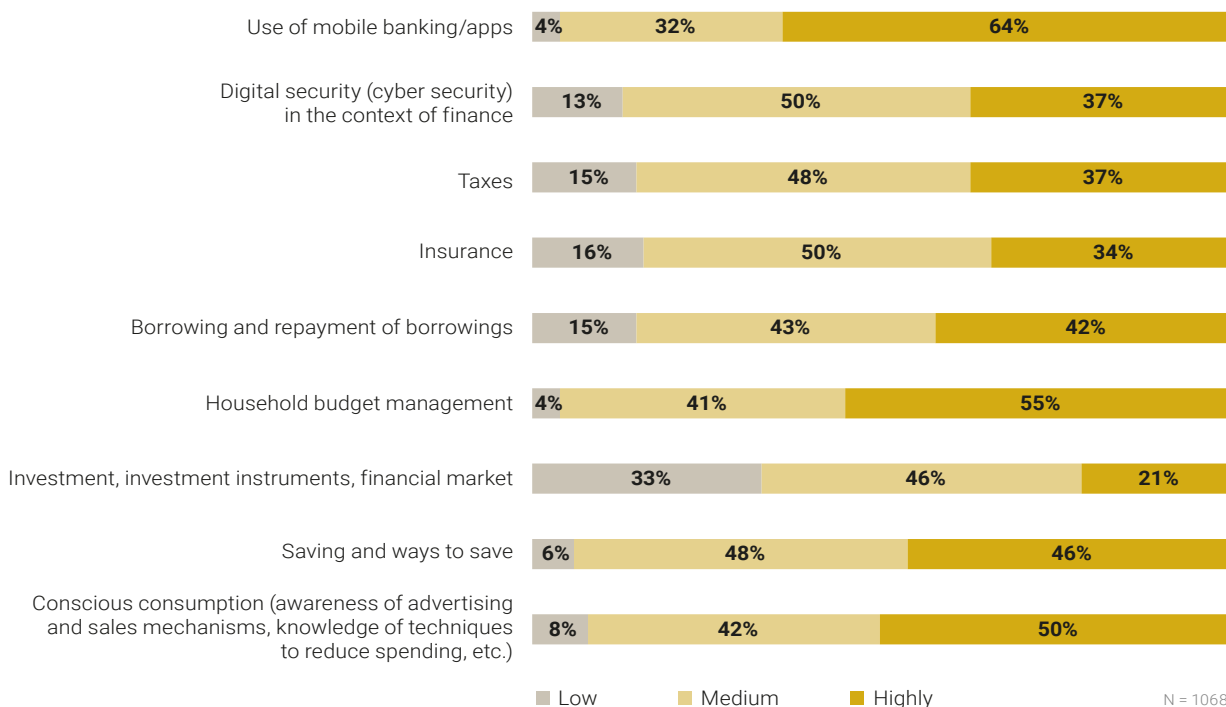
High skills in taking on and repaying financial obligations are declared by 42% of Poles (4 % less than those declaring a high level of knowledge in this area), with those with commitments being rated significantly higher than those without ( $t(1057)= 5.22, p<.001$ ).

On average, they rate their skills as slightly higher than average.

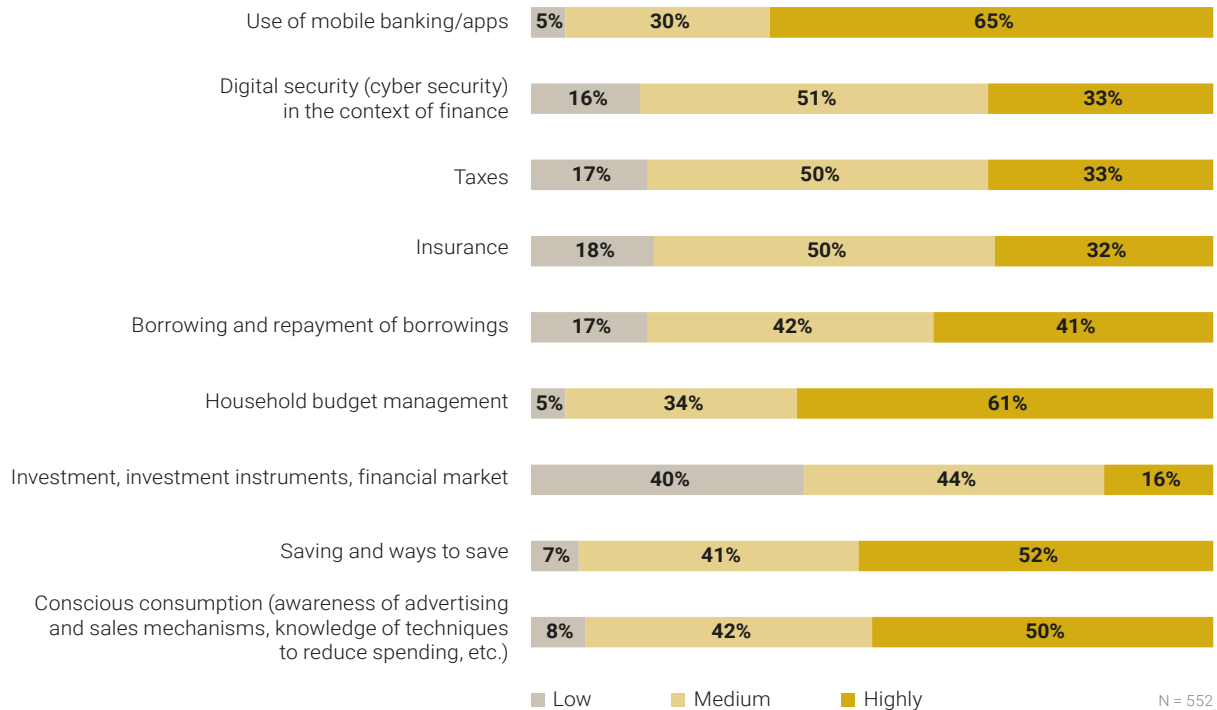
It is worth noting that in the case of conscious consumption, saving, household budget management, insurance and taxes, Poles assess their theoretical preparation (knowledge) better than their practical skills in this area. Thus, they know, for example, the mechanisms of advertising/promotions in shops, but find it difficult not to buy the promoted product; they know what insurance is, but are unable to use it.

No statistically significant differences were observed between men and women in terms of self-assessment of their skills in informed consumption, saving, household budget management and the use of electronic banking and banking applications. Nevertheless, as in the case of the self-assessment of knowledge, men rated their skills in the following areas higher than women: investing and investment instruments ( $t(1050)= 5.16, p<.001$ ), insurance ( $t(1050) = 2.89, p=.002$ ) and digital security in context of finances ( $t(1049)=3.91, p <.001$ ). In addition, men rated their skills better than women in the context of incurring and repaying debts ( $t(1049) = 2.05, p =.02$ ) and in taxation ( $t(1064)=2.14, p <.02$ ), differences that were not observed in the case of self-assessed knowledge.

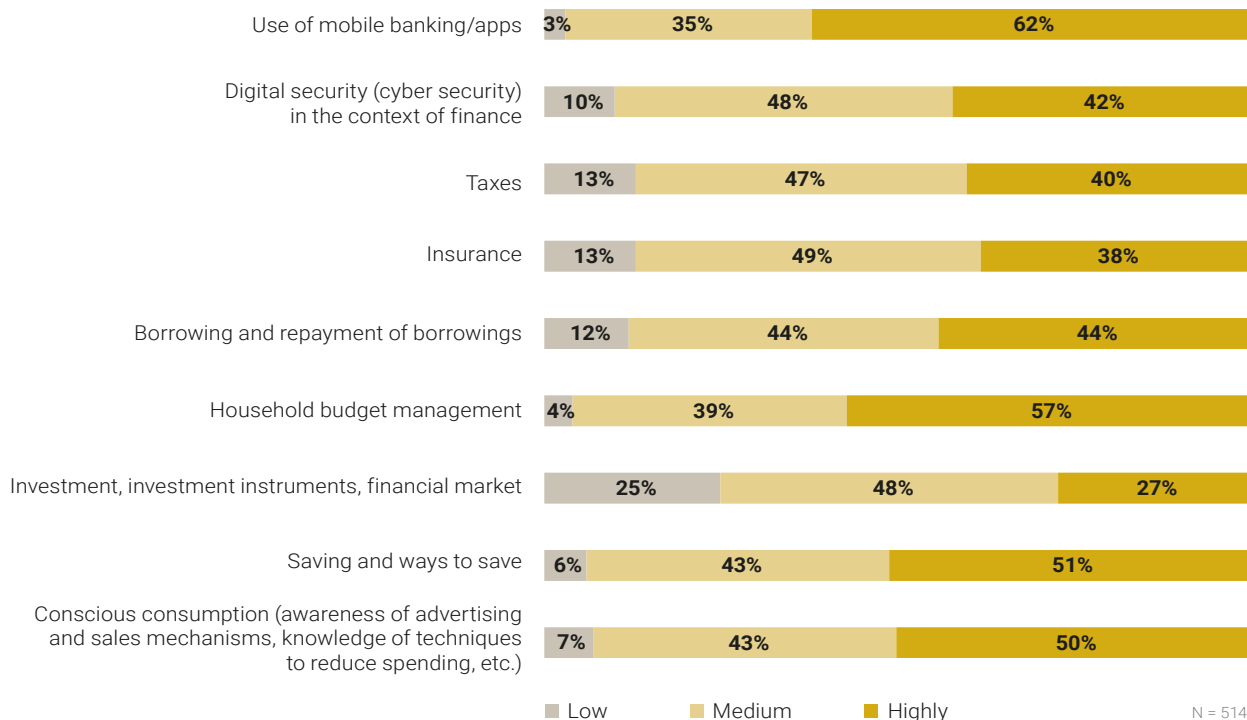
**How would you rate your SKILLS (I can) in the following areas (TOTAL RESPONDENTS):**



**How would you rate your SKILLS (I can) in the following areas  
(WOMEN'S RESPONSES):**



**How would you rate your SKILLS (I can) in the following areas  
(MALE RESPONSES):**



Need to increase  
knowledge/skills  
for financial health



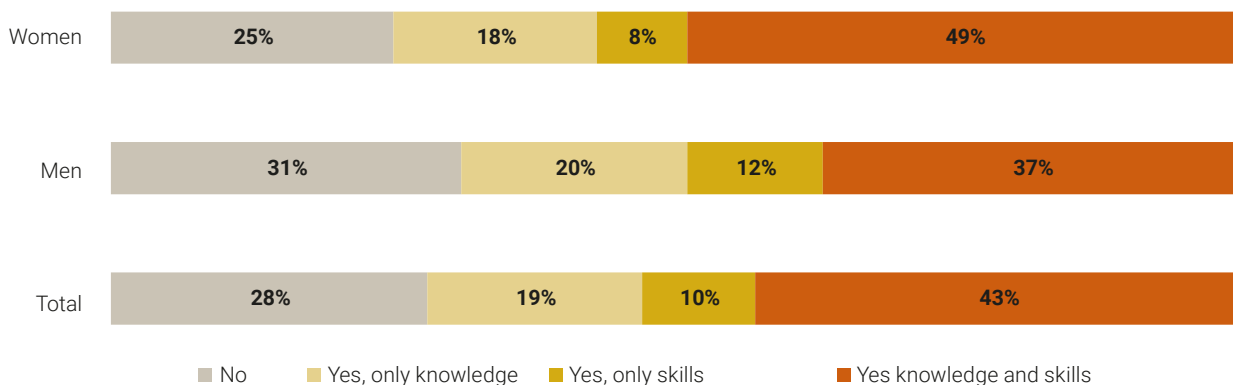
Most Poles perceive a need to increase their financial knowledge and/or skills in order to improve their financial health. This applies to 72% of respondents, with 62% of adult Poles feeling the need to increase their knowledge in this context, and 53% of respondents feeling the need to increase their skills. It is worth noting that 43% of people in these groups need to improve both their knowledge and skills. These are important results in the context of planning educational and intervention activities in the field of economic/financial education.

It is worth noting that men are more likely than women to declare that they do not need an increase in either knowledge or financial skills to improve their financial health. Women, on the other hand, are clearly more likely to need both increased knowledge

and financial skills to do so (difference of 12% responses), they are also slightly more likely than men (a statistically significant difference of 4%) to indicate that, although they do not need to improve their knowledge level, higher skills would be useful for their financial health.

Interestingly, when comparing the need to increase knowledge for financial health with a self-assessment of financial knowledge in different areas, it appears that those who declare a need for additional knowledge rated their actual knowledge of investing, incurring liabilities and taxes lower, but do not differ from those who do not feel the need to increase knowledge for financial health in self-assessing knowledge in the areas of everyday consumption, saving, household budget management, insurance and cyber-security.

**Do you need to improve your financial literacy or skills to achieve financial health?**



N total = 1068, N female = 552, N male = 514

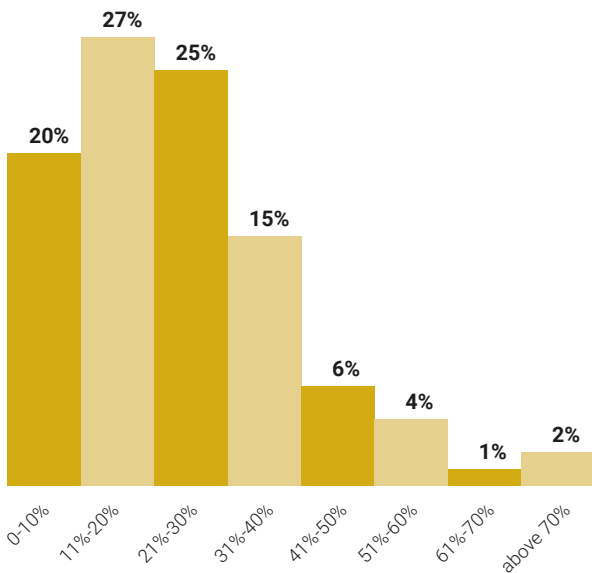
# Financial commitments of adult Poles



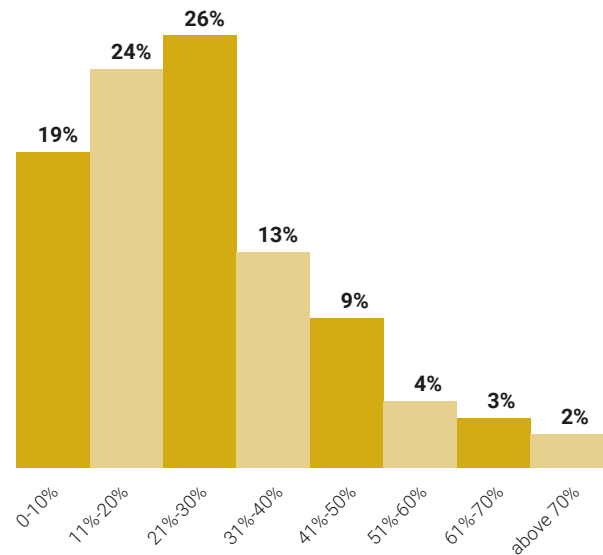
43% of respondents currently have financial commitments (credits/loans), and a further 8% currently have no outstanding commitments, but have had them within the past year. 72% of loan recipients declared debts, the repayment of which takes up no more than 30% of their monthly income (median 21-30%), while the most frequently indicated value (dominant) was between 11% and 20%. These values fall within a relatively safe range, with a relatively lower risk of repayment problems. It is worth noting that, according to the current recommendations of

the Polish Financial Supervision (KNF), loans should not be granted to customers whose DSTI ratio (average annual ratio of all monthly loan instalments repaid to monthly net household income) exceeds 40% (for customers with income below the average level of salaries in the given region of residence) or 50% (for other customers). It is noteworthy that in the sample studied, 87% of respondents repay their credit liabilities representing no more than 40 per cent of their income, which is a positive statistic, indicating the level of indebtedness of the

What proportion of your household's monthly income is taken up by currently repaying loan instalments?



What proportion of your household's monthly income is taken up by fixed liabilities on average, arising from contracts/subscriptions



N=456 with loans.

Percentage of revenue allocated to fixed costs (excluding loans and borrowings)

	0-10%	11%-20%	21%-30%	31%-40%	41%-50%	above 50%	
DSTI	0-10%	7%	4%	5%	2%	1%	2%
	11%-20%	4%	8%	8%	3%	2%	2%
	21%-30%	3%	6%	8%	4%	2%	3%
	31%-40%	3%	4%	4%	2%	2%	1%
	41%-50%	1%	1%	1%	1%	1%	0%
	above 50%	2%	1%	1%	1%	1%	1%

N=456 with loans.





majority of Poles falling within recommendations of the FSA.

It is worth noting, however, that the DSTI indicator does not take into account other fixed obligations of customers, which can significantly affect a household's financial situation. The results of the survey showed that half of Poles have fixed living expenses of no more than 30% of their monthly income (median range 21-30%).

At least 35% of borrowers have monthly fixed obligations including loan/borrow instalments and other fixed costs, representing more than 50% of income, and for at least 14% these costs represent more than 70% of income. The threshold of 80% of fixed costs is exceeded by 4% of the borrowers surveyed, and 90% and 100% by 1% each. Let us remember that these costs do not take into account the daily costs of living – eating out, cosmetics, entertainment costs, equipment purchased, etc., they only take into account fixed contracts.

Bearing in mind the statistics described above, it is not surprising to find that 28% of credit/loan holders have had a repayment problem in the past year, with 17% having transitional problems and 11% still unresolved.

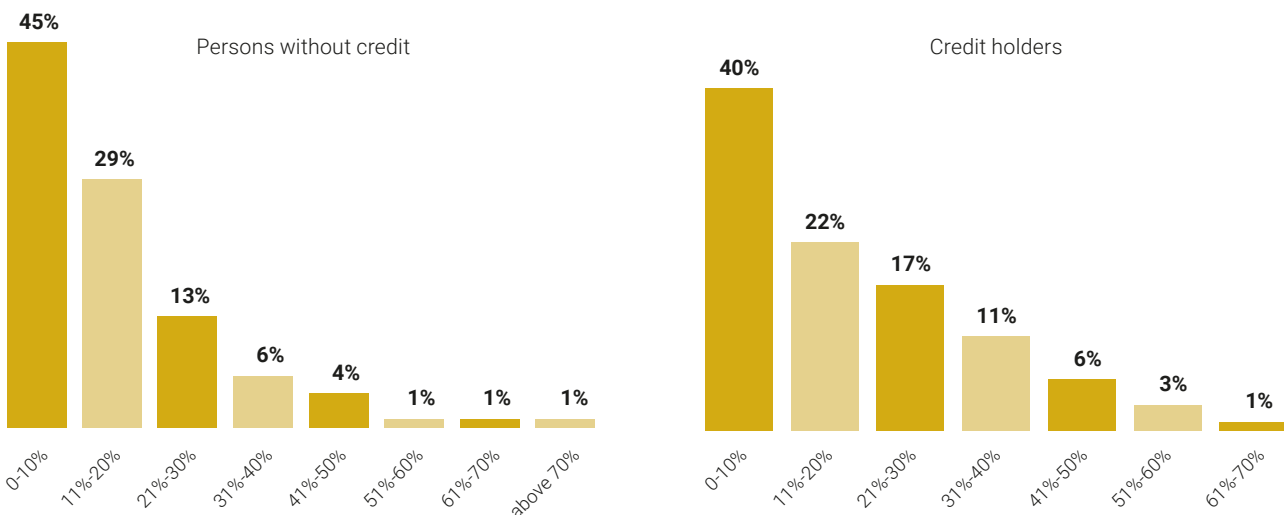
In the study described above, Poles were asked how much credit/loan they would be willing to take out today. This value was indicated as a proportion of their own property. The most frequent range indica-

ted was between 0 and 10%, both among those who already have debt and those who currently do not. The most frequently indicated range was between 0 and 10%, both among those with and without existing debts. Half of those with credit and half of those without credit would be willing to spend up to a maximum of 20% of their income on repayment of a new obligation (median 11%-20%).

Interestingly, when comparing the declarations of those who already have commitments, and thus initially have a portion of their household budget already used for this purpose, with those who do not have any commitments today, those who already have commitments are more likely to be willing to pay higher instalments. Among today's borrowers, 38% would be willing to take on an additional financial obligation burdening their household budget to the tune of more than 20%, while in the group of people with no liabilities, this percentage is 26%.

If we take into account the DSTI of today's borrowers, their other fixed costs and the already existing credit repayment problems experienced by 28% of them, their willingness to take on more debt is worrying and indicates an over-optimism about their repayment capacity or the likelihood of experiencing repayment problems. The situation seems more difficult if we take into account Poles' sense of income stability, which 37% of adult Poles do not feel even in the perspective of the next few years.

If you were to take out (further) loans and credits today, to what level of burden on your current budget by repaying instalments would you be prepared to take them out?



N = 612 non-credit holders and N = 456 credit holders

# Financial security of adult Poles





Financial health describes a situation in which a person is not only able to live from paycheck to paycheck and repay a loan, but at the same time is able to live with dignity, endure financial shocks painlessly and set aside funds so as to secure his or her financial future.

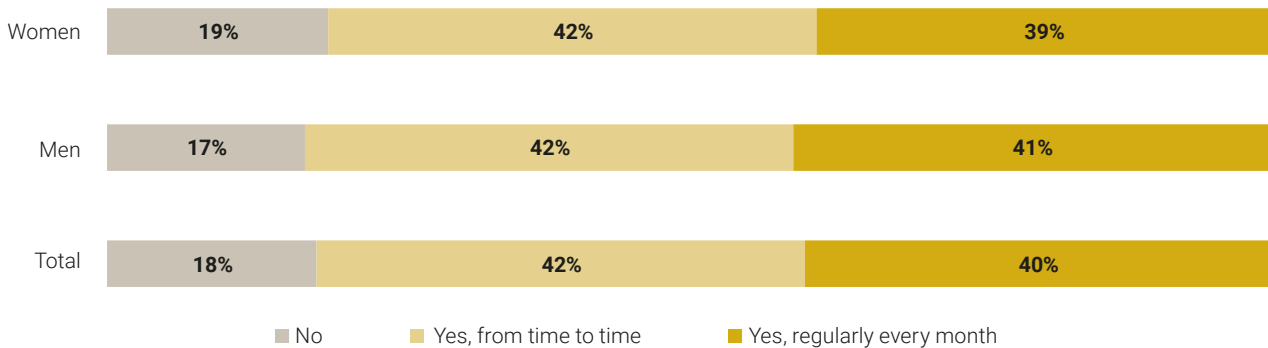
The results of the survey showed that 82% of adult Poles put aside an amount at least from time to time, of which 40% do so regularly, every month. Men are slightly more likely to put money aside regularly, but the difference is only 2%.

Usually, two levels of savings are assumed to be the absolute minimum to speak of financial security. The first threshold is saving enough to live on for three months. This is regarded as a safe minimum to be able to cope with an extended period of illness or temporary inability to work. The second threshold is saving enough to live on for six months, which is assumed to offer a chance to change or finding a new job when, for various reasons, the current one

cannot be continued. 55% of Poles declare that they have savings to last them at least three months, with 24% of them indicating that they could use their savings to survive for more than six months. At the same time, this result shows that almost half of Poles do not have enough security to survive for more than three months. The most worrying statistic is that 19% of Poles would not be able to live for a month on their savings, with this slightly more often the case for women (20%) than for men (16%).

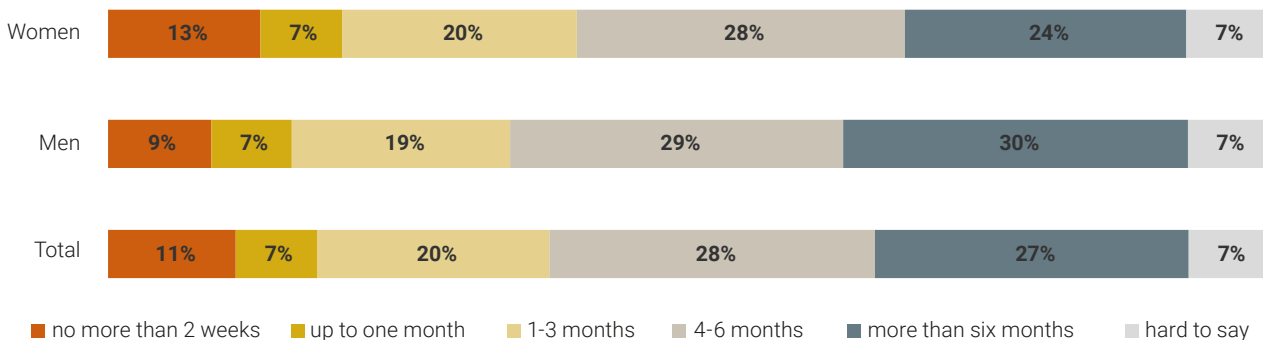
The level of savings can also be viewed from the perspective of the magnitude of a financial shock, the experience of which does not significantly shake a household's financial situation. At the same time, the ability to withstand financial shocks is an important indicator of financial health. The results of the survey showed that Poles (both men and women) most often indicate that their financial situation would allow them to cope with unplanned expenditure so that they do not have to lower their standard of living, only if it is no more than half of their monthly income. At the same

Are you saving money?



N total = 1068, N female = 552, N male = 514

How long would you be able to live on your savings, without reducing your current standard of living, if you were to lose all sources of income?



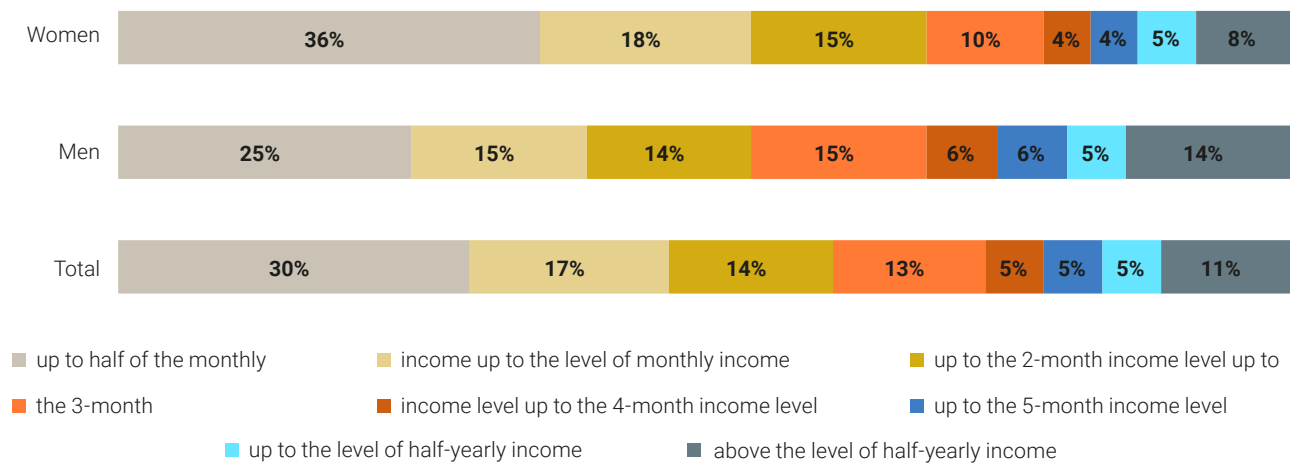
N total = 1068, N female = 552, N male = 514

time, this applies far more often to women (36%) than to men (25%). In this context, spending more than two monthly salaries would be possible (without lowering the standard of living) for 39% of Poles, more often for men (46%) than for women (31%).

Irrespective of the amount of savings they have, Poles have a wide range of options available to

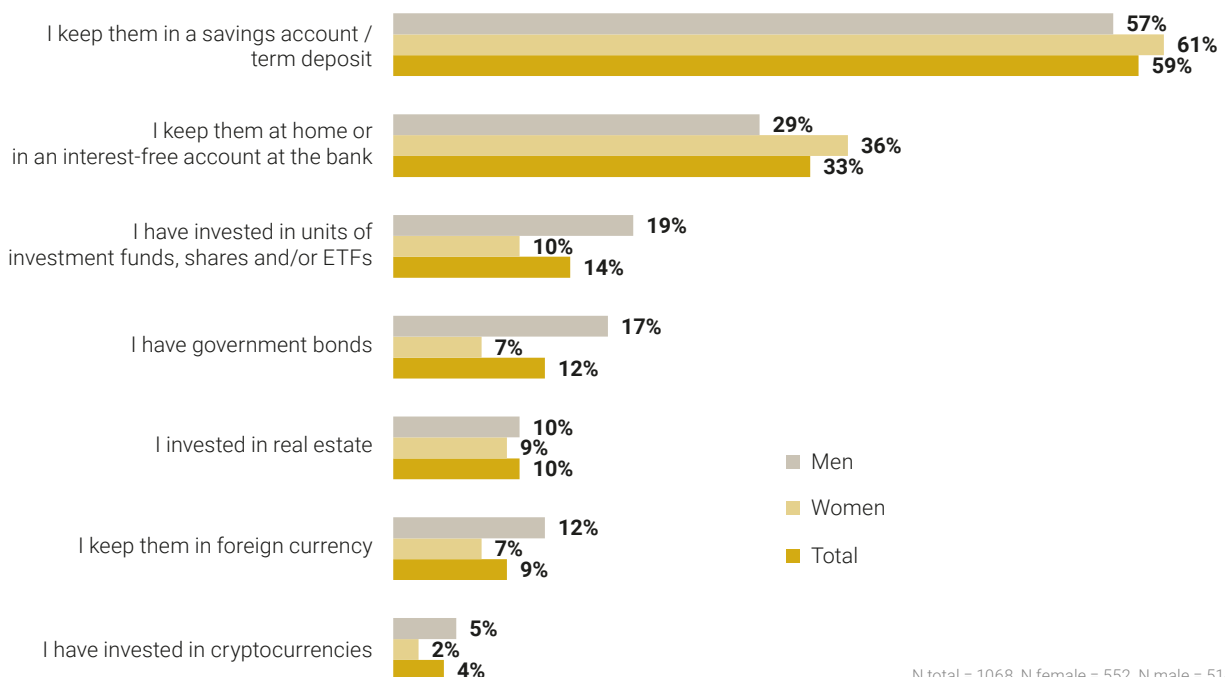
them as to how to use them. The most preferred form of using the capital is to place savings on a savings account or term deposit, which is done by 61% of women and 57% of men. In second place, and unchanged for years, is the completely passive accumulation of money in cash or in a non-interest-bearing bank account, which, however, more often applies to women (36%) than to men

**What is the maximum cost of an unplanned expense you would be able to bear today without incurring financial obligations while not lowering your standard of living?**



N total = 1068, N female = 552, N male = 514

**What are you doing with your savings?**



N total = 1068, N female = 552, N male = 514



(29%). Men, on the other hand, are clearly more likely than women to choose investments in financial instruments as a way of using their savings, in particular 19% of men declare investing in mutual fund units, shares and/or ETFs (compared to 10% of women), and 17% in treasury bonds (compared to 7% of women).

Interest in investing in currency and cryptocurrency is also significantly higher among men than women. Foreign currency is invested in by 12% of men and 7% of women, while cryptocurrency 5% by men and 2% by women. It is worth bearing in mind, however,

that the rates of investment in currency are sometimes inflated, as respondents sometimes declare investment in currency if they have unspent currency after a holiday trip that they simply forgot/abandoned to sell.

10% of Poles declare investments in real estate (10% of men and 9% of women). This certainly describes the allocation of funds in real estate, although it is not always about buying to make a profit, it is often about buying a flat for children, replacing one's own flat with a bigger one or renovating an already owned property.

# Poles' savings and investment goals





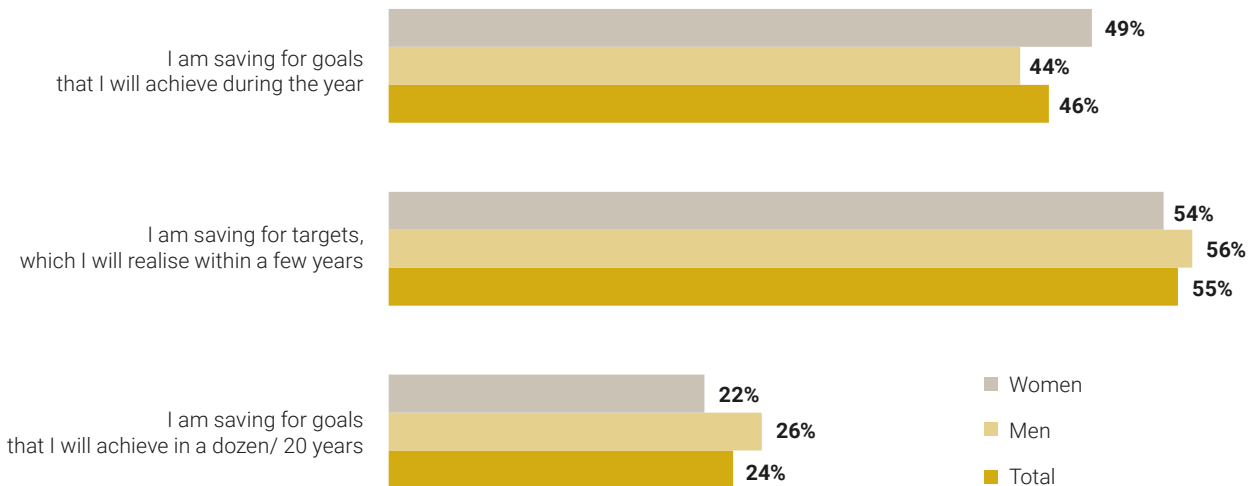
Poles save for very different time horizons, often pursuing short-, medium- and long-term goals at the same time. The largest percentage of Poles declare they are saving with a view to buying within the next few years, as indicated by 55% of respondents (2% more men than women). Short-term goals, with a maximum maturity of 12 months, are pursued by 46% of Poles, including 49% of females and 44% of males. It is clearly less common for Poles to save money in order to realise a goal in several or 20 years, which is the case for every fourth person (25% of men and 22% of women). This is reflected in Poles' statements regarding the multitude of current and relatively short-term goals, leaving no room for long-term planning.

In this context, it is worth taking a look at the goals that Poles are trying to achieve by putting aside or investing their financial resources.

Similarly, in surveys conducted among Poles in recent years, the most frequently cited aim of saving/investing in this study was also to secure the to cope with a 'black hour', as indicated by 46% of respondents (slightly more men than women).

The second most frequently cited goal was to secure funds for a holiday/vacation trip, as indicated by 44% of respondents. It is worth noting, however, the clear differences between women and men on this issue. More than half (53%) of women declared that they were saving/investing for this purpose, while 34% of men responded in the same way. Thus, for women, saving/investing for holidays was a more frequent motive even than securing oneself against unforeseen unpleasant events. Over and above this, almost 20% of respondents (men and women alike) save/invest to be able to afford current leisure and pleasure activities.

In third place among saving/investment goals is the furnishing or renovation of a house/apartment, indicated by 35% of Poles (33% of men and 36% of women), while the purchase of a flat/house is indicated less frequently - by 22% of respondents. It is worth noting, however, that the purpose of buying a property is clearly dependent on the age of the person surveyed. In the case of young people up to 34 years of age, the percentage of those saving to buy an apartment/house is 34%, slightly more often affecting women than men (37% vs. 32%).



N total = 1068, N female = 552, N male = 514

Percentage of those saving or investing to buy property

	18-24 years	25-34 years	35-44 years	45-54 years	55 years and over
Women	37%	37%	25%	16%	7%
Men	30%	33%	26%	13%	11%

Total = 1068, Nwomen = 552, Nmen = 514

One in four Poles is saving/investing for a new car, with this clearly more often the case for men (30%) than for women (21%), and one in three Poles is saving or investing for an unspecified future purpose.

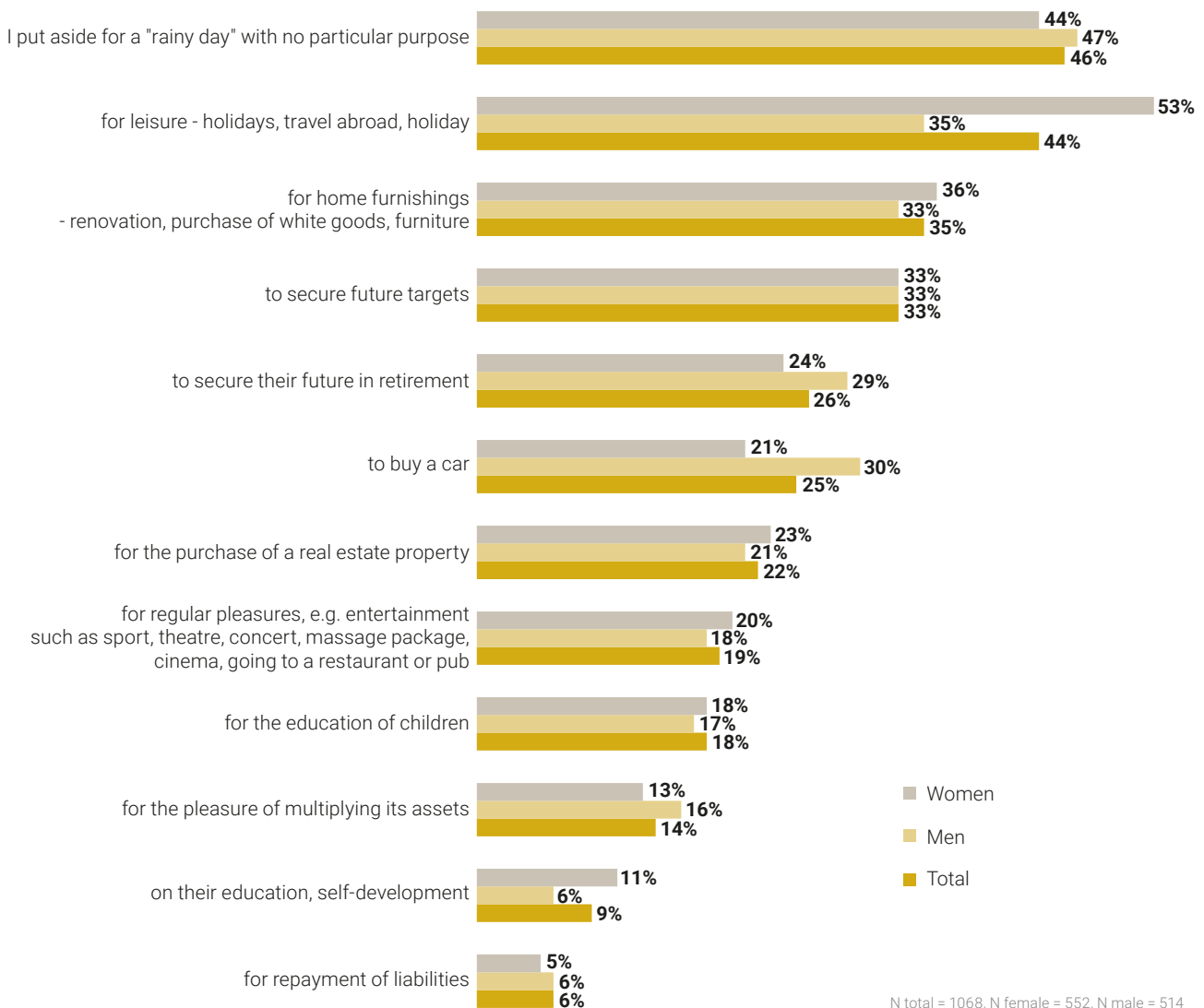
26% of adults declare that they put aside or invest money to secure their finances in retirement (slightly more often men - 29%, than women - 24%). This is a relatively low percentage, given ZUS (THE

Percentage saving or investing to secure financial future in retirement

	18-24 years	25-34 years	35-44 years	45-54 years	55 years and over
Women	7%	17%	28%	25%	33%
Men	12%	21%	30%	32%	34%

N total = 1068, N female = 552, N male = 514

What are you saving/investing money for?



N total = 1068, N female = 552, N male = 514





SOCIAL INSURANCE INSTITUTION)'s projections of future replacement rates in the context of pension benefits paid by ZUS (THE SOCIAL INSURANCE INSTITUTION). However, this is probably an overestimation, as Poles often do not think of PPK/ PPE in terms of saving/investing (as it is not an example of a prototypical measure of this kind) and, consequently, forget about it when declaring actions taken to secure their future in retirement. It is also worth noting how the interest in saving/investing for retirement is distributed among people of different ages. For men, the interest in securing financially for retirement increases with age, from 12% of savers/investors aged 18-24 to 34% of those aged 55 and over. For women, the trend is similar, with women aged 35-44 slightly more likely to save/invest for retirement than those aged 45-54 (28% vs. 25%).

Educational purposes are also mentioned among the aims of saving and investing. 18% of Poles try to secure funds for their children's education

(similar percentages of women and men), while 9% secure funds for their own education. At the same time, saving/investing for one's own education applies more often to women (11%) than to men (6%).

6% of Poles put aside/invest to repay their debts. This is noteworthy, as this motif either did not appear at all in previous studies or did not exceed the threshold of statistical significance (5%). One wonders what this change is due to. Is it a manifestation of an increased awareness of the use of investments for this purpose, or perhaps the result of a search for a way out of the more difficult-than-expected credit situation of households that emerged after the pandemic interest rates were raised?

The last indicated motive for saving does not refer to any goal, often referred to as the greed motive and refers to saving and investing for the sake of accumulating more and more money and multiplying it, without any further formulated goals.

# Securing your financial future in retirement



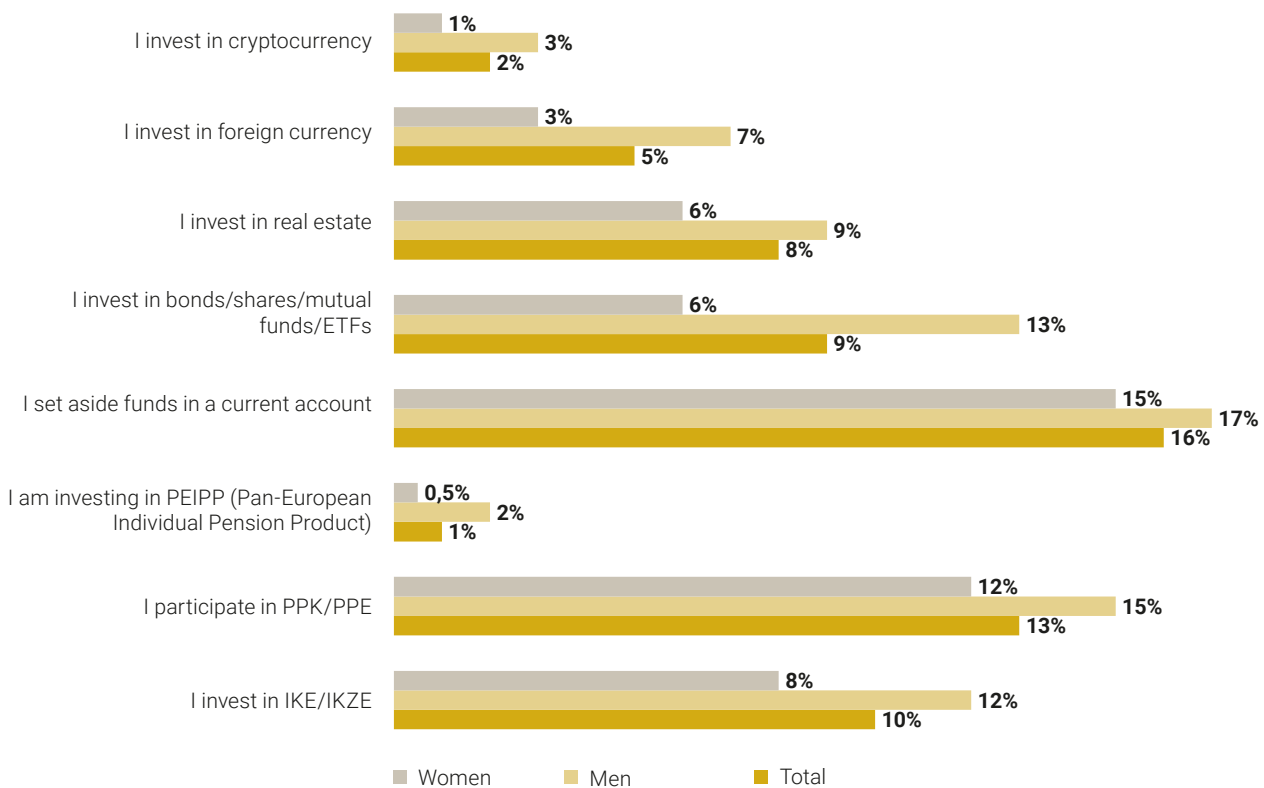


Only 30% of adult Poles are aware of the current amount of pension contributions accumulated in their ZUS (THE SOCIAL INSURANCE INSTITUTE) account, which applies to 28% of women and 32% of men. Regardless of their awareness of the sum of contributions accumulated in ZUS and their expectations regarding the amount of future retirement benefits, only 39% of adult Poles undertake any deliberate actions that could secure their financial future in this period. Interestingly, in spontaneous declarations, only 26% of adult Poles answer that they put aside or invest money for this purpose. This discrepancy is due to the fact that PPK and PPE often do not spontaneously come to mind as a form of saving/investing and, as a result, they are often overlooked in spontaneous declarations, revealing themselves only when supported by answers containing a cafeteria of possible answers. It is worth noting that the percentage of those putting money aside for retirement is significantly higher after the age of 35 than before.

Poles differ in how they secure their financial future in retirement. However, depending on which solution is considered, men are always more interested than women. The most frequently indicated form of saving for retirement is accumulating funds in a current bank account (16%), followed by PPK/PPE (13%) and IKE/IKZE (10%). It is likely that the estimates for PPK are underestimated, as some Poles are not aware of being a PPK participant, while others forget this fact and when asked if they are saving for retirement answer that they are not and therefore do not answer later when asked how they are doing so. PPC is a solution that 1% of Poles declare to use today.

Some Poles, in order to secure themselves financially for retirement, invest in financial instruments that are not dedicated specifically to this purpose, although they can of course successfully serve it. They invest in shares, bonds, TFIs, real estate, with 8-9% of responses indicating this, or foreign currency (5% of Poles, more often men - 7% than women - 3%).

**What steps are you taking to secure your financial future in retirement?**



N.B. The chart presents values referring to the total of the given group; N=1068

# Financial control





Only 3% of Poles know how much money was credited to their account last month (taking into account all sources of income) to the nearest PLN 100. Less than 8% are able to determine this value with an accuracy of PLN 500. One in five Poles is able to determine their income with an accuracy of up to PLN 1000. Half of employed Poles are able to estimate their income with an accuracy of up to PLN 4,300, while the remainder indicate that the error of their estimation is even greater.

Similar conclusions can be drawn from an analysis of awareness of the amount of expenses incurred. Less than 2% of Poles are able to estimate their monthly expenses with an accuracy of up to PLN 100, 6% of adult Poles are able to estimate them with an accuracy of up to PLN 500 and 14% with an accuracy of up to PLN 1000. Half of respondents indicate that they control their expenditures with an accuracy of up to PLN 3600, while the rest indicate a higher estimation error.

It is worth noting that no statistically significant differences were observed between men and women in terms of the accuracy of estimating their own income and expenditure.

The results obtained are surprisingly high. It seems that the vast majority of Poles are unable to accurately determine either their level of income or their expenses. On the one hand, this is very dangerous and may result in a loss of liquidity, especially if income is overestimated and expenses underestimated; on the other hand, it may indicate untapped investment potential, resulting from a lack of awareness of the actual monthly account balance if income is underestimated and/or expenses overestimated.

In the study described above, we asked participants 15 questions relating to their spending style and financial control. From their responses, we constructed a financial control index, which could take a value from 0 (no control at all) to 15 (very high level of control). The average score obtained by all respondents was 8.65, and this value was, although similar, statistically significantly higher for women (8.8) than for men (8.5).

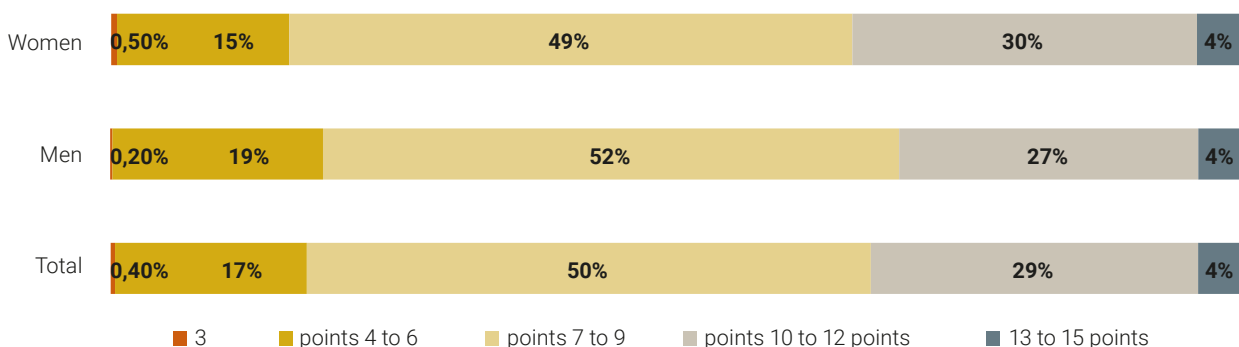
Exactly half of respondents obtained average results on the scale describing the financial control index (3% more men than women). Every third Pole controls their spending very well (34% of women and 31% of men), while approximately 18% control it rather poorly (4% more men than women).

It is worth noting that in the entire sample, only 4 individuals scored very low on the control scale, obtaining 3 out of a possible 15 points. At the same time, the vast majority of Poles have at least a moderate level of financial control.

The results describing Poles' overall level of financial control look quite optimistic. However, it is also worth taking a look at the specific financial control behaviours of Poles. In the vast majority of cases, women do not differ from men in terms of the way they control their finances, but women more often than men match their spending to their salaries (30% vs. 24%), do not allow themselves to run out of funds until their next salary is paid (32% vs. 26%) and, although they tend to make small purchases spontaneously, they buy larger items (e.g. clothes) on second thought (31% vs. 24%).

Only 42% of Poles declare that they know roughly how much money they spend on average per month. This is consistent with the results describing the precision

**Value of financial control index**  
(takes values from 0 to 15 - higher score means higher control)



N total = 1068, N female = 552, N male = 514

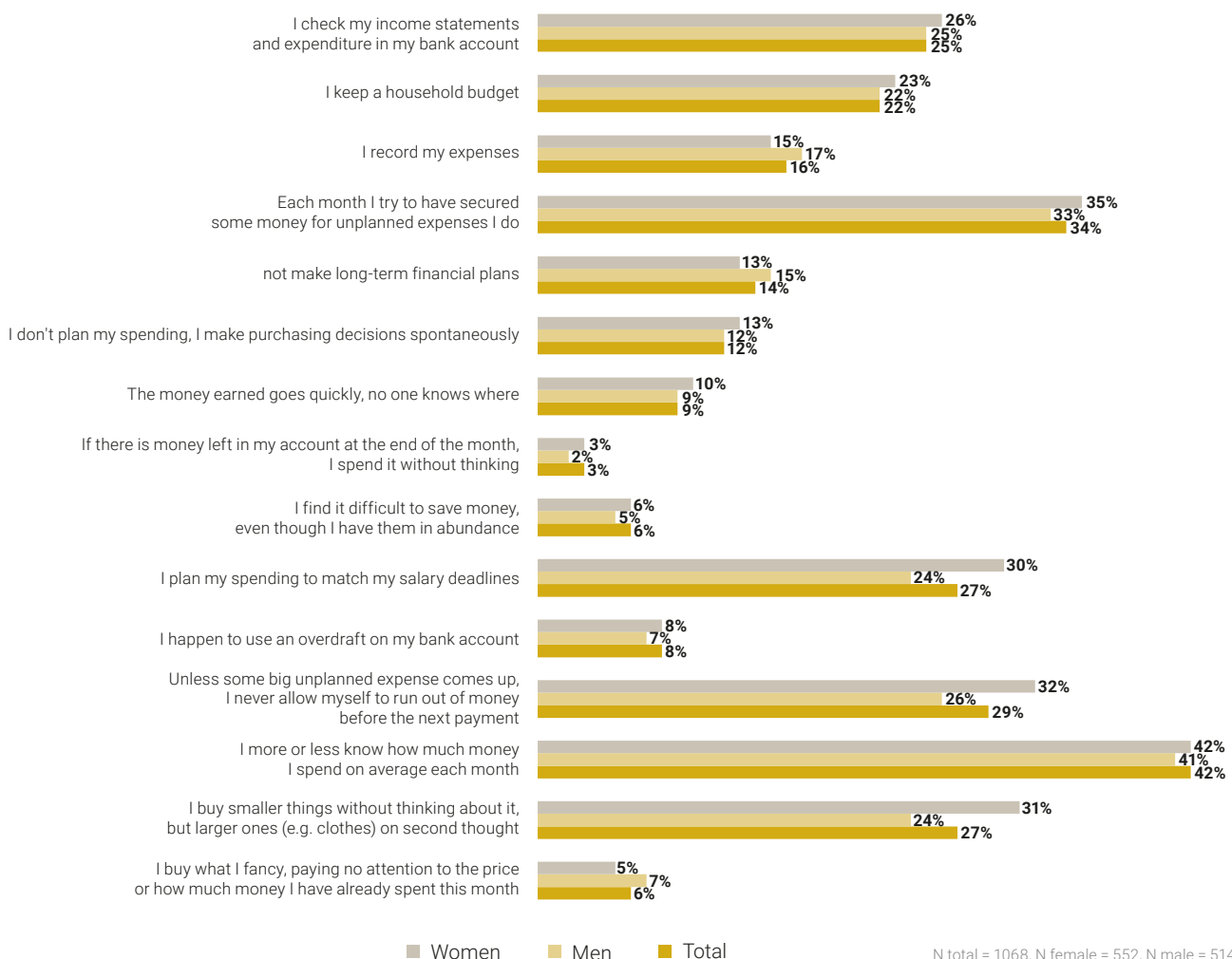
of expenditure estimates. In this context, it comes as no surprise that only 29% of Poles never allow their budget to run out of money and 8% use an overdraft on their bank account. Nevertheless, it is worth noting that 34% of Poles always try to have money set aside for a "rainy day".

Financial control is not just the ability to manage a budget so that it does not run out of money. "first", but also matching the spending schedule to the timing of receipts (which only 27% of Poles do) and planning spending. 88% of Poles declare that they do not make purchases spontaneously (without plans), and 86% say that they formulate long-term financial plans. The vast majority of Poles (91%) disagree with the statement that money goes "nowhere" for them, and 97% think twice before spending money that remains in their account at the end of the month.

The simplest way of ongoing financial control is to check bank statements, which is declared by one in four Poles. More advanced measures include recording one's expenses, which is done by 16% of respondents. Finally, the most ambitious and at the same time most significant in terms of understanding one's own finances is keeping a household budget, which involves planning expenses and income and checking the plan on an on-going basis. Most people do not need to manage a household budget in the long term, but it is advisable to look at their finances from time to time. Of the people surveyed, 22% declared that they had a household budget, which should be considered a high statistic.

In summary, Poles are taking various measures for financial control, which undoubtedly promotes their financial health.

Which terms describe well how you spend your money?



N total = 1068, N female = 552, N male = 514

# Attitudes towards money



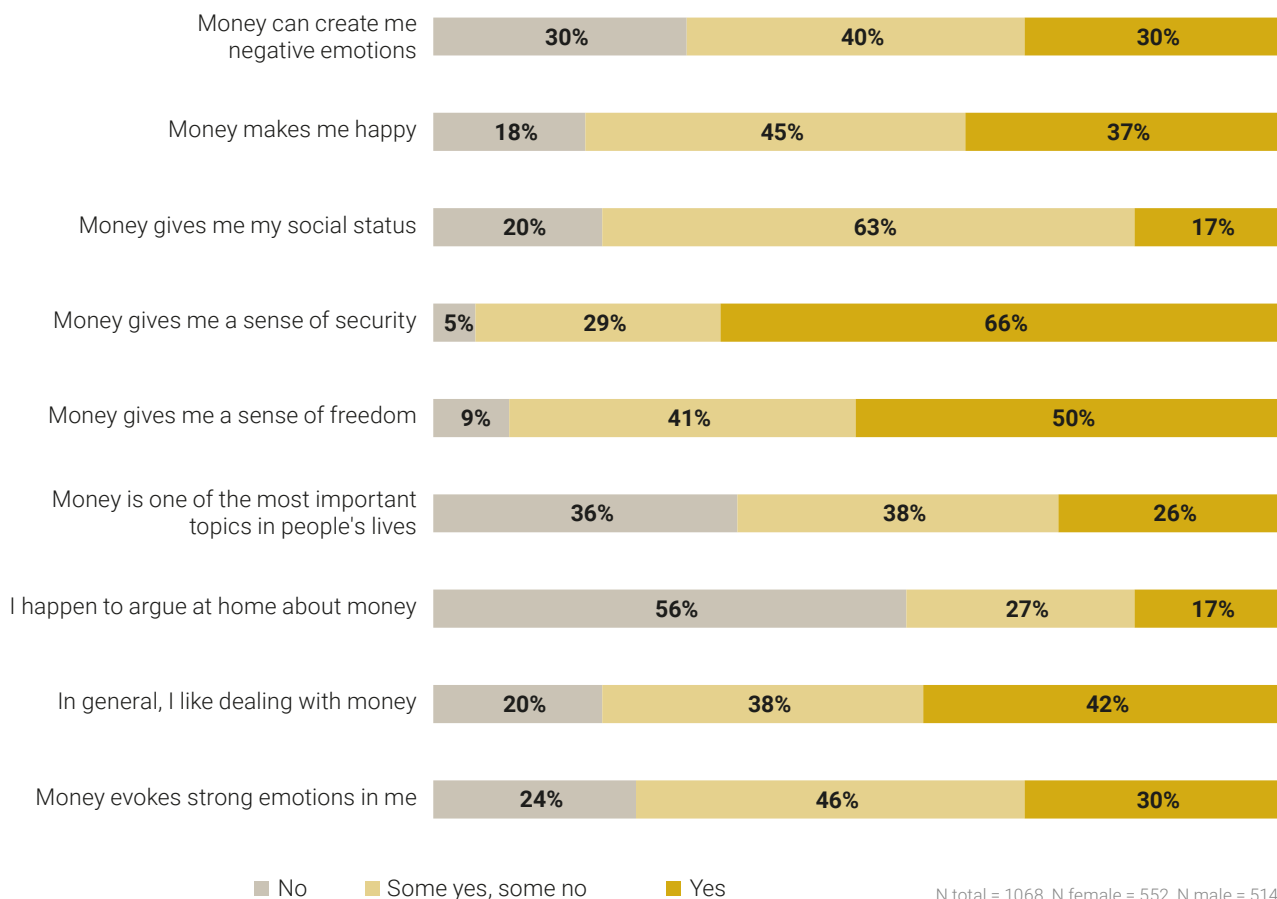
Attitude towards money can be described on three dimensions: cognitive (referring to how money is perceived), emotional (describing the emotions surrounding money) and behavioural (defining behaviour in the context of money). The behavioural component is covered in the financial control and financial behaviour described in earlier sections of this paper, but the other two attitude components still need to be discussed.

A healthy relationship with money should involve seeing money first and foremost as a tool that performs economic functions - exchange, storage of value and its measurement and unit of account, while taking into account the symbolic nature of money as an indicator of success, a tool for building relationships and prestige, but without assigning undue importance to the symbolic role. Thus, financial health is a state in which, among other things, I know that money can indicate success achieved, but need not be its only or necessary factor.

76% of Poles indicate that they agree, at least to some extent, that money evokes strong emotions in them, with 30% agreeing unequivocally with this statement, 80% derive at least some degree of pleasure from dealing with money, but 70% indicate that it can also evoke strong negative emotions in them. Consequently, 44% of respondents indicate that they at least partly agree with the statement that they sometimes fight at home over money.

What do Poles derive from money? First and foremost a sense of security and freedom, as indicated by more than 90% of respondents (agreeing with this statement at least in part). Furthermore, many Poles display a materialistic attitude. Materialism, as defined by Dawson and Richins, comprises three components: perceiving money as a source of happiness, a measure of success and a central factor in life. 37% of respondents indicated that money gives them happiness, and a further 45% partially agreed with this statement. For 26%

**Attitudes towards money  
(replies from all respondents)**

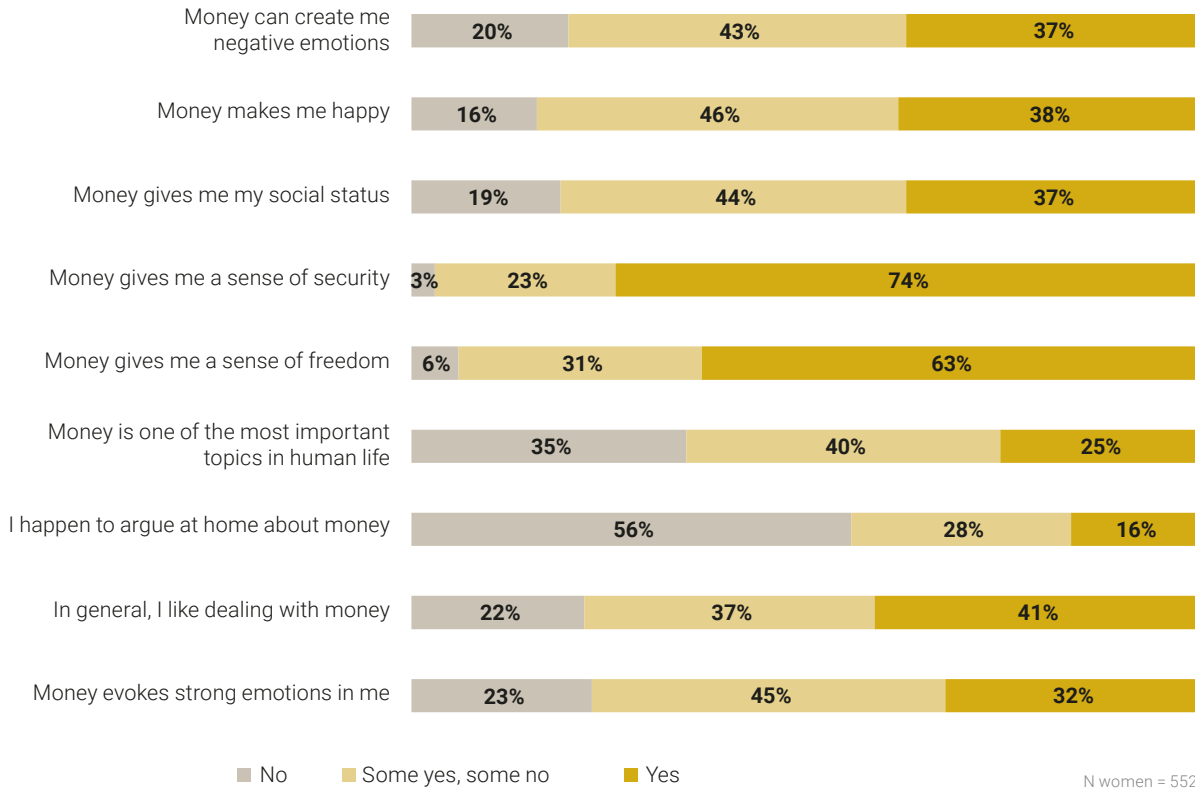


N total = 1068, N female = 552, N male = 514

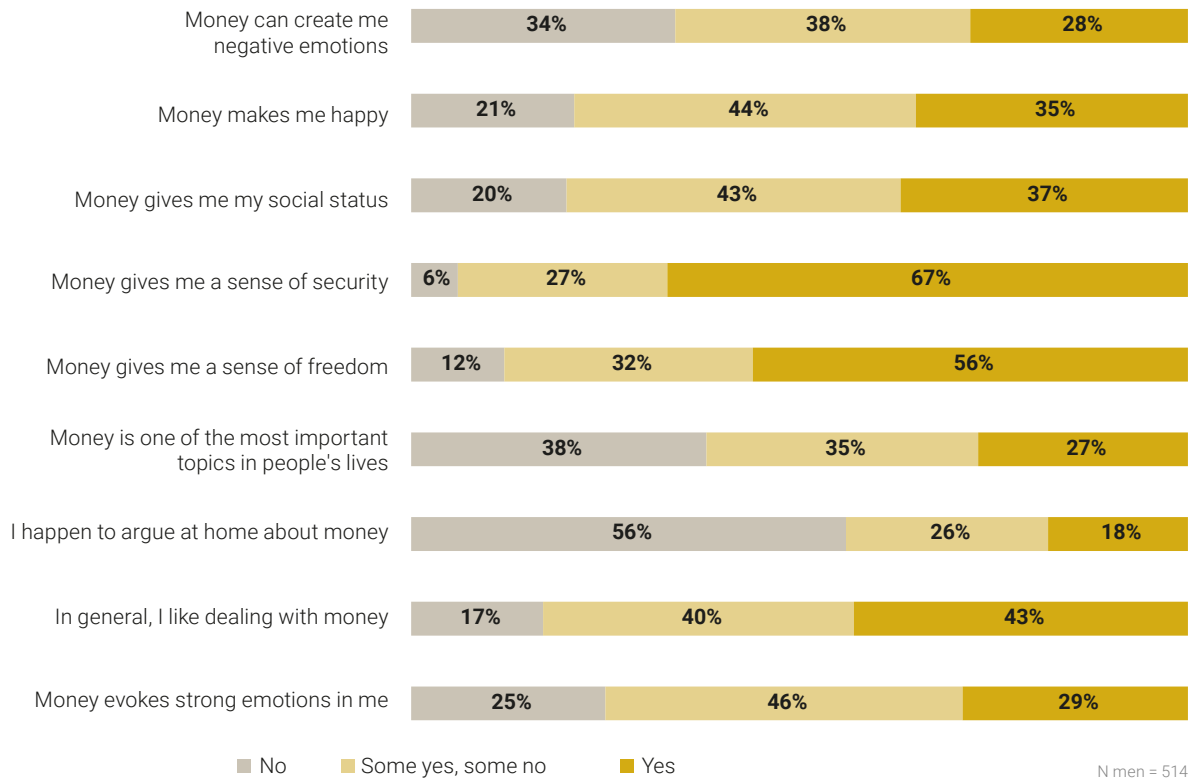




**Attitude towards money  
(women's responses)**



**Attitude towards money  
(male responses)**



of Poles, money is central to life, with a further 27% agreeing partly. Finally, 17% point to money as a measure of status, and 63% somewhat think so and somewhat do not. At the same time, it is worth noting that admitting materialistic tendencies is difficult (even if I were to admit to myself) and is often not seen in the best light socially, so it can be expected that the results obtained are somewhat lowered by the reluctance of the respondents to indicate their real values.

Previous research by psychologists has shown that women differ from men in numerous dimensions of attitudes towards money, e.g. financial control, pleasure derived from dealing with money, treating money as a source of evil, aversion to obligations and others (e.g. Gąsiorowska, 2014; Sekścińska 2013,2015; Wąsowicz-Kiryło, 2013). In this context, it is worth looking at the differences in attitudes towards money between the women and men participating in the study described above. Women more often than men indicated that money gives them a sense of security and freedom. In the case of the other dimensions, the differences obtained in the study are slight.

People pursue their own needs, which can be classified from the most basic to higher-order needs. According to many researchers, higher-order needs only become relevant when the most fundamental ones are secured. At the base of the pyramid of needs described by Abraham Maslow are the needs physiological (e.g. food, water, sleep), slightly higher are the needs for security in life. It

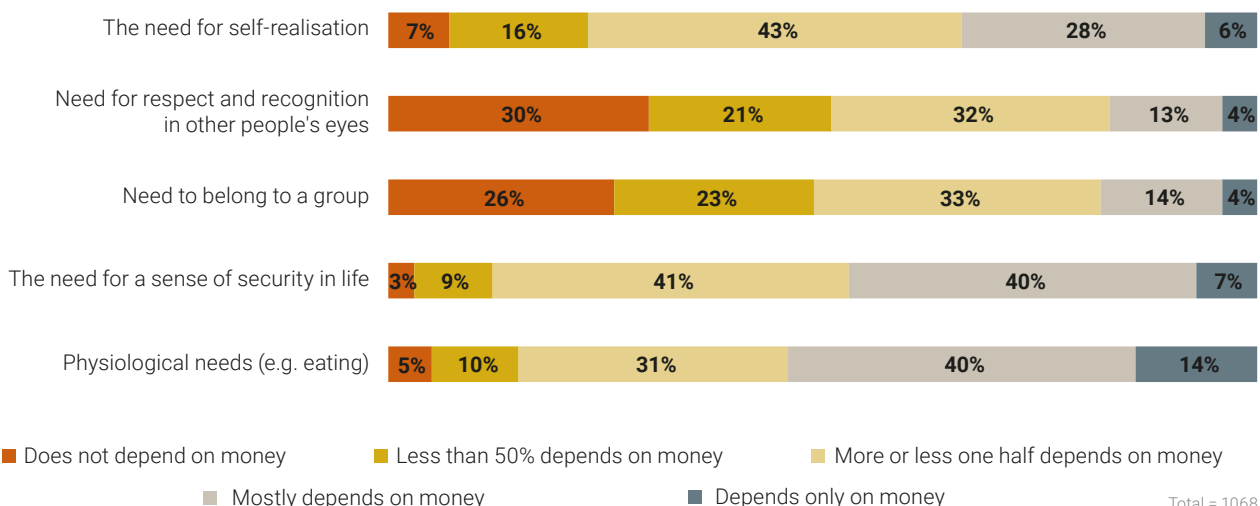
is these two categories of needs that Poles believe depend most strongly on money. 54% believe that securing physiological needs depends exclusively or mostly on money, while 47% of respondents describe securing safety needs in this way. Only a dozen or so percent of Poles (15% in the case of physiological needs and 12% in the case of security needs) believe that satisfying basic needs does not depend on money or depends on it to less than 50%.

In the context of needs related to the social aspect - the need to belong to a group and the need for respect and recognition, Poles estimate the role of money lower. 17%-18% of respondents assume that being part of a group and being respected in the eyes of other people are gained exclusively or primarily because of money. One in three Poles recognises that belonging and respect are half a result of financial status. It is noteworthy that 26% of Poles deny the role of money in realising the need for affiliation, and 30% in realising the need for respect and recognition.

The highest category of life needs relates to self-actualisation and development (having goals and achieving them, fulfilling one's potential, cognitive and aesthetic needs). According to 34% of Poles, securing this group of needs is a result of the financial situation, either in total or primarily. Only 7% of respondents believe that money is not necessary for this purpose.

Thus, Poles perceive the important role of money in the fulfilment of various categories of needs.

**To what extent does whether your needs in the following categories are met depend on money?**



Total = 1068

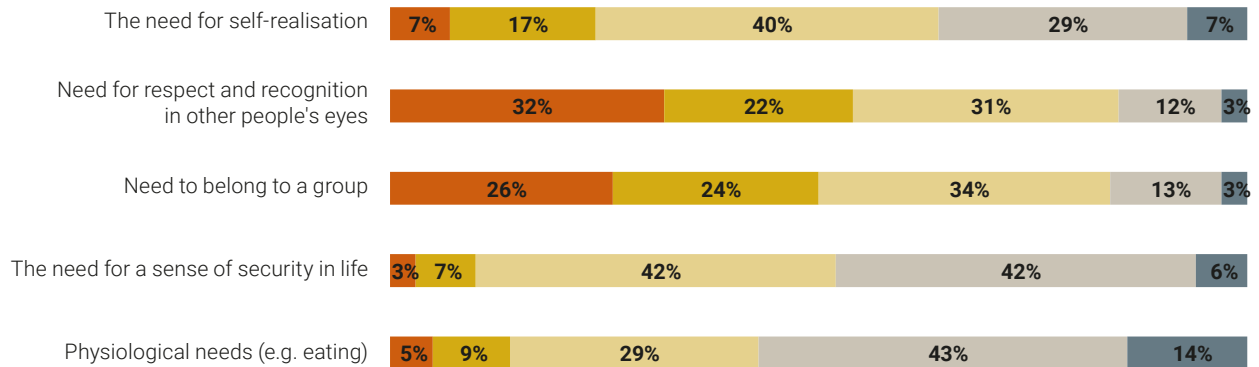


In the case of the most basic needs, 85%-88% of respondents recognise that money is at least half responsible for securing them. In the context of social needs, the role of money is not as emphasised, but still about half of Poles consider that securing a

sense of belonging and respect is at least half due to money.

Perceptions of the role of money in securing life's needs are very similar in women and men.

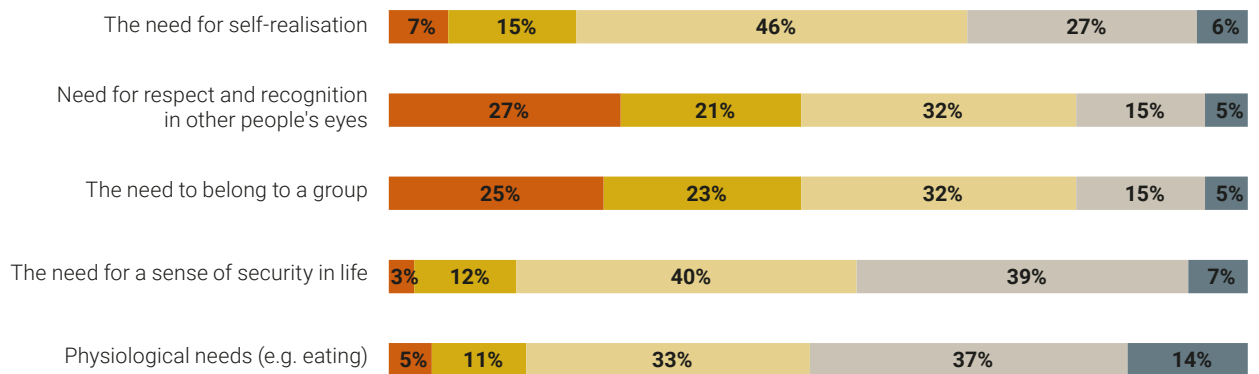
To what extent does whether your needs in the following categories are met depend on money? (women's answers)



Legend: Does not depend on money, Less than 50% depends on money, More or less one half depends on money, Mostly depends on money, Depends only on money

N women = 552

To what extent does whether your needs in the following categories are met depend on money? (men's answers)



Legend: Does not depend on money, Less than 50% depends on money, More or less one half depends on money, Mostly depends on money, Depends only on money

N men = 514

# Summary of results





## FINANCIAL SITUATION

- Only 11% of Poles can live life to the full without worrying about financial issues, while 32% feel financially secure.
- One in five Poles can afford to pursue their passions, dreams or life goals.
- Securing one's financial future within one's budget seems possible to 20% of Poles, and 14% of adults are able to secure their children's financial future.
- As many as 25% of Poles declare that their household budget only allows them to secure their basic needs.
- According to the declarations of study participants, the financial situation of most Poles does not allow them to reach a level of financial well-being that could be defined as a state of financial health.

## FINANCIAL HEALTH THROUGH THE EYES OF THE POLISH PEOPLE

- Poles perceive financial health as a complex construct, defining it in many different ways.
- The most commonly identified key components of financial health are:
  - no stress about money
  - a sense of financial security
  - having an income of their own, regular and stable over time
  - no need to go into debt, especially all excessive
  - control over one's expenditure and income
- Only 11% of Poles indicate the ability to cope with unexpected major expenses as a key component of financial health, while formulating financial plans and following them consistently was not mentioned by survey participants, whereas, along with financial control and financial freedom to enjoy life, it is these two factors that are presented in the literature as one of the key components of financial health.

- Poles rate the importance of financial health highly, with women rating it slightly higher than men. Furthermore, according to 17% of Poles, financial health is the most important thing in life.
- Poles also recognise the impact of financial health on other areas of functioning, particularly mental, social and physical health, with women attributing a greater role to financial health than men in each case. Both women and men see the strongest link between financial health and mental health.
- 93% of Polish adults believe that achieving and maintaining financial health is important, with this being slightly more the case for women than men. However, not everyone has already achieved it. 52% of Poles rate their financial health positively, 13% rate it negatively, with the remainder indifferent (neither positive nor negative).
- Importantly, however, 85% of women and men believe that achieving and maintaining financial health is within their means, although more than half of Poles believe it is a difficult task.
- According to more than 70% of Poles, financial health can also be achieved by someone who is slightly less wealthy and does not have very extensive financial knowledge

## FINANCIAL HEALTH INDICATORS – A SENSE OF SECURITY AND FINANCIAL STABILITY

- 42% of Poles have a positive view of their financial security over several years and almost as many (41%) make such an assessment with a horizon of several years.
- The results showed that 63% of adult Poles feel that their sources of income are stable over a period of several years, while 58% of adults also expect their sources of income to be stable over a horizon of several years.
- Ratings of financial security are slightly better for men than for women, while ratings of financial stability are similar between the sexes.
- The results thus mean that almost 60 per cent of Poles do not feel financially secure today and almost 40 per cent do not feel that their

sources of income are stable, which is an important indicator in the context of interpreting financial health.

## FINANCIAL HEALTH INDICATORS – PLANNING AND IMPLEMENTATION OF OBJECTIVES

- Planning and implementing financial goals is a multi-stage process. The average level of Poles' declared competence in this area is high for 47% of people (more often men than women) and low for 7.5% of respondents (more often women than men).
- Poles are most highly rated for their ability to identify their own financial needs and monitor their progress towards achieving a goal on an on-going basis, while they are least likely to indicate high competence in the area of mastering the next steps in implementing long-term financial plans.
- Competence with regard to planning and implementing goals translates into financial behaviour less than proportionally. Approx. 90% of Poles declare at least average skills in formulating long-term financial goals, and 64% have them actually defined. 90% of Poles declare at least an average ability to implement financial plans, but one in four women and one in five men have defined financial goals, but do nothing to implement them.
- It therefore appears that the area of planning and implementation of financial plans is an important topic worth raising in efforts to improve the financial health of Poles.

## FINANCIAL HEALTH INDICATORS – FINANCIAL KNOWLEDGE AND SKILLS

- Averaging Poles' estimates of their own knowledge and skills in different areas of financial functioning, 43% of respondents rate their knowledge and skills highly, and a further 44% rate them moderately. The average assessment of Poles' own knowledge and skills is therefore encouraging. Similar values were obtained for women and men.
- However, it is worth highlighting the issues that pose the greatest difficulty, i.e. topics re-

lated to investing money, insurance, taxes and digital security, and those in which Poles feel most comfortable, i.e. using mobile banking, managing a household budget and conscious consumption.

- The results are optimistic, but it should be borne in mind that studies comparing Poles' subjective and objective financial knowledge consistently show an overestimation of self-assessment and a frequent confidence in one's own untrue knowledge.
- 72% of Poles perceive a need to increase their knowledge and/or skills in various areas of financial functioning in order to improve their financial health. This is an important result showing the space for educational activities in this area.

## FINANCIAL HEALTH INDICATORS – FINANCIAL LIABILITIES

- 51% of respondents currently have financial commitments (loans/advances) or have had them in the past year.
- The most common loan instalment paid by Polish households consumes between 11% and 20% of current income each month, and half of Poles declared values not exceeding 30% of income, i.e. within the limits recommended by the FSA.
- Taking into account not only loans, but also other fixed commitments, 35% of borrowers spend half of their income on repayment every month, and in the case of 14% of Poles, these costs consume at least 70% of their income. These statistics show how much money Poles have left over for covering current living costs, saving/investing and making major purchases.
- At the same time, the above statistics show that although the loan burden itself is within the safe level described by the KNF, the presence of other fixed liabilities can make repayment of loan instalments a challenge. In this context, the result indicating that 28% of credit/loan holders have had a problem with their repayment over the past year is not surprising, with 17% having temporary problems and 11% still unresolved.



## FINANCIAL HEALTH INDICATORS – FINANCIAL SECURITY

- 82% of adult Poles put aside an amount of money at least from time to time, including 40% who do so regularly, every month. Gender differences in this regard are minimal.
- The savings accumulated by the majority of Poles do not provide them with long-term security in the event of job loss or inability to work. 45% of Poles could survive for no more than three months on their savings, 19% of whom would not even be able to support themselves for a month.
- On the other hand, 24% of Poles could live more than six months on their savings.
- Almost half of Poles (47%) would only be able to bear an unplanned financial expense without reducing their standard of living if it was less than their monthly income.

## FINANCIAL HEALTH INDICATORS – TAKING ADVANTAGE OF SAVINGS

- Poles are still most likely to accumulate money in cash and in a non-interest-bearing bank account (33%) or by putting it in a deposit or savings account (59%)
- Interest in more complex financial instruments is much lower, ranging from 4% (cryptocurrencies), to 14% (TFI units, shares, ETFs combined).
- Women are more likely than men to keep money in cash, on non-interest bearing bank account, deposits or savings accounts, while men are more likely than women to choose investment instruments, currencies and cryptocurrencies to use their savings.
- Poles most often put money aside to fulfil short-term goals, which 46% of respondents do. Goals set for several years from now or longer are realised by one in four Poles.
- The most frequent motive for saving indicated by Poles is to secure themselves in case of a "black hour" (46%). This is followed by securing funds for a holiday trip (44%), furnishing or renovating a house/apartment (35%) and financial security for future goals they will someday define for themselves (33%). The list of

the five most frequently cited motives is rounded off by the financial security of retirement.

- Women are significantly more likely than men to set aside money for holidays/vacation - 53% vs 35%.

## FINANCIAL HEALTH INDICATORS – FINANCIAL SECURITY FOR RETIREMENT

- Approx. 70% of adult Poles do not know how much they currently have in pension contributions in their ZUS (THE SOCIAL INSURANCE INSTITUTE) account (slightly more men than women).
- 39% of adult Poles take some kind of deliberate action to secure their financial future in retirement, with men more likely to do so than women
- Only 26% of adult Poles put aside or invest money to secure their finances in retirement, with interest in investing for this purpose significantly higher after the age of 35 than before.
- Poles most often secure their pension by putting money aside in a current bank account, through PPK/PPE (13%), in IKE/IKZE (10%), investing in shares, bonds, TFIs, real estate (8-9% each).

## FINANCIAL HEALTH INDICATORS – FINANCIAL CONTROL

- Less than 8% of Poles are able to determine how much money was credited to their account in the past month with an accuracy of up to PLN 500, and one in five Poles can determine their income with an accuracy of up to PLN 1,000.
- 6% of Poles are able to specify how much money they have spent in the past month to the nearest PLN 500, and 14% to the nearest PLN 1,000.
- Nevertheless, one in three Poles controls their spending very much (34% of women and 31% of men), while around 18% control it rather poorly (4% more men than women).
- Poles take various measures to control their finances and are aware of what they spend their

money on, which undoubtedly promotes their financial health.

## **FINANCIAL HEALTH INDICATORS – ATTITUDES TOWARDS MONEY**

- 90% of Poles perceive money as a tool that gives them a sense of security and freedom. Not surprisingly, money evokes emotions in most Poles, with both positive and negative emotions. Consequently, 44% of respondents admit that they sometimes quarrel at home over money.
- Every third Pole manifests materialistic attitudes on at least one of three dimensions: perceiving money as a source of happiness (37%), a measure of success (17%) and a central element in life (26%).

In summary, the majority of Poles report an unsatisfactory general level of financial health, but there are areas of financial health that Poles perform better at - such as financial control - and areas that they perform worse in - such as ensuring a sense of financial security. However, it is worth emphasizing that the vast majority of Poles recognise the importance of financial health and understand its impact on other areas of health. Most Poles also perceive their educational needs in terms of knowledge and skills as important to be able to achieve financial health. It is relevant to emphasise that Poles take a variety of actions to improve their financial wellbeing, and although these do not always have the intended effect or effect on the desired scale, they are an expression of initiative and an important anchor for educational activities to follow.



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