

Financial Literacy and Interviewer Effects

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4th conference on household finance and consumption

18.12.2015

OUTLINE

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- 2 Summary
- 3 Some questions
- 4 Some ideas and conclusions

“STANDARDIZED” FINANCIAL LITERACY QUESTIONS

An (extreme) example

- World Bank Project, Financial Literacy, 140 countries “to understand the extent of peoples understanding of basic financial concepts as well as the degree to which financial skills fall short among groups like women and the poor,”
- But is that feasible?

“STANDARDIZED” FINANCIAL LITERACY QUESTIONS

- 1 “Suppose you had 100 dollars in a savings account and the bank adds 10 percent per year to the account. How much money would you have in the account after five years if you did not remove any money from the account: more than 150 dollars, exactly 150 dollars, or less than 150 dollars?”
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BUT...many people

- do not have banks, bank accounts, savings, hold any money for 5 years, or any idea of what 10 percent means.
- do not face situations in which they would have to decide between “investing” in one or multiple investments

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- Given CAPI Interviewers are interviewing in certain regions. Might your interviewer effects pick up differences between regions?
- One of our main findings is that interviewer experience is a very important factor. Why is it missing from the regressions?

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- Should we try to match ideal interviewer-respondent pairs in the case of a panel like the PHF?

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→ And of course, I am really interested in reading the results section of the paper.