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Azerbaijan Micro-finance Association

## **FINAL REPORT**

### **Results of the Financial Literacy Survey**

*Prepared for the Central Bank of the Republic of Azerbaijan*

**December 30, 2009  
Baku, Azerbaijan**

The Final Report was prepared by Ilkin Nazarov, the AMFA's Research Manager.

**Note:** This Report is based on results of the “Financial Literacy Survey” conducted within the “Financial Services Development Project” supported by the Central Bank of the Republic of Azerbaijan, World Bank and Swiss SECO. The views expressed herein are those of Azerbaijan Micro-finance Association (AMFA) and can therefore in no way be taken to reflect the official opinion of the Central Bank, World Bank and SECO.

Azerbaijan Micro-finance Association (AMFA) is uniting 27 members. AMFA was founded in 2001 and officially registered at the Ministry of Justice of Azerbaijan in November 2004.

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## ACCRONIMS & ABBREVIATIONS

<b>AMFA</b>	Azerbaijan Micro-finance Association
<b>CBAR</b>	Central Bank of the Republic of Azerbaijan
<b>FLS</b>	Financial Literacy Survey
<b>IDP</b>	Internal Displaced Person
<b>HS</b>	Household
<b>SECO</b>	Swiss State Secretariat for Economic Affairs
<b>WB</b>	World Bank
<b>%</b>	Percentage
<b>n</b>	Number
<b>,</b>	Comma means point

## INTRODUCTION

Financial services sector, like other economic sectors of Azerbaijan, has been characterized with fast development rate. Banking, insurance and post services hold leading positions among those services. Individuals are one of the major consumers of those services. Thus, more than 3.6 million people already use payment cards and about 500,000 people take consumer credits. Increase of financial literacy and better protection of consumer rights contribute to more efficient access of population to financial services. First of all, current status of financial literacy of population should be studied and problems revealed, to this end.

Increase of financial literacy and better protection of consumer rights became more urgent issues over the last decade. Fast integration of Azerbaijan into the world economy made it necessary to study those issues and implement appropriate measures in the country.

In view of the above mentioned facts, the Central Bank of the Republic of Azerbaijan, World Bank and SECO decided to carry out a financial literacy research of the population. **The main objective** of that project was to conduct a “Financial Literacy Survey”, create a Single Database and prepare a Report reflecting outcomes of the survey.

Management of household's income and expenditures, mathematic financial literacy of population, the level of awareness and use of financial services, as well as current status of consumer rights have been studied within the survey. Results of the research can be used as a baseline for financial literacy and awareness of the population.

The first section of the Final Report provides detailed information on methodological approach of the research and implemented actions. The second section covers socio-demographic status of respondents. The third section analyzes different aspects of financial literacy (financial management and borrowing; financial awareness and protection of consumer rights; basic financial calculation; use of financial services; bank services and payment cards) based on results of the survey, while the fourth section presents key findings and recommendations for the research. At the same time, Annex 1 includes tables on key findings of the survey, Annex 2 covers the questionnaire and Annex 3 contains the presentation reflecting preliminary results of the survey (presented at the financial literacy workshop organized on December 17, 2009).

## I. METHODOLOGICAL APPROACH AND TECHNICAL ISSUES

Following methodological approach and actions were taken in the implementation of the Financial Literacy Survey:

Action	Short description
<b>Preparation of multi-answer questionnaire based on the Russian model</b>	<p>The questionnaire was prepared based on the analogical questionnaire used in Russia and submitted by the Central Bank. The questionnaire was translated into Azerbaijani language, questions were adjusted to the country context, irrelevant questions were removed and new ones introduced. Meetings were arranged with representatives of the Central Bank and other relevant organizations, as well as their comments were discussed through e-mail during the preparation period of the questionnaire.</p> <p>The final version of the questionnaire was consisted of 65 questions and mainly covered such issues as registration of household's income and expenditures, financial awareness, financial literacy on basic calculations, violation of consumer rights during the use of financial services, access to financial services, payments cards and socio-demographic status of respondents. The questionnaire was prepared in Azerbaijani language and then, translated into English. The questionnaire was provided in Annex 2.</p>
<b>Definition of sampling frame and scale</b>	<p>1200 respondents were defined as a sample frame in 8 economic regions (2 economic regions of the country are under occupation) and Baku city. The main reason for conducting the survey among 1200 respondents is to ensure representativeness and financial feasibility of the project. Urban and rural ratio was set at 54% and 46% in line with statistic indicators. For detailed information see Table 1.1.</p>
<b>Preparation of the survey plan and implementation of survey sampling</b>	<p>Sampling was carried out at 2 stages: i) at the first stage, it was conducted while taking into account distribution of population by capital city, other urban and rural areas and economic regions with preliminary sampling units being street and villages (each preliminary sampling unit includes 15 respondents); ii) At the second stage, streets within the sampled cities and villages within economic regions were randomly selected. For example, according to results of the first stage of the sampling, a survey should be carried out among 45 respondents in Guba region and 15 respondents should be selected in urban areas and 30 respondents in rural areas. In view of the fact that primary sampling unit consists 15 respondents, 1 street within Guba town or its settlements and 2 villages among rural areas should be randomly selected.</p>
<b>Creation of the required software and instructions for entering of data into SPSS</b>	<p>Special software in SPSS program was prepared for entering and analysis of data. At the same time, instructions for entering of data were prepared, as well as distributed and explained to operators. Instructions that were used as a reference point explain technical issues related to entering of data.</p>
<b>Preparation of instructions for</b>	<p>Instructions for supervisors explain rules on acceptance of questionnaires from site specialists, coordination with interviewers, control over site works,</p>

<b>supervisors and interviewers</b>	acceptance of questionnaires from interviewers, examination of questionnaires and their distribution to site specialists on the survey. Instructions for interviewers explain rules on accepting questionnaires from supervisors, conducting surveys with respondents, filling in questionnaires, checking questionnaires together with supervisors, distributing questionnaires to supervisors, as well as polite treatment, re-conduct of survey, abolishment or return of spoiled questionnaires, continuation of survey at the next day in case of non-completion of the survey and focal points in case of emergency situations.
<b>Development of training materials and delivery of trainings for supervisors and interviewers</b>	A survey team consisted of 3 professional supervisors and 12 interviewers was selected and got through training courses. Training was organized for and all rules explained to interviewers a day before. After that, a one-day joint training course was arranged for both supervisors and interviewers. The training covered following subjects: i) review and application of experience on conduct of surveys; ii) discussion of goals and objectives of the survey; iii) presentation of survey methodology; iv) conduct of interviews with respondents, explanation of interview means and reply to relevant questions; v) explanation of instructions for supervisors and interviewers; vi) implementation of pilot surveys within the group or tests among participants (group includes: one participant in the capacity of respondent, one participant in the capacity of interviewer and one participant in the capacity of supervisor and vice-versa). Trainings were hold in Baku city on November 18-19.
<b>Conducting a pilot survey</b>	<p>Interviewers and supervisors conducted a pilot survey at the end of the training session. Each interviewer and supervisor conducted 1-2 surveys among randomly selected households. About 27 households were surveyed in Baku city. Objectives of preliminary tests were to reveal following facts:</p> <ul style="list-style-type: none"> <li>• Questions were listed in a relevant order with sensitive questions coming at the end of the questionnaire;</li> <li>• Questions are clearly understood by respondents and interviewers;</li> <li>• Each question covers not multiple, but one issue;</li> <li>• Questions are relevant for almost all respondents;</li> <li>• Possibility for giving comprehensive answers to all questions and exceptions for just a number of questions or their shift to other categories;</li> <li>• No extra efforts are required for giving answers to questions;</li> <li>• Questions can be answered as accurately as possible.</li> </ul> <p>Results of the pilot survey contributed to the creation of a database and correction of the text of the questionnaire.</p>
<b>Printing and distribution of questionnaires and other materials</b>	Upon completion of a pilot survey, questionnaires and instructions were printed and distributed to supervisors and interviewers by survey site specialists.
<b>Conduct of survey and</b>	The survey conducted through face-to-face interviews at households (household means dwellers using the same budget and living at the same

<b>collection of data (field work)</b>	<p>house) in the period of November 21 and December 10, 2009. The survey was carried out among people above 18 years old (18 also included) (except for those not capable of being interviewed) with the latest birthday date within a year. The aim of using that method was to ensure age and gender ratio balance.</p> <p>All answers were recorded in a standard questionnaire. The survey was conducted in Azerbaijani language. Each interview lasted for about 35 minutes.</p> <p>The interviewer conducted surveys at every house out of three. In case, a household member with the latest birthday date within a year was not at home or rejected to the survey, the interviewer surveyed the next house. If it was impossible to conduct a survey among 15 respondents in the selected street or village, the interviewer continued a survey in the nearest street or village, accordingly. It should be noted that such kind of cases happened very rarely.</p> <p>Abstinence cases amounted to 19%. 21 questionnaires (1,7% of all respondents) with complicated answers were abolished and new survey was conducted.</p>
<b>Checking of and control over quality of interviews</b>	<p>Supervisors controlled quality of interviews. They checked quality and completeness of questionnaires. Moreover, supervisors made control visits (5% of respondents for each supervisor), conducted randomly selected interviews, met with respondents and prepared a relevant check-up report. After the check-up process, supervisors submitted questionnaires to the survey site manager. The survey site manager also made site visits and examined 5% of the interviews.</p> <p><i>Recruitment of independent monitoring specialist:</i> Quality of interviews was also checked by an independent monitoring specialist. Independent monitoring specialist randomly selected 10% (120) of respondents covering all regions, checked them up through telephone calls and made site visits in case of necessity.</p> <p>Thus, 20% of interviews were checked by supervisors, survey site specialist and independent monitoring specialist through surveys of randomly selected households or telephone calls. Check-up process revealed 21 questionnaires (1,7% of all respondents) with complicated answers. They were abolished and new surveys were conducted.</p> <p>All these measures contributed to the completion of check-up reports and quality of the survey.</p>
<b>Entering and cleaning data, and creation of a Single Database</b>	<p>An operator entered and analyzed data through relevant software (SPSS). All questionnaires were coded during the entering process of data. An database specialist undertook additional control and regulation works to clean data. A Single Database was checked through preliminary analysis after major logic examination.</p>



	A Single Database was created at SPSS software based on questions of the questionnaire. Answers given by 1207 respondents were entered into the Single Database.
<b>Presentation of preliminary results</b>	Preliminary results of the survey were prepared in PPT format and presented during the workshop arranged at the Central Bank on December 17, 2009 within the Project of “Protection of financial consumer rights and increase of financial literacy of population”. That presentation was provided in Annex 3.
<b>Preparation of an Inception Report for preliminary analysis and comments</b>	Preliminary analysis was conducted based on questions of the questionnaire and answers were provided in number and percentage form at tables. Preliminary analysis was conducted (separately for men and women) on general basis, as well as by capital city, other urban areas, rural areas and economic regions (if necessary). Short description of tables reflecting results of the survey was provided at the headline of each table.
<b>Elaboration of a Final Report</b>	Final Report was prepared while taking into account comments for the Inception Report.

Thus, progress status of actions for the implementation of the Financial Literacy Survey was as following:

#	Action	Progress status <sup>1</sup>
1.	Translation of the financial literacy questionnaire model used in Russia into Azerbaijani language	+
2.	Consideration of comments of relevant ministries of Azerbaijan concerning questions of the questionnaire and reduction of questions to be entered into the questionnaire by the consulting company	+
3.	Formation of scenario to be used by interviewers for organization of the survey at sites	+
4.	Coordination of questions related to the questionnaire with the Central Bank of the Republic of Azerbaijan	+
5.	Elaboration of a natural sampling methodology to ensure full coverage of Azerbaijani population by the survey while taken into account all demographic factors	+
6.	Organization of trainings for interviewers to be sure that they have all necessary information before interviews	+
7.	Printing and distribution of all necessary materials to interviewers for undertaking site works	+
8.	Implementation of the survey at houses of respondents (1200 respondents) through face-to-face interviews	+
9.	Monitoring of works of interviewers at sites	+
10.	Collection and preparation of preliminary data as a result of site works and creation of a comprehensive database based on answers of interviews	+
11.	Submission of a comprehensive report supporting the survey methodology with relevant documents (in Azerbaijan and English languages)	+
12.	Elaboration of a technical report reflecting full analysis based on results of the survey (in Azerbaijan and English languages)	+
13.	Participation at workshops to present survey outcomes (one workshop in Baku and maximum 2 workshops in regional centres)	± <sup>2</sup>
14.	Other relevant actions that might be required by the project team	+

<sup>1</sup> “+” indicates successful implementation of actions; “-“ indicates non-implementation of actions.

<sup>2</sup> Survey outcomes were presented only at one workshop (on December 17, 2009, in Baku city).

In general, the survey covered Baku (including 11 administrative districts), Ganja, Sumgait, Shirvan, Khirdalan, Sheki, Lankaran, Yevlakh, Nakhchivan, Guba, Gusar, Aghsu, Bilesuvar, Berde, Tovuz, Masalli cities, 2 settlements and 37 villages (see: table 1.1). 54% of survey participants live in urban (Baku- 23%) and 46% in rural areas. This is a similar pattern to the national demographic status.

**Table 1.1: Distribution of respondents by residence and regions**

#	City/Rayon	Urban areas	Rural areas	Total
		<i>n</i>	<i>n</i>	<i>n</i>
<b>I.</b>	<b>1. Baku city</b>	<b>277</b>	<b>0</b>	<b>275</b>
<b>II.</b>	<b>Absheron economic region</b>	<b>105</b>	<b>15</b>	<b>120</b>
	2. <i>Absheron</i>	45	15	60
	3. <i>Sumgait city</i>	60	0	60
<b>III.</b>	<b>Guba-Khachmaz economic region</b>	<b>30</b>	<b>60</b>	<b>90</b>
	4. <i>Gusar</i>	15	30	45
	5. <i>Guba</i>	15	30	45
<b>IV.</b>	<b>Upper Shirvan economic region</b>	<b>15</b>	<b>45</b>	<b>60</b>
	6. <i>Aghsu</i>	15	45	60
<b>V.</b>	<b>Sheki-Zagatala economic region</b>	<b>30</b>	<b>60</b>	<b>90</b>
	7. <i>Sheki</i>	30	60	90
<b>VI.</b>	<b>Aran economic region</b>	<b>75</b>	<b>165</b>	<b>240</b>
	8. <i>Bilesuvar</i>	15	45	60
	9. <i>Shirvan city</i>	30	0	30
	10. <i>Ujar</i>	0	30	30
	11. <i>Yevlakh</i>	15	45	60
	12. <i>Berde</i>	15	45	60
<b>VII.</b>	<b>Nakhchivan economic region</b>	<b>15</b>	<b>45</b>	<b>60</b>
	13. <i>Nakhchivan</i>	15	0	15
	14. <i>Babek</i>	0	15	15
	15. <i>Kengerli</i>	0	15	15
	16. <i>Sherur</i>	0	15	15
<b>VIII.</b>	<b>Ganja-Gazakh economic region</b>	<b>75</b>	<b>75</b>	<b>150</b>
	17. <i>Ganja</i>	60	0	60
	18. <i>Tovuz</i>	15	45	60
	19. <i>Khanlar</i>	0	30	30
<b>IX.</b>	<b>Lankaran economic region</b>	<b>30</b>	<b>90</b>	<b>120</b>
	20. <i>Lankaran</i>	15	45	60
	21. <i>Lerik</i>	0	15	15
	22. <i>Masalli</i>	15	30	45
<b>TOTAL</b>		<b>652</b>	<b>555</b>	<b>1207</b>
<i>in %</i>		<b>54,0</b>	<b>46,0</b>	<b>100,0</b>

## II. SOCIO-DEMOGRAPHIC STATUS OF RESPONDENTS

The following table suggests that 52% of the survey participants were men and 48% women. While women prevailed among survey participants in the capital city, that pattern was different in rural and other urban areas. Distribution of respondents by age groups indicates that majority (67%) of the survey participants were at the 26-55 age group. Participation rate of the youth was lower in rural areas, while that figure was higher for the elderly. This is directly linked to education of the youth at higher education facilities in the capital city and other towns, their military service and migration to work in other places.

Majority of the survey participants were head, spouse or child of households. Average household size was 4,4 people, which is the similar pattern to the national statistic indicator. In rural areas and Baku city average household size was 4,7 and 4 people, respectively. Size of households represented by female respondents was lower compared to those represented by male respondents: 4,2 and 4,6, respectively. 5% of the survey participants were IDPs, while 95% were local residents. IDPs were mainly settled in Baku and other cities.

45% of the survey participants had general secondary education, while that figure was 55% in rural areas. Men prevail among respondents with higher education, which is the similar pattern to the national statistic indicators.

Public and private sector employees, self-employees, pensioners, housewives and unemployed persons prevailed among survey participants 8.4% of respondents indicated that there were unemployed and actively searching job. It should be noted that unemployment rate amounted to 6,1% in 2008 according to the information provided by the SSC (for detailed information see table 2.1).

**Table 2.1: Socio-demographic status of respondents**

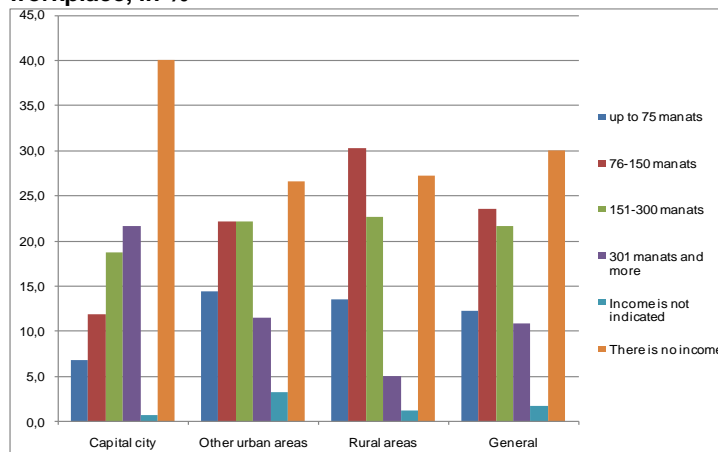
	Capital city		Other urban areas		Rural areas		General		General-Male		General-Female	
	n	%	n	%	n	%	n	%	n	%	n	%
<b>Total</b>	<b>277</b>	<b>22,9</b>	<b>375</b>	<b>31,1</b>	<b>555</b>	<b>46,0</b>	<b>1 207</b>	<b>100</b>	<b>624</b>	<b>51,7</b>	<b>583</b>	<b>48,3</b>
<b>Age</b>												
18-25	64	23,1	69	18,4	50	9	183	15,2	90	14,4	93	16
26-35	69	24,9	75	20	106	19,1	250	20,7	135	21,6	115	19,7
36-45	61	22	73	19,5	148	26,7	282	23,4	142	22,8	140	24
46-55	58	20,9	83	22,1	140	25,2	281	23,3	144	23,1	137	23,5
56-65	16	5,8	48	12,8	64	11,5	128	10,6	64	10,3	64	11
65 and more	9	3,2	27	7,2	47	8,5	83	6,9	49	7,9	34	5,8
<b>Total</b>	<b>277</b>	<b>100</b>	<b>375</b>	<b>100</b>	<b>555</b>	<b>100</b>	<b>1 207</b>	<b>100</b>	<b>624</b>	<b>100</b>	<b>583</b>	<b>100</b>
<b>Status</b>												
Local resident	247	89,2	347	92,5	550	99,1	1 144	94,8	604	96,8	540	92,6
IDPs	30	10,8	28	7,5	5	0,9	63	5,2	20	3,2	43	7,4
<b>Total</b>	<b>277</b>	<b>100</b>	<b>375</b>	<b>100</b>	<b>555</b>	<b>100</b>	<b>1 207</b>	<b>100</b>	<b>624</b>	<b>100</b>	<b>583</b>	<b>100</b>
<b>Relation with household head</b>												
Head	105	37,9	164	43,7	276	49,7	545	45,2	425	68,1	120	20,6
Husband/wife	98	35,4	97	25,9	145	26,1	340	28,2	7	1,1	333	57,1

Child	73	26,4	102	27,2	102	18,4	277	22,9	189	30,3	88	15,1
Son in law/daughter in law	1	0,4	11	2,9	28	5	40	3,3	1	0,2	39	6,7
Other	0	0	1	0,3	4	0,8	5	0,5	2	0,3	3	0,5
<b>Total</b>	<b>277</b>	<b>100</b>	<b>375</b>	<b>100</b>	<b>555</b>	<b>100</b>	<b>1 207</b>	<b>100</b>	<b>624</b>	<b>100</b>	<b>583</b>	<b>100</b>
<b>Education</b>												
Higher education	138	49,8	101	26,9	89	16	328	27,2	199	31,9	129	22,1
Special vocational education (technical college)	58	20,9	71	18,9	80	14,4	209	17,3	95	15,2	114	19,6
Technical-vocational	3	1,1	18	4,8	28	5	49	4,1	34	5,4	15	2,6
General secondary	76	27,4	165	44	305	55	546	45,2	271	43,4	275	47,2
Incomplete secondary	1	0,4	13	3,5	33	5,9	47	3,9	18	2,9	29	5
Primary education	0	0	7	1,9	16	2,9	23	1,9	4	0,6	19	3,3
No education	1	0,4	0	0	4	0,7	5	0,4	3	0,5	2	0,3
<b>Total</b>	<b>277</b>	<b>100</b>	<b>375</b>	<b>100</b>	<b>555</b>	<b>100</b>	<b>1 207</b>	<b>100</b>	<b>624</b>	<b>100</b>	<b>583</b>	<b>100</b>
<b>Employment</b>												
Public sector employee	63	22,7	82	21,9	118	21,3	263	21,8	144	23,1	119	20,4
Housewife	63	22,7	55	14,7	90	16,2	208	17,2	77	12,3	19	3,3
Pensioner	34	12,3	71	18,9	103	18,6	208	17,2	19	3	5	0,9
Self-employee	18	6,5	50	13,3	107	19,3	175	14,5	25	4	7	1,2
Unemployed (job-seeker	30	10,8	28	7,5	43	7,7	101	8,4	151	24,2	24	4,1
Private sector employee	35	12,6	39	10,4	22	4	96	8	14	2,2	1	0,2
Student	20	7,2	21	5,6	1	0,2	42	3,5	12	1,9	13	2,2
Entrepreneur	3	1,1	16	4,3	13	2,3	32	2,7	0	0	208	35,7
Unpaid household works (assistance in farm and household works)	0	0	1	0,3	24	4,3	25	2,1	20	3,2	22	3,8
Employee of non-governmental organization	5	1,8	4	1,1	15	2,7	24	2	92	14,7	116	19,9
Unemployed (non job-seeker	4	1,4	4	1,1	10	1,8	18	1,5	59	9,5	42	7,2
Temporary/seasonal worker	2	0,7	4	1,1	9	1,6	15	1,2	11	1,8	7	1,2
<b>Total</b>	<b>277</b>	<b>100</b>	<b>375</b>	<b>100</b>	<b>555</b>	<b>100</b>	<b>1 207</b>	<b>100</b>	<b>624</b>	<b>100</b>	<b>583</b>	<b>100</b>
<b>Average size of household (n)</b>												
	<b>4,03</b>		<b>4,18</b>		<b>4,75</b>		<b>4,41</b>		<b>4,6</b>		<b>4,2</b>	

Source: FLS

Diagram 2.2 suggests that average monthly salary/wage of respondents at main work places is about 220 manats. This indicator is the highest in Baku city and lowest in rural areas. 30% of respondents were housewives, unemployed and other categories without income. This indicator is the highest in Baku city and the lowest in other urban areas. This is explained by the fact that relatively more housewives, unemployed and students took part in the survey. Only, 1,7% of respondents didn't give information on their main income sources.

**Diagram 2.2: Monthly salary/wage of respondents at main workplace, in %**



Source: FLS

Diagram 2.2 shows that majority of respondents (54%) assessed their financial status as average. This indicator was the highest in Baku city and lowest in rural areas. Although this conforms to the tendency existing in the country, it's subjective assessment and may not fully reflect the real situation. But, this gives idea how respondents evaluate their own financial status.

**Diagram 2.2: Financial status of households of respondents (subjective assessment), in %**



Source: FLS

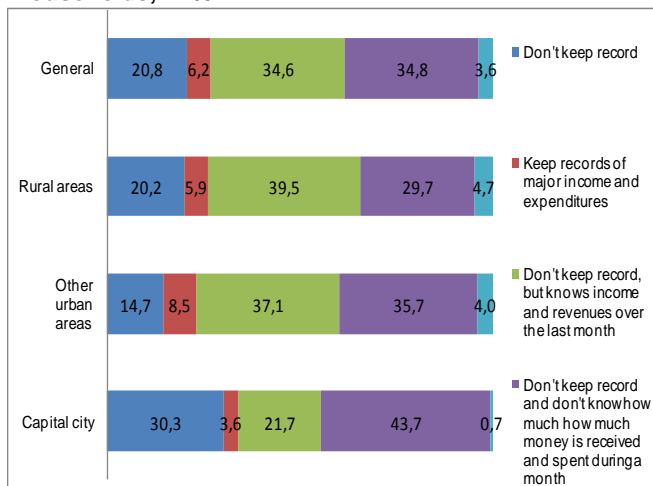
### III. CURRENT STATUS OF FINANCIAL LITERACY

#### 3.1. Financial management and borrowing

Diagram 3.1.1 suggests that majority of families of respondents (70%) don't keep records of income and expenditures, and 35% of them even have no idea of how much was spent over the last month. This indicator is higher in other urban areas.

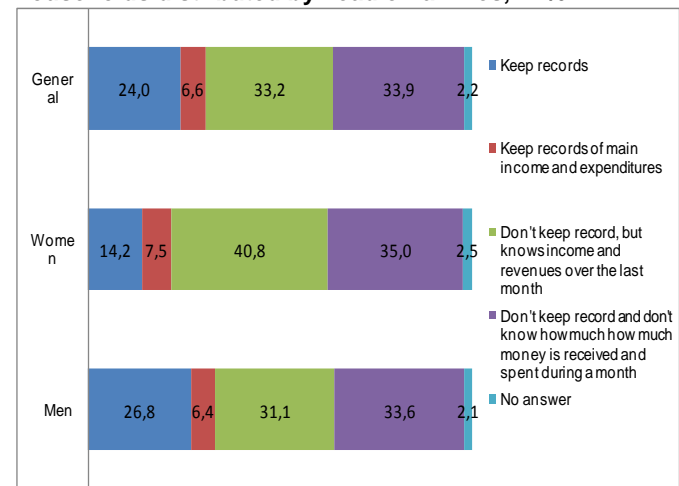
Diagram 3.1.2 shows that more households with female head of family (76%) don't keep records on income and expenditures and 35% of them have no idea of how much was spent over the last month. This indicator is higher compared to households with male head of family.

**Diagram 3.1.1: Record of income and expenditures of households, in %**



Source: FLS

**Diagram 3.1.2: Record of income and expenditures of households distributed by head of families, in %**



Source: FLS

Diagram 3.1.3 suggests that majority of families of respondents (52%) didn't have any money left right before the next revenue arrives (wage, pension, allowance, scholarship and etc.) and this indicator was higher in rural areas. Only, 35% can do it sometimes and occasionally.

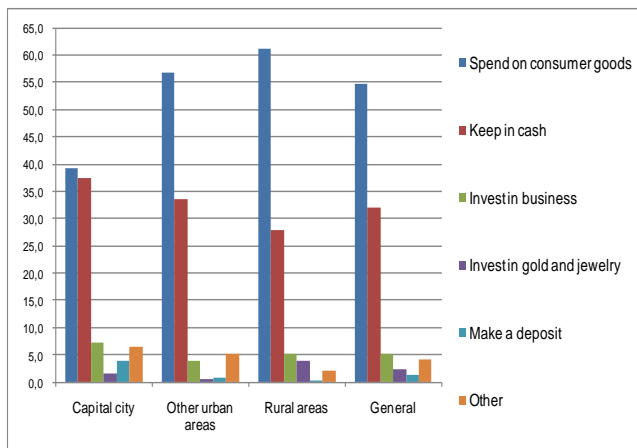
If households have any money left right before the next revenue arrives, they usually spend those funds on consumer goods or keep them cash at home. The share of people who spend saved funds on consumer goods is higher in rural areas, while the shares of people who keep them in cash prevail in Baku city. This may be explained by the fact that living condition in rural areas is lower compared to the capital city. In general, answers on allocation of saved money to private business and keeping them at banks as deposit were lower.

**Diagram 3.1.3: Households that have any money left right before the next revenue arrives over the last year, in %**



Source: FLS

**Diagram 3.1.4: Allocation of saved money, in %**

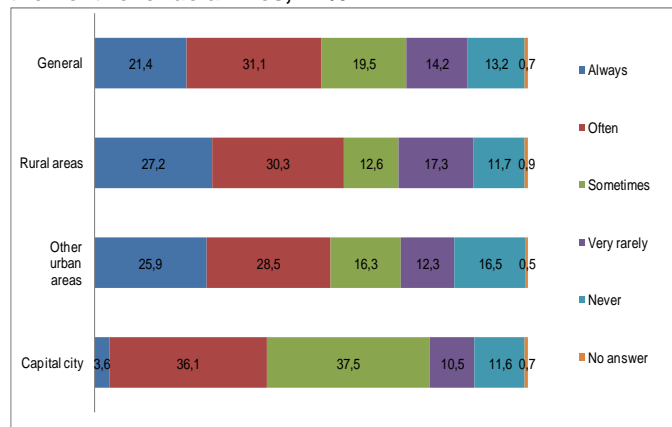


Source: FLS

Diagram 3.1.5 shows that majority of respondents (52%) indicated that they ran out of money before the next revenues arrived over the last year. These cases happened more frequently in rural areas.

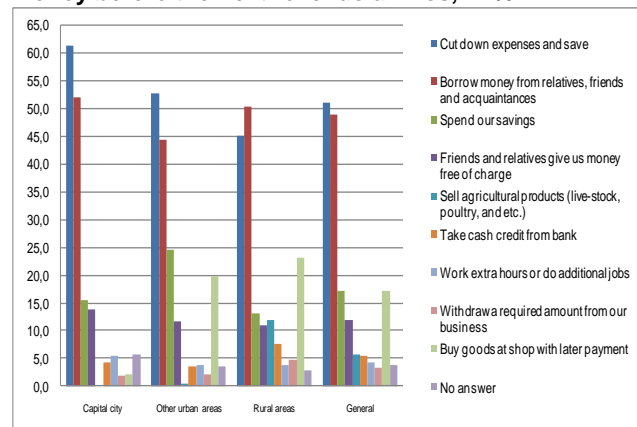
Diagram 3.1.6 suggests that in case households run out of money before the next revenue arrives, they cut back on expenditures or use funds economically, as well as borrow or take money from relatives, friends and acquaintances. People living in the capital city use those sources more frequently. In rural areas, people buy goods at shops with payment to be made at a future date (23% and 20% respectively) and sell agricultural products (13% only in rural areas).

**Diagram 3.1.5: Households that ran out of money before the next revenue arrives, in %**



Source: FLS

**Diagram 3.1.6: Behavior of households that ran out of money before the next revenue arrives, in %**



Source: FLS

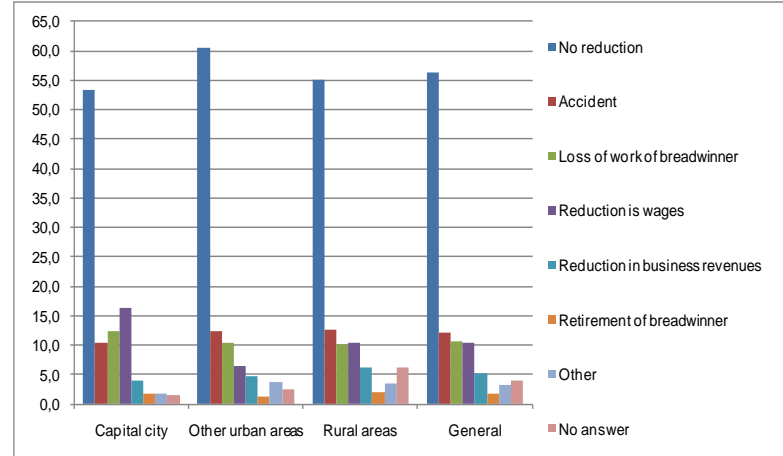
Diagram 3.1.7 shows that majority of respondents (56%) didn't indicate decrease of their income over the last 3 years. This indicator was higher (60%) in other urban areas and lowest (53%) in Baku city. 45% of households experienced decrease in their income due to accidents, loss of job and other reasons. This indicator was the highest in Baku and lowest in other urban areas.

Analysis suggests that main reasons for the decrease in income of population living in the capital city over last years are loss of job of breadwinner and reduction in salaries (28%). This may be explained by the impact of the global financial crisis occurred at the end of 2008 on income of population of the capital city.

Diagram 3.1.8 shows that majority of households (72%) borrowed money for some reason over the last year. In general, borrowers prevailed among rural population. This indicator was relatively lower among population of the capital city.

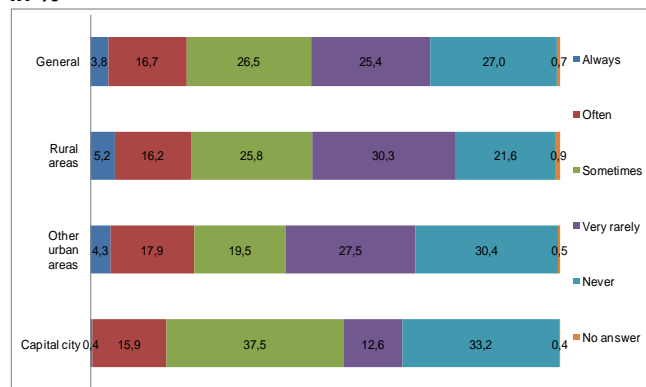
Diagram 3.1.9 suggests that 48% of respondents indicated that households represented by them had debts. This indicator was the highest (49%) in rural areas and lowest (44%) in other urban areas.

**Diagram 3.1.7: Reasons for significant reduction in household income over the last 3 years, in %**



Source: FLS

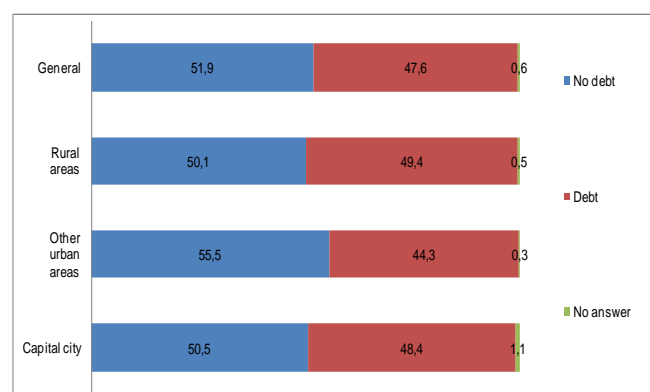
**Diagram 3.1.8: Households borrowed over the last year, in %**



Source: FLS

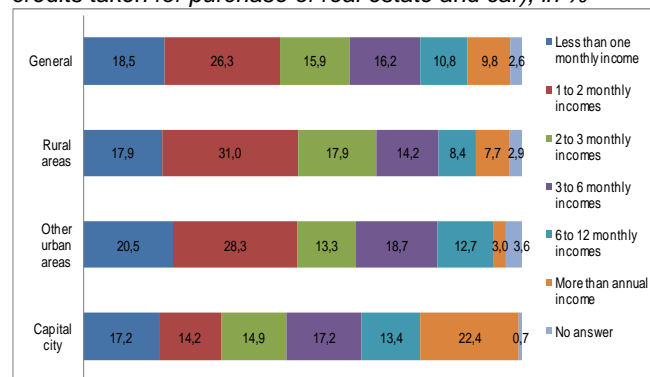
Diagram 3.1.10 suggests that household debts excluding loans for purchase of real estate (house, dacha and etc.) and car are mainly equal to their 1-6 month worth income (77%). Analysis indicates that ratio of debts of people living in rural and other urban areas to their monthly salary is lower compared to those living in the capital city. This fact indicates that population of the capital city borrow large-scale loans. At the same time, it suggests more access for population living in the capital city to financial services.

**Diagram 3.1.9: Households with current debt, in %**



Source: FLS

**Diagram 3.1.10: Amount of household debts (except for credits taken for purchase of real estate and car), in %**

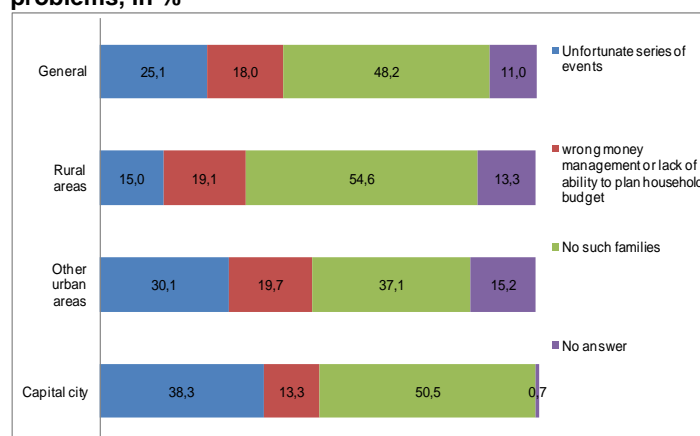


Source: FLS



Diagram 3.1.11 shows that 43% of respondents participated in the survey had families among their acquaintances or friends who used to be relatively well-to-do and then suddenly encountered financial problems. 25% of respondents linked this to unfortunate series of events, while 18% indicated wrong money management as the main reason for such problems. People living in other urban and rural areas mentioned the mismanagement fact more frequently (20% and 19%). At the same time, about 1% of respondents noted economic crisis and fraudulence cases among other reasons.

**Diagram 3.1.11: Respondents with acquaintances or friends who used to be relatively well-to-do and then suddenly encountered financial problems and reasons for those problems, in %**



Source: FLS

Thus, results of the survey confirmed prevalence of wrong money management and planning problems among population of rural and other urban areas. This may be explained by low education level of people living in those areas compared to the capital city and lack of basic mathematic financial literacy.

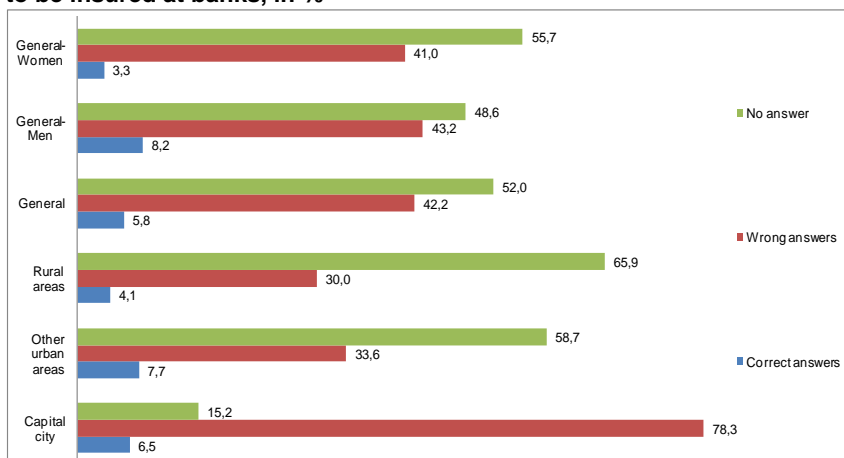
## 3.2. Financial awareness and consumer rights

As can be seen from Diagram 3.2.1, majority of respondents are not aware of deposit insurance. Only small part of them (6%) has relevant information. The lowest indicator (4%) was observed in rural areas. At the same time, awareness level is lower among women than men (3% and 8%).

Diagram 3.2.2 shows that 51% of respondents think that the government should compensate individuals for the damages from losses due to bankruptcy of banks. Population of the capital city (70%) and female respondents (56%) mentioned that view more frequently. At the same time, 43% of people living in the capital city think that the government should pay compensation if price of apartment or dacha drops at the moment when one needs to sell them. More men than women are adhere to that view. Small part of respondents (15%) finds it relevant for the government to compensate significant reduction in shares of a private company and the value of shares. Population of the capital city and men prevail among supporters of that view.

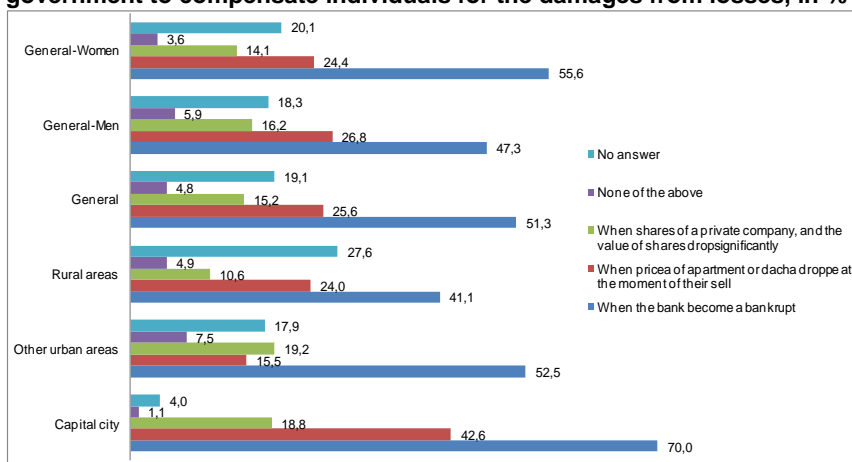
Diagram 3.2.3 shows that only 53% of respondents are aware about who sets period, annual interest rate,

**Diagram 3.2.1: Awareness of respondents about maximum level of deposits to be insured at banks, in %**



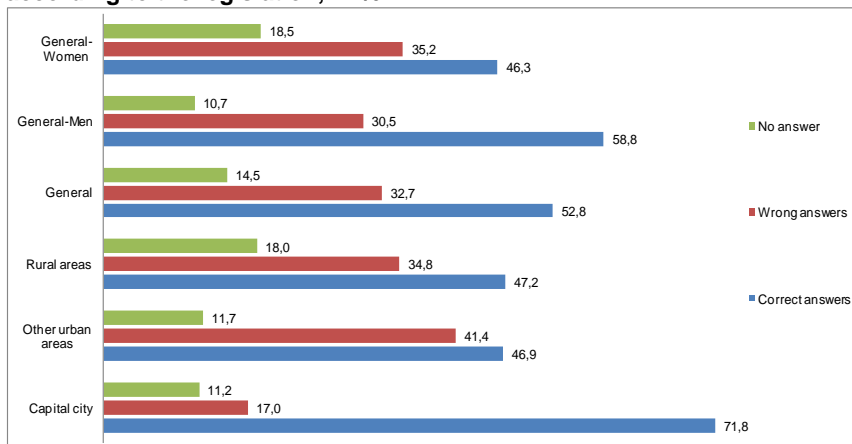
Source: FLS

**Diagram 3.2.2: Cases in which respondents find it relevant for the government to compensate individuals for the damages from losses, in %**



Source: FLS

**Diagram 3.2.3: Answers of respondents about who sets period, annual interest rate, commission fees and other terms when granting a bank credit according to the legislation, in %**



Source: FLS

commission fees and other terms when granting a bank credit according to the legislation. This indicator is 25% higher in the capital city compared to regions: 72% and 47%, respectively. In terms of gender disaggregation, awareness level of men is 13% higher than women: 58,8% and 46.3%, respectively.

Diagram 3.2.4 suggests that majority of respondents don't have life insurance policy (97%) and significant part of respondents don't trust in insurance companies (35%). This view was more frequently mentioned by men (36%).

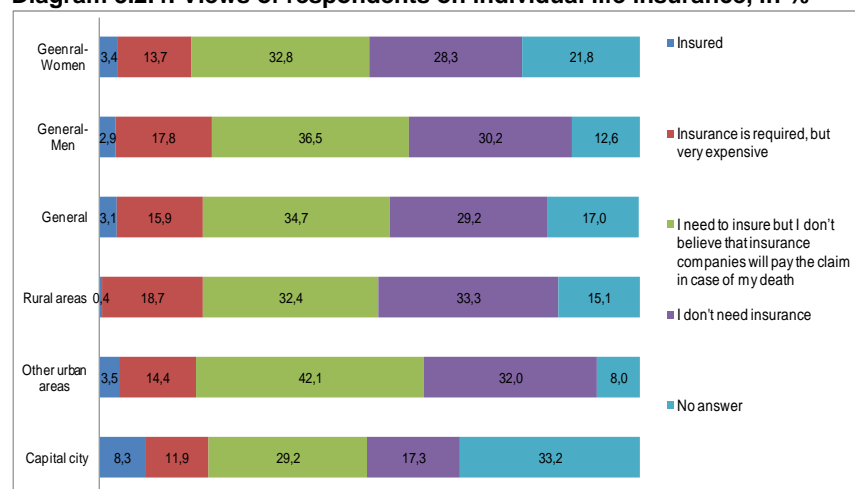
29% of respondents think that, currently, there is no need to insure their lives. This indicator is the highest in rural areas and lowest in the capital city: 33% and 17%, respectively. In terms of gender disaggregation, more men than women are adhere to that view: 30% and 28%, respectively.

16% of respondents want to insure their lives, but complained about very high prices. 19% of rural residences and 12% of population of the capital city mentioned that view. In terms of gender disaggregation, 18% of men and 14% of women adhere to that view.

Only 3,1% of respondents got insured. This indicator is the highest in the capital city (7,9%) and lowest in rural areas (0,2%). In terms of gender disaggregation, that figure was 3,4% among men and 2,9% among women.

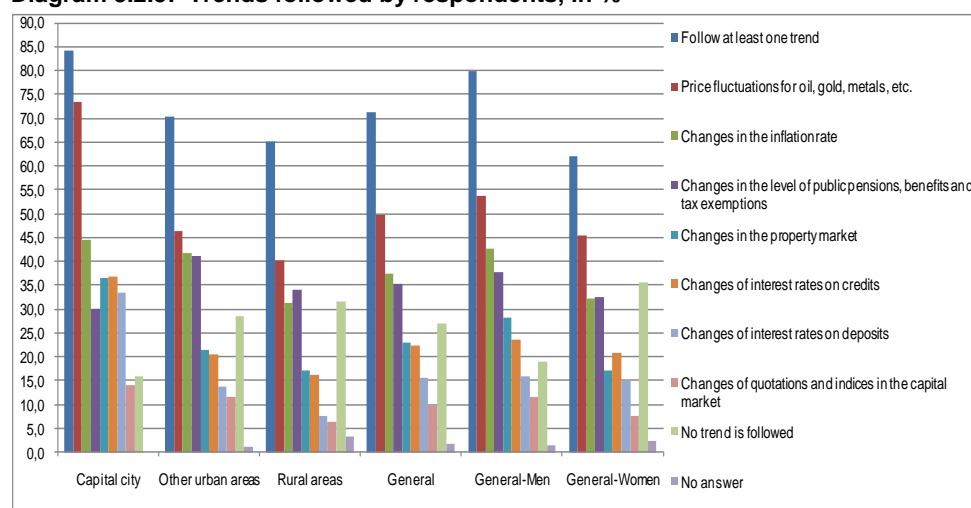
Diagram 3.2.5 suggests that 71% of respondents follow at least one financial trend (29% don't follow any financial trend). They mainly follow price fluctuations for oil, gold, metals (50%), changes in the inflation rate (37%), changes in the level of public pensions, benefits and tax exemptions (35%). Only 22% of

**Diagram 3.2.4: Views of respondents on individual life insurance, in %**



Source: FLS

**Diagram 3.2.5: Trends followed by respondents, in %**



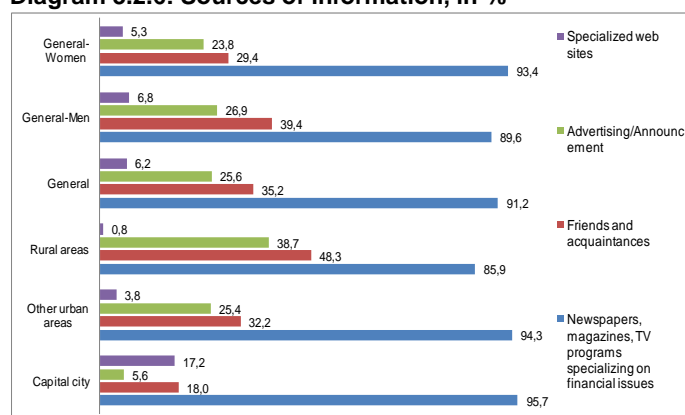
Source: FLS

respondents follow changes of interest rates on credits and 15% changes of interest rates on deposits.

According to place of residence, 84% of population living in the capital city and 65% of rural residences follow at least one financial trend. In terms of gender disaggregation, this indicator is 80% among men and 62% among women. It should be noted that people living in the capital city actively follow information other than changes of quotations and indices in the capital market. But, population of other urban areas more frequently follows information on gold, inflation, pension and taxes. In terms of gender disaggregation, men are significantly active than women to follow all of the above mentioned financial information.

Diagram 3.2.6 suggests that vast majority of respondents who follow financial trends get them from TV programs, newspapers and magazines (91%). At the same time, advertising/announcement and friends/acquaintances are also important sources of information: 35% and 26%, respectively. In terms of place of residence, population of the capital city use more frequently specialized web sites (17%). Comparison of male and female respondents who follow financial trends revealed that more women than men take that information from TV programs, newspapers and magazines. Men are active to follow those trends from other sources.

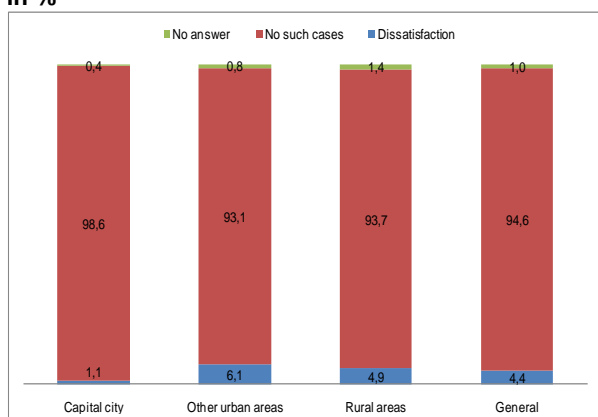
**Diagram 3.2.6: Sources of information, in %**



Source: FLS

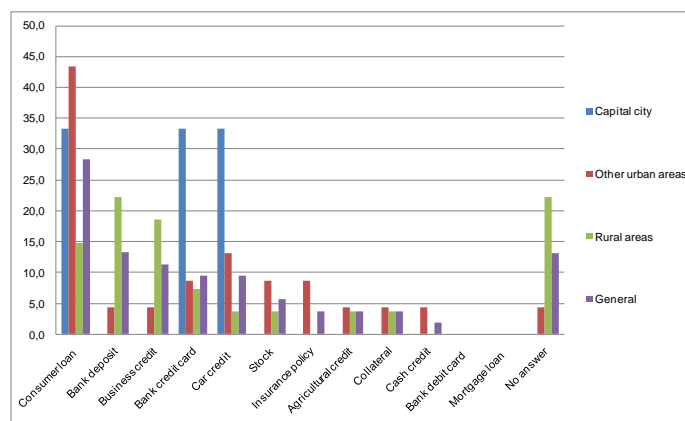
Diagram 3.2.7 shows that only 4,4% of respondents indicated that they were satisfied with financial services used over the last 5 years. These cases were more frequently mentioned by respondents living in other urban and rural areas. Diagram 3.2.8 shows that respondents were mainly dissatisfied while taking consumer credits (28%), bank deposits (13%), business credits (11%), car credits (9,4%) and bank credit cards (9,4%).

**Diagram 3.2.7: Respondents who were dissatisfied while using financial services over the last 5 years, in %**



Source: FLS

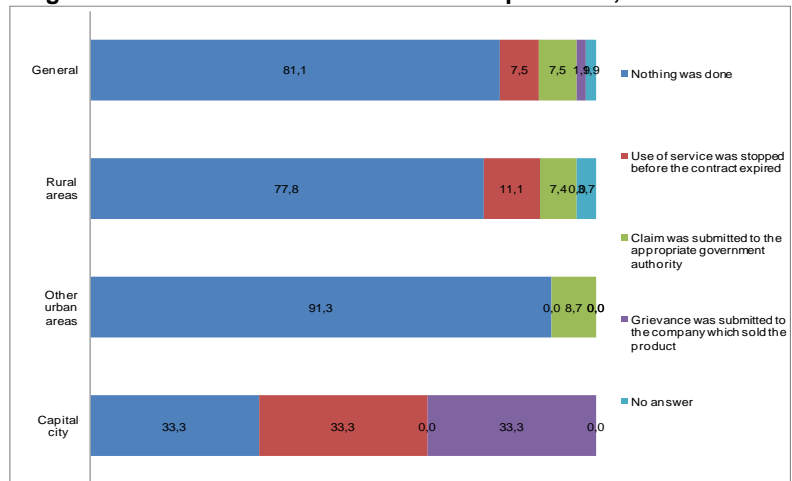
**Diagram 3.2.8: Financial services that respondents were dissatisfied with, in %**



Source: FLS

Diagram 3.2.9 suggests that majority of respondents didn't take (81%) any action in case of dissatisfaction and only small part of them (15%) filed complaints to relevant state organizations or terminated their contracts prematurely. This indicates that respondents are passive to protect their rights in case of dissatisfaction or are not aware of their rights

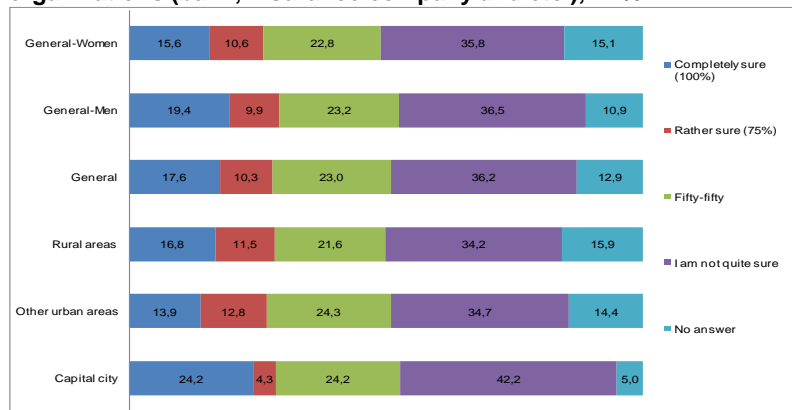
**Diagram 3.2.9: Behaviors of dissatisfied respondents, in %**



Source: FLS

Diagram 3.2.10 shows that significant part of respondents (36%) mentioned that they were not sure in quick and fair solution of conflicts likely to be arisen between them and financial organization (bank, insurance company and etc.). Supporters of this view prevail in Baku city, while men were less sure compared to women in this regard.

**Diagram 3.2.10: Assurance of respondents in quick and fair solution of conflicts likely to be arisen between them and financial organizations (bank, insurance company and etc.), in %**



Source: FLS

### 3.3. Financial literacy on basic calculations

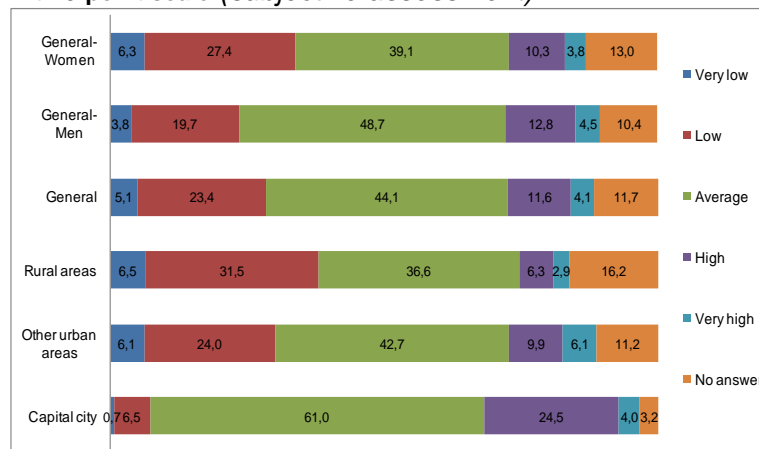
Diagram 3.3.1 shows that significant part of respondents (44%) assessed their financial literacy as average. This indicator was the highest (61%) in Baku city and lowest (37%) in rural areas. More men than women considered their financial literacy as average: 49% and 39%, respectively. This is, of course, a subjective assessment and may not fully reflect the existing situation. But, it allows observation of self-assessment of financial literacy of respondents.

Analysis of basic mathematic financial literacy suggests that on average 55% of respondents gave correct answers to questions (Diagram 3.3.2), while 45% gave wrong answers or found it difficult to answer questions. In terms of place of residence, the share of right answers among population of Baku city was the highest, while that figure was the lowest among rural population: 64% and 48%, respectively. 59% of men and 51% of women gave correct answers to questions.

By economic regions, most correct answers were recorded in Baku city, while the lowest figure was observed in Sheki-Zagatala region (41%) (See: Table 3.3.1).

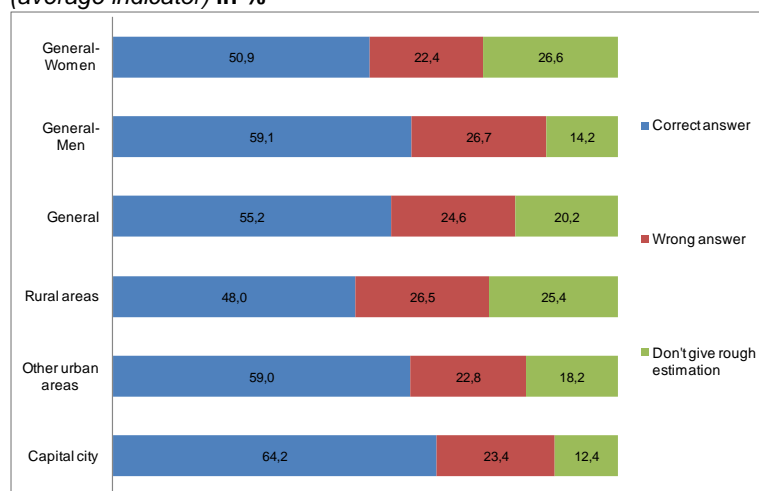
Studies revealed that about half of respondents don't have basic mathematic financial literacy, i.e. they can't make calculations such as interest rate on credit/deposits, comparison of deposit income with inflation, comparison of different type of reductions/discounts, ratio of additional funds to the principle and other matters that they face in their

**Diagram 3.3.1: Self-evaluation of financial literacy by respondents with 5-point scale (subjective assessment)**



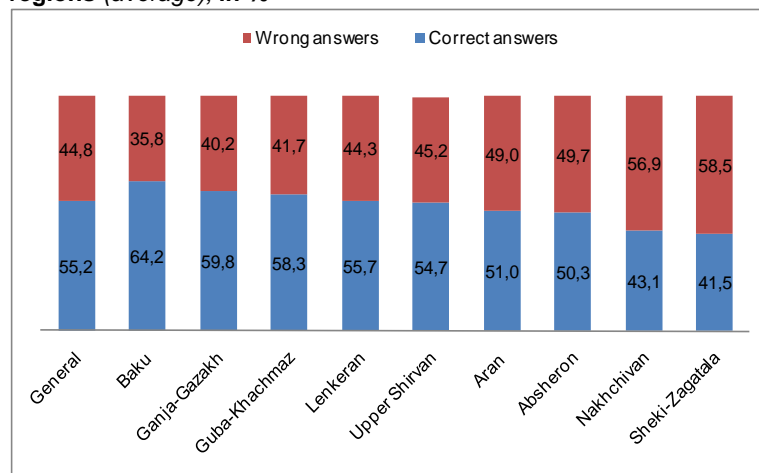
Source: FLS

**Diagram 3.3.2: Basic mathematic financial literacy of respondents (average indicator) in %**



Source: FLS

**Table 3.3.1: Basic mathematic financial literacy by economic regions (average), in %**

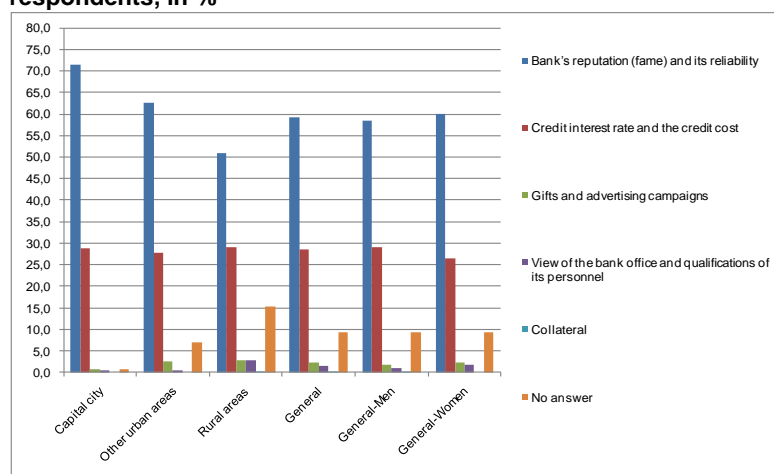


Source: FLS

daily lives. The situation is worse in rural areas and among women. It would be more reasonable to target, first of all, rural population and women to increase their basic mathematic financial literacy in the future.

Respondents think that primary attention should be given to i) bank's reputation (fame) and its reliability (59%); and ii) credit interest rate and the credit cost (29%), while choosing banks to take credits from or make deposits in. It should be noted that respondents living in the capital city give more attention to bank's reputation/fame and its reliability (71%) and more women were adherent to that view (60%) (See: Diagram 3.3.3).

**Diagram 3.3.3: Followings should be paid primary attention when someone compare banks in order to choose the one where to take a credit from or to make deposit in, according to views of respondents, in %**



Source: FLS

Table 3.3.2 shows that respondents find it reasonable to buy on credits i) if a shop has sales for the required good (47%) and ii) if the interest rate on credit is higher than the one on deposit (17%). The first view was mentioned more frequently among rural population (56%), while population of the capital city was less adherent to that view (22%). The second view was prevalent among people living in other urban areas (21%). In terms of gender disaggregation, more men mentioned both of those views.

**Table 3.3.2: Respondents find it reasonable to buy goods on credit in following cases, in %**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
If a shop has sales for the goods I need	21,7	52,5	55,9	47,0	49,0	44,8
If the interest rate on credit is higher than the one on deposit	9,0	21,1	18,0	16,9	10,1	11,5
If a person needs to pay for education which would allow to get a better paid job	12,6	11,2	9,5	10,8	16,5	17,3
If a person really needs a vocational training but does not have money at the moment	15,2	8,8	4,1	8,1	7,7	8,6
In case of necessity	12,6	0,8	0,5	3,4	1,9	2,9
To buy dowry	8,3	1,3	0,2	2,4	0,3	0,2
In case of lack of cash	7,2	0,0	0,0	1,7	0,6	2,1
If there is income to repay credit	1,8	0,3	0,2	0,6	0,3	3,1
If a gift is provided	0,7	0,0	0,2	0,2	0,0	0,2
In desperate situation	0,4	0,0	0,0	0,1	0,3	0,9
<b><i>It's not reasonable to take credit/Never</i></b>	<b>5,8</b>	<b>0,0</b>	<b>0,0</b>	<b>1,3</b>	<b>5,0</b>	<b>1,7</b>
<b><i>No answer</i></b>	<b>4,7</b>	<b>4,0</b>	<b>11,4</b>	<b>7,5</b>	<b>8,2</b>	<b>6,9</b>

Respondents think that banks provide credits on the following basis: i) monthly income and repayment capacity of a borrower (76%) and ii) welfare and needs of a borrower for funds (56%). This indicates that majority of respondents are aware of factors that banks should pay

primary attention while providing credits and this awareness level is relatively higher in the capital city and among men.

**Table 3.3.3: Respondents' views on the basis of provision of credit by banks, in %**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
Monthly income and repayment capacity of a borrower	75,1	77,6	74,8	<b>75,7</b>	79,6	71,5
Welfare and needs of a borrower for funds	72,9	51,2	49,9	<b>55,6</b>	57,5	52,5
Provision of collateral or guarantee for credit	16,6	24,5	8,5	<b>15,3</b>	14,6	16,1
Credits are provided to everybody based on application and turns of clients	0,0	0,3	2,0	<b>1,0</b>	1,1	0,9
Bank registration	0,0	0,5	0,0	<b>0,2</b>	0,2	0,0
Business plan	0,4	0,0	0,0	<b>0,1</b>	0,0	0,2
Acquaintances	0,0	0,3	0,0	<b>0,1</b>	0,2	0,2
<b>No answer</b>	<b>2,1</b>	<b>2,1</b>	<b>6,7</b>	<b>4,2</b>	<b>2,9</b>	<b>5,7</b>

Respondents mainly required following topics to be covered by financial training courses:

1. What to do in order not to get up to one's neck in debt when using credits?
2. How does the pension scheme work and what methods are available to secure one's old age income?
3. How to plan purchases of durables (car, apartment, dacha) and evaluate one's abilities to implement them?
4. Mortgage loans
5. What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated?

Men were more interested in all training courses other than that related to the pension system.

**Table 3.3.4: Training courses on individual financial management that are interesting for respondents by places of residence, in %**

		Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
1	What to do in order not to get up to one's neck in debt when using credits	60,6	34,1	28,8	37,8	39,4	36,0
2	How does the pension scheme work and what methods are available to secure one's old age income	41,2	31,5	24,1	30,3	26,8	34,1
3	How to plan purchases of durables (car, apartment, dacha) and evaluate one's abilities to implement them	41,9	19,5	23,8	26,6	28,7	24,4
4	Mortgage loans	46,2	14,9	19,5	24,2	25,2	23,2
5	What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated	16,2	22,7	18,0	19,1	19,7	18,4
6	Consumer credits to buy goods and services	14,8	20,5	16,8	17,5	18,6	16,3
7	How to form one's own financial targets and draw a personal current financial plan	20,2	13,6	15,3	15,9	19,7	11,8
8	Banking services – current accounts, saving deposits, and debit/credit cards	24,2	17,6	6,5	14,0	15,2	12,7
9	What parameters are used to compare the services offered by banks and other financial companies	20,2	13,1	6,5	11,7	13,5	9,8



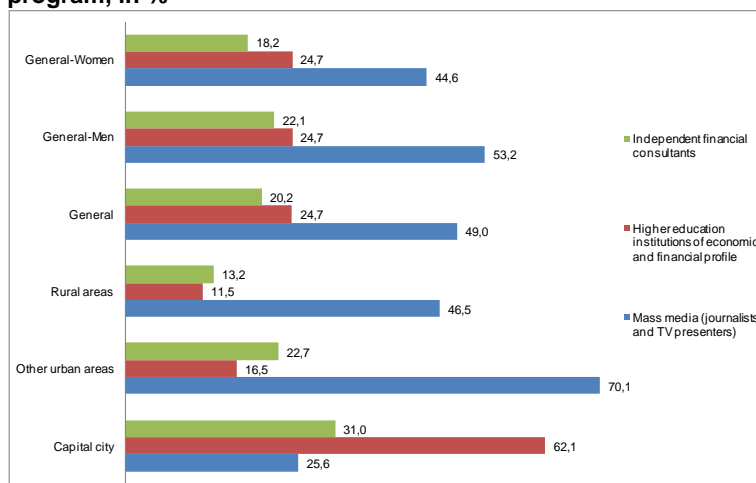
10	Sources of information on financial services, how to interpret the information and how to differentiate the advertising information from the objective one	15,9	12,0	8,1	11,1	11,1	11,1
11	What information should a user pay attention to when signing a contract with a bank or another financial company	32,1	3,7	4,0	10,4	10,3	10,5
12	Capital markets and stock	12,6	12,3	4,3	8,7	9,5	7,9
13	Insurance and insurance products	6,9	9,6	6,1	7,4	9,8	4,8
14	Mode of use from internet, mobile banking services	4,7	5,6	2,7	4,1	6,1	1,9
	<b><i>I am not interested in any of such topics</i></b>	<b>8,3</b>	<b>24,0</b>	<b>30,6</b>	<b>23,4</b>	<b>18,3</b>	<b>29,0</b>
	<b><i>No answer</i></b>	<b>0,0</b>	<b>5,3</b>	<b>7,9</b>	<b>5,3</b>	<b>4,8</b>	<b>5,8</b>

**Table 3.3.5: Training courses on individual financial management that are interesting for respondents by economic regions, in %**

	Baku %	Absheron %	Guba-Khachmaz %	Upper Shirvan %	Sheki-Zagatala %	Aran %	Nakhchivan %	Ganja-Gazakh %	Lankaran %	General %
What to do in order not to get up to one's neck in debt when using credits	60,6	25,8	57,8	26,7	16,7	27,1	25,0	36,7	32,5	37,8
How does the pension scheme work and what methods are available to secure one's old age income	41,2	22,5	2,2	11,7	30,0	24,2	25,0	58,7	23,3	30,3
How to plan purchases of durables (car, apartment, dacha) and evaluate one's abilities to implement them	41,9	10,0	58,9	16,7	25,6	19,6	8,3	27,3	11,7	26,6
Mortgage loans	46,2	15,0	10,0	10,0	30,0	21,7	21,7	15,3	13,3	24,2
What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated	16,2	17,5	1,1	5,0	6,7	7,1	0,0	52,7	48,3	19,1
Consumer credits to buy goods and services	14,8	8,3	53,3	15,0	13,3	9,6	5,0	22,7	25,8	17,5
How to form one's own financial targets and draw a personal current financial plan	20,2	38,3	3,3	3,3	12,2	17,1	30,0	0,7	11,7	15,9
Banking services – current accounts, saving deposits, and debit/credit cards	24,2	37,5	5,6	3,3	7,8	6,3	6,7	8,7	9,2	14,0
What parameters are used to compare the services offered by banks and other financial companies	20,2	18,3	10,0	5,0	13,3	12,1	1,7	0,0	7,5	11,7
Sources of information on financial services, how to interpret the information and how to differentiate the advertising information from the objective one	15,9	19,2	2,2	1,7	25,6	10,0	21,7	2,0	0,8	11,1
What information should a user pay attention to when signing a contract with a bank or another financial company	32,1	2,5	2,2	11,7	2,2	5,4	6,7	0,0	4,2	10,4
Capital markets and stock	12,6	19,2	1,1	3,3	14,4	5,8	1,7	9,3	1,7	8,7
Insurance and insurance products	6,9	3,3	6,7	5,0	8,9	6,3	5,0	17,3	4,2	7,4
Mode of use from internet, mobile banking services	4,7	7,5	2,2	1,7	4,4	3,3	6,7	2,0	4,2	4,1
<b><i>I am not interested in any of such topics</i></b>	<b>8,3</b>	<b>29,2</b>	<b>7,8</b>	<b>41,7</b>	<b>20,0</b>	<b>27,1</b>	<b>60,0</b>	<b>23,3</b>	<b>32,5</b>	<b>23,4</b>
<b><i>No answer</i></b>	<b>0,0</b>	<b>2,5</b>	<b>31,1</b>	<b>0,0</b>	<b>0,0</b>	<b>7,5</b>	<b>6,7</b>	<b>6,7</b>	<b>0,8</b>	<b>5,3</b>

Respondents found mass media (49%), higher education institutions of economic and financial profile (25%) and independent financial consultants (20%) as more suitable trainers to deliver financial literacy program. Respondents living in the capital city gave preference to higher education institutions of economic and financial profile and independent financial consultants, while people living in other urban and rural areas preferred mass media (see: Diagram 3.3.4).

**Diagram 3.3.4: Trainers suitable for delivery of financial literacy program, in %**



Source: FLS

Respondents said that they would spend additional income, first of all, on consumer goods, i.e. improvement of living condition. This view was more prevalent among female respondents compared to men. At the same time, more men than women said that they would invest additional income in development of their business. The share of those who preferred to invest in the bank deposit was considerably lower (6%).

**Table 3.3.6: Use of 2000-3000 manats funds in addition to permanent income, in %**

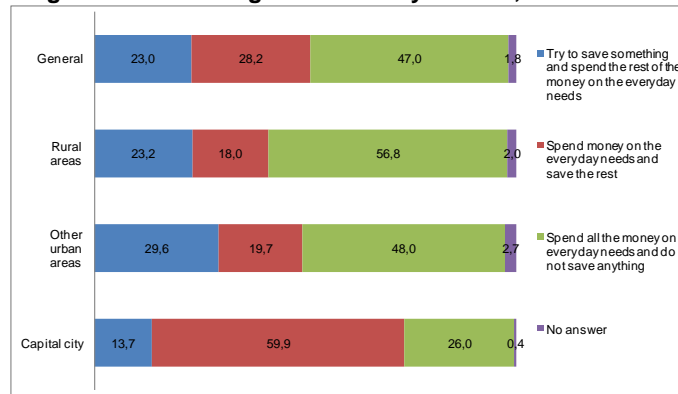
	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
I'll spend it on the purchase of household goods (furniture, clothes, home electronic appliances, etc.)	36,8	43,5	42,0	41,3	37,2	45,6
I'll make reserves (for unexpected event, special events, for a rainy day, etc.)	24,5	43,5	45,6	40,1	38,0	42,4
I'll spend it on my medical treatment and that of my close family	14,1	24,0	29,5	24,3	23,9	24,7
I'll spend it on education and development of my children	20,9	25,3	24,7	24,0	22,3	25,9
I'll try to add money (through borrowing, e.g.) and buy a plot of land, a car, etc.	12,3	30,1	25,2	23,8	29,8	17,3
I'll invest it in my own business	10,8	16,8	26,7	20,0	29,2	10,1
I'll repay my debts earlier	16,6	14,9	14,1	14,9	15,9	13,9
I'll buy gold, jewels and the things like these	6,9	6,7	16,2	11,1	7,7	14,8
I'll make long-term savings to accumulate money for more expensive things (a house, apartment, expensive car, etc.)	7,9	13,1	5,8	8,5	9,5	7,5
I'll invest it in the bank deposit at an interest rate	7,9	6,1	5,2	6,1	6,3	6,0
I'll spend it on upgrade of my skills or training for a new vocation/profession	5,8	10,1	1,4	5,1	4,3	6,0
I'll spend it on entertainment, on travel or vacation	6,5	4,3	3,4	4,4	5,3	3,4
I'll buy garment/foods	5,1	3,2	1,6	2,9	2,2	3,6
I'll buy/repair house	4,3	1,1	3,1	2,7	1,8	3,8
I'll buy an insurance policy for myself or the family	1,4	1,1	0,7	1,0	1,0	1,0
I'll buy shares and other stock of Azerbaijani companies, buy government bonds	0,4	1,6	0,5	0,8	1,4	0,2
I'll buy land	2,2	0,0	0,0	0,5	0,0	1,0

I'll spend on charity activities	1,1	0,0	0,2	<b>0,3</b>	0,3	0,3
I'll make farming	0,7	0,0	1,1	<b>0,7</b>	0,8	0,5
<b>No answer</b>	<b>1,4</b>	<b>1,3</b>	<b>2,9</b>	<b>2,1</b>	<b>2,1</b>	<b>2,1</b>

Diagram 3.3.5 shows that significant part of respondents (47%) spend their income on daily needs. This indicates not good financial condition of respondents.

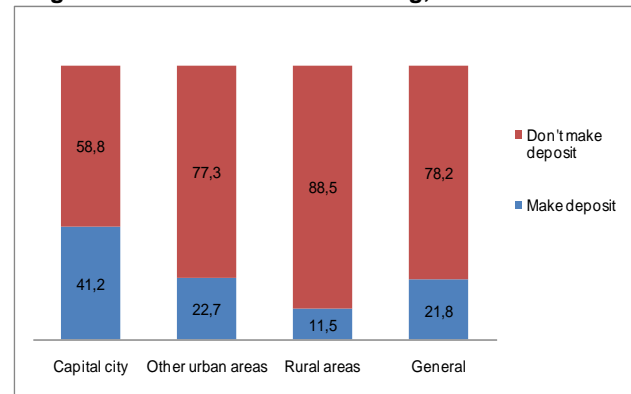
Diagram 3.3.6 suggests that only 22% of respondents made investment or savings. This figure is twice as much as the average indicator among people living in Baku city. It amounts to 11% in rural areas.

**Diagram 3.3.5: Management of daily income, in %**



Source: FLS

**Diagram 3.3.6: Investment or saving, in %**



Source: FLS

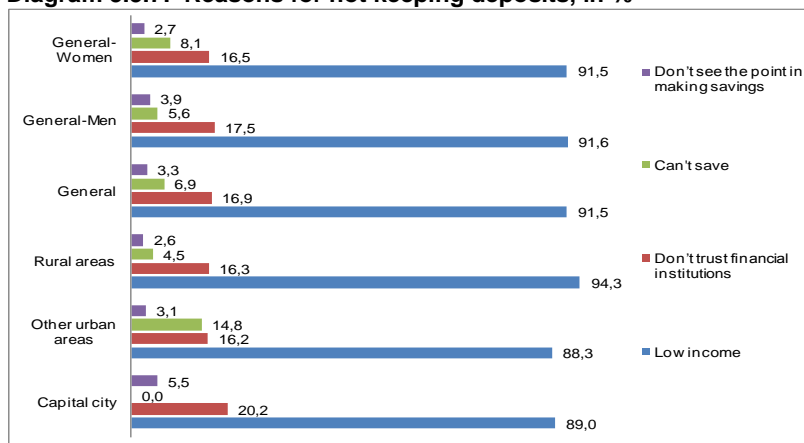
Table 3.3.7 shows that the reason for respondents to make investment and saving is to cover unprecedented costs and improve living condition in the future. Women prefer covering unprecedented costs, while more men than women give preference to improving their living condition in the future.

	Capital city	Other urban areas	Rural areas	General	General -Men	General - Women
For a rainy day, for unexpected expenses	81,6	91,8	89,1	<b>86,7</b>	82,5	93,2
To increase living condition in the future	36,8	52,9	43,8	<b>43,7</b>	49,4	35,0
To leave something for children to inherit	12,3	15,3	21,9	<b>15,6</b>	19,4	9,7
To be independent and be able to make choices	15,8	10,6	3,1	<b>11,0</b>	11,3	10,7
I prefer saving money to spending them	7,0	2,4	3,1	<b>4,6</b>	5,0	3,9
To get income in the form of interest, increased market value of assets, etc.	4,4	3,5	0,0	<b>3,0</b>	4,4	1,0
For retirement	0,9	0,0	6,3	<b>1,9</b>	1,9	1,9
To speculate on the stock exchange	0,0	0,0	0,0	<b>0,0</b>	0,0	0,0
No particular reason, this is a family tradition	0,9	1,2	0,0	<b>0,8</b>	1,3	0,0

Source: FLS

Vast majority of respondents who don't keep deposits (92%) explained it with low level of income. Moreover, 17% of them still don't trust in financial institutions. This indicates that people didn't forget events taken place in 90s yet.

**Diagram 3.3.7: Reasons for not keeping deposits, in %**



Source: FLS

### 3.4. Use of financial services

Significant part of respondents (43%) use plastic bank cards. The share of users of insurance services, currency exchange, mortgage loans, credit card, internet, mobile banking, local and international money remittances is higher in Baku city. More men than women use almost all financial services (see: table 3.4.1). In general, the level of use of financial services in other urban and rural areas is lower, except for bank plastic cards and consumer credits.

**Table 3.4.1: Financial services used by respondents, in %**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
Debit card (Bank plastic card)	41,9	46,1	40,9	<b>42,8</b>	44,1	41,3
Currency exchange	32,1	1,9	0,9	<b>8,4</b>	9,9	6,7
Consumer credit	9,0	5,6	5,9	<b>6,5</b>	7,7	5,3
Insurance policies	10,1	4,0	1,4	<b>4,2</b>	4,3	4,1
Local and foreign money remittance	7,9	3,7	1,3	<b>3,6</b>	3,8	3,3
Credit card	7,2	1,1	0,7	<b>2,3</b>	2,7	1,9
Bank deposit account	4,7	0,8	0,0	<b>1,3</b>	1,8	0,9
Internet, Mobile banking	2,9	0,8	0,0	<b>0,9</b>	1,4	0,3
Bank current account	2,9	0,3	0,2	<b>0,8</b>	1,1	0,5
Mortgage loan	1,8	0,0	0,0	<b>0,4</b>	0,5	0,3
Business loans	0,0	0,3	0,5	<b>0,3</b>	0,5	0,2
Investments in companies' stock	0,4	0,0	0,0	<b>0,1</b>	0,2	0,0
Agricultural credits	0,0	0,0	0,2	<b>0,1</b>	0,0	0,2
<b>None of the above</b>	<b>35,0</b>	<b>47,7</b>	<b>48,6</b>	<b>45,2</b>	<b>41,7</b>	<b>49,1</b>
<b>No answer</b>	<b>0,7</b>	<b>2,4</b>	<b>4,1</b>	<b>2,8</b>	<b>2,2</b>	<b>3,4</b>

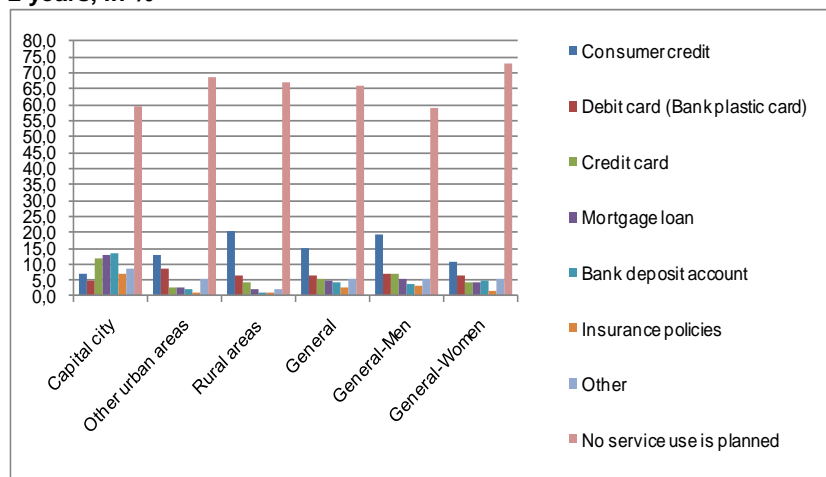
In majority of households represented by respondents (56%), at least one family member uses bank credit cards and this indicator is relatively higher in other urban areas (59%). In general, the use of financial services, other than bank plastic cards and consumer credits, by respondents living in rural and other urban areas is lower (see: Table 3.4.2).

**Table 3.4.2: Users of financial services among family members of respondents, in %**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
Debit card (Bank plastic card)	54,9	58,9	55,0	<b>56,2</b>	59,9	52,1
Consumer credit	3,2	4,3	4,3	<b>4,1</b>	3,2	5,0
Currency exchange	13,0	1,1	0,4	<b>3,5</b>	2,4	4,6
Insurance policies	9,0	1,1	0,5	<b>2,7</b>	1,0	4,5
Local and foreign money remittance	5,1	1,6	0,7	<b>2,0</b>	1,4	2,6
Credit card	4,0	0,8	0,7	<b>1,5</b>	1,3	1,7
Bank deposit account	2,2	0,3	0,0	<b>0,6</b>	0,3	0,9
Bank current account	1,8	0,3	0,0	<b>0,5</b>	0,5	0,5
Mortgage loan	1,1	0,3	0,0	<b>0,3</b>	0,3	0,3
Internet, Mobile banking	0,7	0,5	0,0	<b>0,3</b>	0,2	0,5
Business loans	0,0	0,0	0,5	<b>0,2</b>	0,2	0,3
Investments in companies' stock	0,0	0,0	0,0	<b>0,0</b>	0,0	0,0
<b>None of the above</b>	<b>35,0</b>	<b>36,5</b>	<b>39,3</b>	<b>37,4</b>	34,5	40,7
<b>No answer</b>	<b>1,4</b>	<b>1,6</b>	<b>2,9</b>	<b>2,2</b>	<b>2,4</b>	<b>1,9</b>

In general, more respondents (15%) are planning to use consumer credits in the coming 2 years. More respondents living in the capital city are planning to use bank deposit account, mortgage loans and credit cards. Population of rural and other urban areas prefer using consumer credits and bank plastic cards in the future (see: Diagram 3.4.1).

**Diagram 3.4.1: Services that respondents are planning to use in coming 2 years, in %**



Source: FLS

Table 3.4.3 shows that respondents mainly want to get more information on consumer credits (13%) and mortgage loans (10%). More people living in the capital city want to get information on mortgage loans and credit cards, while population of other urban areas prefer information on consumer credit and bank credit cards. Rural residences wish to increase their awareness of consumer credits and mortgage loans. In terms of gender disaggregation, more men than women want to get information almost on all financial services.

**Table 3.4.3: Respondents want to know better or get more information about following services, in %**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
Consumer credit	6,5	16,3	14,8	13,3	14,9	11,7
Mortgage loan	16,6	5,1	9,2	9,6	10,6	8,6
Bank deposit account	17	7,5	2,2	7,2	7,2	7,2
Debit card (Bank plastic card)	4,0	9,9	6,5	7,0	7,1	6,9
Credit card	13,4	4,5	4,1	6,4	8,0	4,6
Insurance policies	7,6	2,1	1,4	3,1	4,0	2,1
Bank current account	4,0	6,1	0,4	3,0	3,4	2,6
Internet, Mobile banking	2,5	4,0	1,3	2,4	3,4	1,4
Currency exchange	2,2	1,6	0,2	1,1	1,3	0,9
Investments in companies' stock	4	0,5	0,0	1,1	1,3	0,9
Local and foreign money remittance	0,7	1,1	0,2	0,6	0,5	0,7
Business credit	0,0	0,0	0,5	0,2	0,2	0,3
<b>None of the above</b>	<b>48,4</b>	<b>50,7</b>	<b>56,2</b>	<b>52,7</b>	<b>47,1</b>	<b>58,7</b>
<b>No answer</b>	<b>3,6</b>	<b>6,9</b>	<b>5,6</b>	<b>5,6</b>	<b>5</b>	<b>6,2</b>

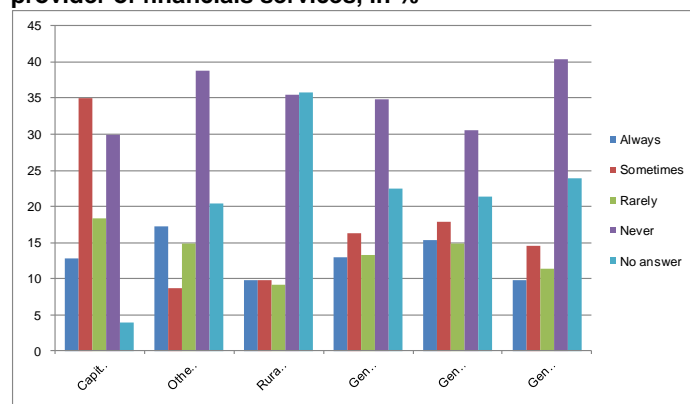
Diagram 3.4.2 suggests that 43% of respondents who are users of financial services mentioned that they always, sometimes or rarely compare terms of financial services provided by different companies to choose a relevant service provider. This indicator was the lowest in rural areas (29%) and highest in the capital city (66%).

In terms of gender disaggregation, this indicator was 48% among men and 36% among women. This may be linked to lack of knowledge of respondents to carry out comparisons or absence of options due to small number of financial organizations.

Table 3.4.4 suggests that majority of users of financial services mainly resorted to advertising/announcement, friends/acquaintances, analytic materials in mass media, consultants working at relevant service providers and internet sources while choosing a financial

organization to get financial services. The share of users of services of relevant consultants and internet sources is higher among population living in the capital city, while population of rural areas prefer advice of friends/acquaintances and people living in other urban areas more frequently use advertising/announcement and analytic materials in mass media. In terms of gender disaggregation, men are more active than women to get information while choosing financial service providers.

**Diagram 3.4.2: Comparison of terms of financial services provided by different companies while choosing a relevant provider of financial services, in %**



Source: FLS

**Table 3.4.4: Sources of information that are paid attention to, while choosing provider of financial services, in %**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
Advertising/Announcement	24,4	35,2	32,3	31,0	31,9	30,0
Friends and acquaintances	26,1	27,0	33,7	29,7	32,4	26,3
Analytic materials printed in mass media	26,1	34,7	18,2	25,3	26,6	23,6
Consultants working at relevant service providers	27,8	4,6	7,0	12,0	13,0	10,1
inter sources	13,3	2,0	0,7	4,5	5,8	2,7
Information on different types of services and tariffs of financial organizations	7,2	4,6	1,4	3,9	5,5	2,0
Independent financial consultants or brokers	7,2	4,1	1,1	3,6	5,5	1,3
Employers	1,1	0,5	0,7	0,8	0,8	0,7
<b>No answer</b>	<b>26,6</b>	<b>33,1</b>	<b>44,9</b>	<b>36,5</b>	<b>30,5</b>	<b>43,8</b>

### 3.5. Bank services and payment cards

31% of respondents applied to banks and majority of them visited banks once in a month. The share of respondents going to banks is higher in the capital city (52%) and in terms of gender disaggregation, the share of men is relatively higher (see: Table 3.5.1).

**Table 3.5.1: Frequency of bank visits, in %**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
<b>Goes to bank (at least once)</b>	<b>62,5</b>	<b>26,9</b>	<b>18,2</b>	<b>31,1</b>	<b>32,9</b>	<b>29,2</b>
Once a week or more	4,0	1,6	0,4	1,6	2,4	0,7
Once a month	51,6	20,8	15,0	25,2	26,0	24,4
Once in 2-3 months	6,9	3,5	2,2	3,6	4,5	2,7
Once in a year	0,0	1,1	0,4	0,5	0,0	1,0
Twice in a year	0,0	0,0	0,4	0,2	0,0	0,3
<b>Never</b>	<b>37,5</b>	<b>73,1</b>	<b>81,8</b>	<b>68,9</b>	<b>67,1</b>	<b>70,8</b>
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

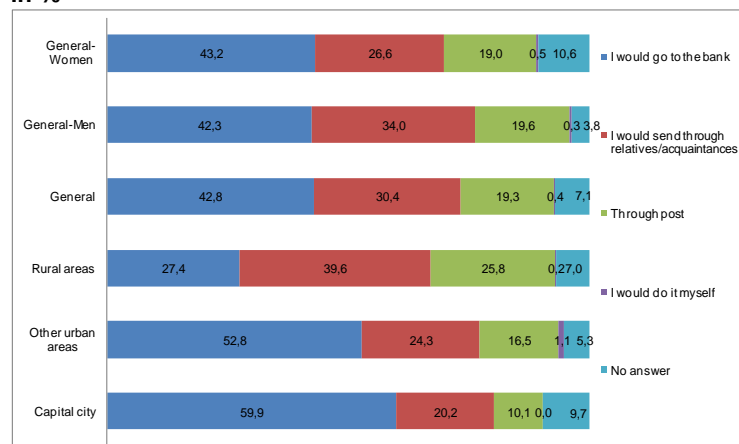
29% of respondents who visited banks received information and brochures on other services. These cases were mainly observed in Baku city. 47% of respondents got information only on required issues.

**Table 3.5.2: Provision of detailed information on other financial serves by bank staff in case of application to the bank, in %**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
	29,5	74,3	49,5	46,9	49,8	43,5
Those who got information on other services and brochures on these services	50,3	7,9	13,9	29,1	32,2	25,3
Those who got information on other services	0,0	3,0	10,9	3,7	5,9	1,2
<b>No answer</b>	<b>20,2</b>	<b>14,8</b>	<b>25,7</b>	<b>20,3</b>	<b>12,1</b>	<b>30,0</b>
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Diagram 3.5.1 suggests that 43% of respondents would send money to relatives/acquaintances living in other region of Azerbaijan through banks and 19% through post offices. This indicates awareness of population about money remittance services of banks and post offices. Rural population prefer relatives/acquaintances to send money, while population living in the capital city more frequently uses banks. There is no significant difference in answers of men and women regarding this question.

**Diagram 3.5.1: Means for money remittance within the country, in %**



Source: FLS



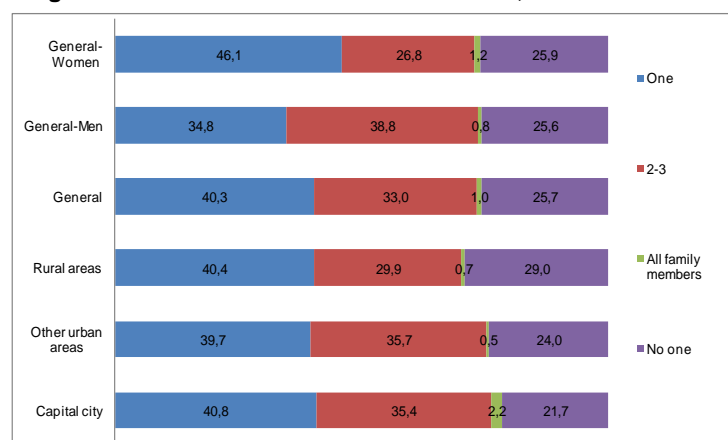
Diagram 3.5.2 shows that one family member in 40% of households and 2-3 family members in 33% of households use payment cards. Payment cards are most prevalent in the capital city, while rural population use it less frequently. There is no significant difference between households of male and female respondents. This indicates widespread use of payment cards in the country.

As can be seen from Diagram 3.5.3, 98.2% of users of payment cards indicated that they use POS terminals and ATMs only for taking cash. This indicator is 96,3% and 99,5% in the capital city and rural areas, respectively. In terms of gender disaggregation, men account for 97,2% and women 99,3%.

About 1.8% of users use payment cards both for purchasing goods and services through POS terminals and internet, and for taking cash. Here, population of the capital city (3,7%) and men (2,8%) prevail. *It should be noted that only 16 respondents answered to that question. As at least 30 answers are required in methodological point of view, answers/results of this question may not be representative.*

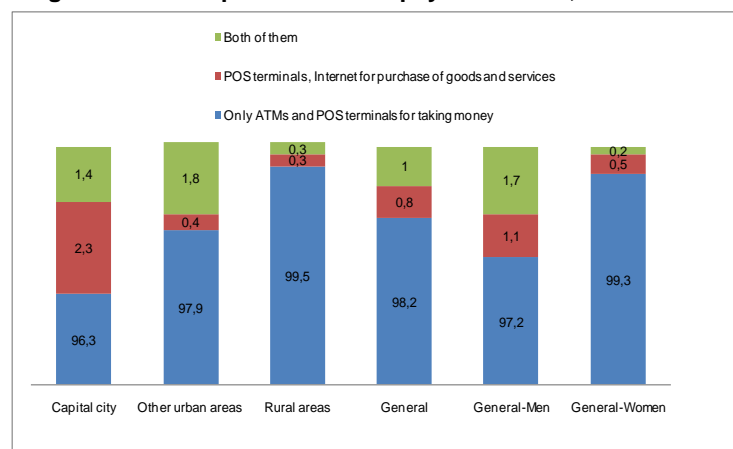
As can be seen from Diagram 3.5.4, respondents use POS terminals or internet sources for purchasing goods and service mainly a couple of times in a month (56%). Population of the capital city use internet more frequently for purchasing goods and services. In terms of gender disaggregation, men use this source more frequently than women.

**Diagram 3.5.2: Users of cards in households, in %**



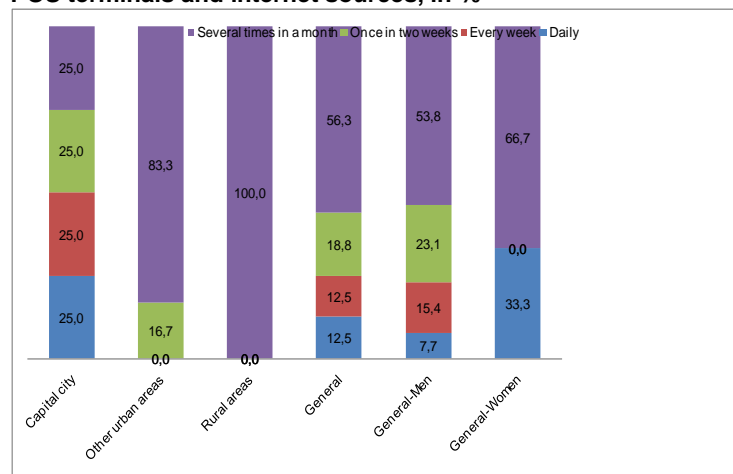
Source: FLS

**Diagram 3.5.3: Purpose for use of payment cards, in %**



Source: FLS

**Diagram 3.5.4: Frequency to buy goods and services through POS terminals and internet sources, in %**



Source: FLS

Table 3.5.3 shows that respondents indicated lack of relevant information (69%) and small number of business entities accepting payment cards (21%) as reasons for not using payment cards during purchase of goods and services.

<b>Table 3.5.3: Reasons for not using payment cards during purchase of goods and services, in %</b>						
	<b>Capital city</b>	<b>Other urban areas</b>	<b>Rural areas</b>	<b>General</b>	<b>General -Men</b>	<b>General -Women</b>
I don't have information about it	35,9	67,6	88,8	<b>69,5</b>	69,6	69,5
Number of entities receiving cards as means of payment is low	49,3	24,1	4,6	<b>21,4</b>	22,9	19,8
Entities receiving payment card offer relatively high prices	13,4	13,7	0,3	<b>7,6</b>	8,0	7,2
It's difficult to control expenditures	7,2	7,9	1,0	<b>4,7</b>	5,3	4,0
There is no such service/there is no place for use of cards	0,5	5,8	5,4	<b>4,3</b>	4,7	4,0
I suppose that additional commission fees are taken	3,3	3,2	2,0	<b>2,7</b>	2,7	2,8
There is no need	10,0	0,0	0,0	<b>2,4</b>	1,8	3,0
I don't believe in their safety	2,9	1,4	1,8	<b>1,9</b>	1,1	2,8
Technical defects in use and very slow speed of the service	1,0	0,4	0,0	<b>0,3</b>	0,2	0,5
<b>No answer</b>	<b>7,2</b>	<b>2,2</b>	<b>4,8</b>	<b>4,6</b>	<b>3,6</b>	<b>5,6</b>

According to respondents' views, large-scale awareness raising events should be carried out (52%) and opportunities for use of payments cards should be created in more places (42%) in order to ensure broad application of payment cards in Azerbaijan. Population living in Baku city and men mentioned that view more frequently (see: table 3.5.4).

<b>Table 3.5.4: According to respondents' views, followings are needed for broader use of payment cards in Azerbaijan, in %</b>						
	<b>Capital city</b>	<b>Other urban areas</b>	<b>Rural areas</b>	<b>General</b>	<b>General -Men</b>	<b>General -Women</b>
Large-scale awareness measures should be carried out	55,8	58,6	44,9	<b>51,9</b>	53,7	50,0
More broad access (in many places) should be ensured	80,6	41,4	22,3	<b>42,5</b>	43,1	41,9
Service fees of banks should be cut down	14,7	16,1	9,1	<b>12,7</b>	13,4	12,0
Interest rates should be calculated for funds remained in the card	0,9	6,7	15,5	<b>9,2</b>	10,8	7,4
Refusal of entities to receive payment cards should be prevented	5,5	9,5	10,4	<b>8,9</b>	11,9	5,8
<b>No answer</b>	<b>6,0</b>	<b>20,0</b>	<b>37,3</b>	<b>24,2</b>	<b>20,3</b>	<b>28,5</b>

41% of respondents indicated that ATMs didn't work normally and there was often lack of money, while 24% noted existence of very small number of ATMs in the vicinity. Population of Baku city prevailed among those who indicated bad work of ATMs. Rural population mainly complained of small number of ATMs (see: table 3.5.5).

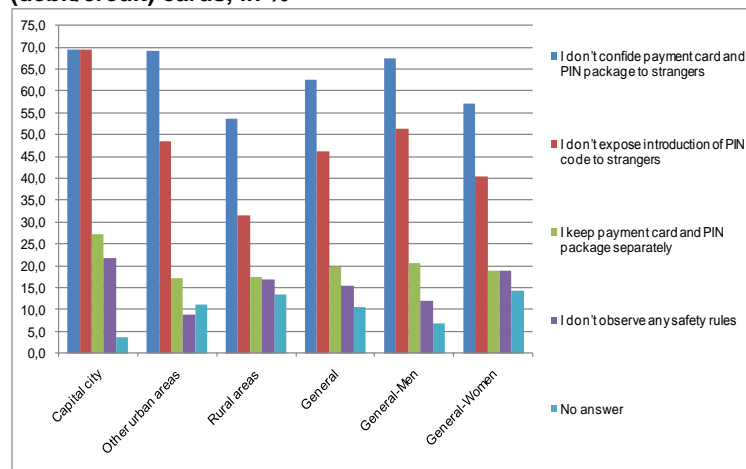
<b>Table 3.5.5: Problems faced while taking cash from ATMs, in %</b>						
	<b>Capital city</b>	<b>Other urban areas</b>	<b>Rural areas</b>	<b>General</b>	<b>General -Men</b>	<b>General -Women</b>
ATMs don't operate normally (regular lack of	57,1	37,5	34,3	<b>40,8</b>	36,9	45,1

money)						
There is very small number of ATMs in the vicinity	0,0	10,2	48,2	<b>24,4</b>	26,9	21,8
High service fees are applied while taking money from ATM of other banks	20,3	17,9	7,1	<b>13,7</b>	12,9	14,6
Number of daily transactions is limited	2,8	15,8	11,4	<b>10,7</b>	11,4	10,0
Scope of transactions is limited	1,8	4,2	3,0	<b>3,1</b>	3,2	3,0
There is no constraint	38,7	44,6	26,4	<b>35,2</b>	38,1	31,9

As can be seen from Diagram 3.5.5, the share of people not observing safety mode during use of payment cards is insignificant (15%). Population of Baku city more frequently mentioned that view. This trend was more prevalent among female respondents.

Only negligible part (1%) of respondents use internet, mobile banking. Users of these services are mainly population of Baku city. In terms of gender disaggregation, men use such services more frequently than women (see: table 3.5.6).

**Diagram 3.5.5: Observance of safety rules during use of payment (debit/credit) cards, in %**



Source: FLS

**Table 3.5.6: Level of use of internet, Mobil banking services, in %**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
I haven't heard of such services	71,8	82,1	91,4	<b>84,0</b>	81,7	86,5
I've heard of it, but don't use it due to safety reasons	18,1	9,1	2,3	<b>8,0</b>	9,9	6,0
Just a couple of times	2,2	0,5	0,0	<b>0,7</b>	1,0	0,3
Very often	0,7	0,3	0,0	<b>0,3</b>	0,5	0,0
<b>No answer</b>	<b>7,2</b>	<b>8,0</b>	<b>6,3</b>	<b>7,0</b>	<b>6,9</b>	<b>7,2</b>
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

## IV. KEY FINDINGS AND RECOMMENDATIONS

### 4.1 Findings

***Results of the survey may be summarized as following:***

*On socio-demographic status:*

- 52% of the survey participants were men and 48% women. While women prevailed among survey participants in the capital city, that pattern was different in rural and other urban areas. Distribution of respondents by age groups indicates that majority (67%) of the survey participants were at the 26-55 age group. Participation rate of the youth was lower in rural areas, while that figure was higher for the elderly. This is directly linked to education of the youth at higher education facilities in the capital city and other towns, their military service and migration to work in other places;
- Majority of the survey participants were head, spouse or child of households. Average household size was 4,4 people, which is the similar pattern to the national statistic indicator. In rural areas and Baku city average household size was 4,7 and 4,0 people, respectively. Size of households represented by female respondents was lower compared to those represented by male respondents: 4,2 and 4,6, respectively. 5% of the survey participants were IDPs, while 95% were local residents. IDPs were mainly settled in Baku and other cities;
- 45% of the survey participants had general secondary education, while that figure was 55% in rural areas. Men prevail among respondents with higher education, which is the similar pattern to the national statistic indicators;
- Public and private sector employees, self-employees, pensioners, housewives and unemployed persons prevailed among survey participants. 8,4% of respondents indicated that there were unemployed and actively searching job. It should be noted that unemployment rate amounted to 6,1% in 2008 according to information provided by the SSC;
- Average monthly salary/wage of respondents at main work places is about 220 manats. This indicator is the highest in Baku city and lowest in rural areas. 30% of respondents were housewives, unemployed and other categories without income. This indicator is the highest in Baku city and the lowest in other urban areas. This is explained by the fact that relatively more housewives, unemployed and students took part in the survey;
- Majority of respondents (54%) assessed their financial status as middle. This indicator was the highest in Baku city. It's subjective assessment and may not fully reflect the real situation. But, it gives idea how respondents evaluate their own financial status.

*On financial literacy:*

- Majority of families of respondents (70%) don't keep records of income and expenditures, and 35% of them even have no idea of how much was spent over the last month. This indicator is higher in other urban areas;

- More households with female head of family (76%) don't keep records on income and expenditures and 35% of them have no idea of how much was spent over the last month;
- Majority of families of respondents (52%) didn't have any money left right before the next revenue arrives (wage, pension, allowance, scholarship and etc.) and this indicator was higher in rural areas. Only, 35% can do it sometimes and occasionally;
- If households have any money left right before the next revenue arrives, they usually spend those funds on consumer goods (55%) or keep them cash at home (32%). The share of people who spend saved funds on consumer goods is higher in rural areas, while the share of people who keep them in cash prevail in Baku city. This may be explained by the fact that living condition in rural areas is lower compared to the capital city;
- Majority of respondents (52%) indicated that they ran out of money before the next revenues arrived over the last year. These cases happened more frequently in rural areas;
- In case households run out of money before the next revenue arrives, they cut back on expenditures or use funds economically, as well as borrow or take money from relatives, friends and acquaintances. People living in the capital city use those sources more frequently. In rural areas, people buy goods at shops with payment to be made at a future date and sell agricultural products;
- Majority of respondents (56%) didn't indicate decrease of their income over the last 3 years. This indicator was higher in other urban areas and lowest in Baku city. 45% of households experienced decrease in their income due to accidents, loss of job and other reasons;
- Majority of households (72%) borrowed money for some reason over the last year. In general, borrowers prevailed among rural population. 48% of respondents indicated that households represented by them had debts. This indicator was the highest (49%) in rural areas and lowest (44%) in other urban areas;
- Household debts excluding loans for purchase of real estate (house, dacha and etc.) and car are mainly equal to their 1-6 month worth income (77%);
- 43% of respondents participated in the survey had families among their acquaintances or friends who used to be relatively well-to-do and then suddenly encountered financial problems. 25% of respondents linked this to unfortunate series of events, while 18% indicated wrong money management as the main reason for such problems. People living in other urban and rural areas mentioned the mismanagement fact more frequently (20% and 19%). At the same time, about 1% of respondents noted economic crisis and fraudulence cases among other reasons. Thus, results of the survey confirmed prevalence of wrong money management and planning problems among population of rural and other urban areas. This may be explained by low education level of people living in those areas compared to the capital city and lack of basic mathematic financial literacy;
- Majority of respondents (94%) are not aware of deposit insurance. Only small part of them (6%) has relevant information. Awareness level is lower among women;
- 51% of respondents think that the government should compensate individuals for the damages from losses due to bankruptcy of banks. Population of the capital city and female respondents mentioned that view more frequently;
- 53% of respondents are aware about who sets period, annual interest rate, commission fees and other terms when granting a bank credit according to the legislation. This indicator is 25% higher in the capital city compared to regions: 72% and 47%;

respectively. In terms of gender desegregation, awareness level of men is 13% higher than women: 58,8% and 46,3%, respectively;

- Majority of respondents don't have life insurance policy (97%) and significant part of respondents don't trust in insurance companies (35%). This view was more frequently mentioned by men (36%);
- Respondents mainly follow price fluctuations for oil, gold, metals (50%), changes in the inflation rate (37%), changes in the level of public pensions, benefits and tax exemptions (35%). People living in the capital city actively follow information other than changes of quotations and indices in the capital market. But, population of other urban areas more frequently follows information on gold, inflation, pension and taxes. In terms of gender desegregation, men are significantly active than women to follow all of the above mentioned financial information;
- Vast majority of respondents who follow financial trends get them from TV programs, newspapers and magazines (91%). At the same time, advertising/announcement and friends/acquaintances are also important sources of information. In terms of place of residence, population of the capital city use more frequently specialized web sites (17%). Comparison of male and female respondents who follow financial trends revealed that more women than men take that information from TV programs, newspapers and magazines. Men are active to follow those trends from other sources;
- Only 4,4% of respondents indicated that they were satisfied with financial services used over the last 5 years. These cases were more frequently mentioned by respondents living in other urban and rural areas. Respondents were mainly dissatisfied while taking consumer credits, bank deposits and business credits. Majority of respondents didn't take any action in case of dissatisfaction and only small part of them (15%) filed complaints to relevant state organizations or terminated their contracts prematurely;
- Significant part of respondents (36%) mentioned that they were not sure in quick and fair solution of conflicts likely to be arisen between them and financial organization (bank, insurance company and etc.). Supporters of this view prevail in Baku city, while men were less sure compared to women in this regard;
- Significant part of respondents (44%) assessed their financial literacy as average. This indicator was the highest in Baku city and lowest in rural areas. More men than women considered their financial literacy as average. This is, of course, a subjective assessment and may not fully reflect the existing situation. But, it allows observation of self-assessment of financial literacy of respondents;
- Analysis of basic mathematic financial literacy or simple financial calculations suggests that significant part of respondents couldn't give correct answers or gave wrong answers to these questions. On average, 55% of respondents gave correct answers to questions, while 45% gave wrong answers or found it difficult to answer questions. In terms of place of residence, the share of right answers among population of Baku city was the highest (64%), while that figure was the lowest among rural population (48%). 59% of men and 51% of women gave correct answers to questions. By economic regions, most correct answers were recorded in Baku city, while the lowest figure was observed in Sheki-Zagatala region (41%);
- Respondents think that primary attention should be given to i) bank's reputation (fame) and its reliability (59%); and ii) credit interest rate and the credit cost (29%), while choosing banks to take credits or make deposits. It should be noted that respondents

living in the capital city give more attention to bank's reputation/fame and its reliability and more women were adherent to that view ;

- Respondents mainly required following topics to be covered by financial training courses:
  1. What to do in order not to get up to one's neck in debt when using credits?
  2. How does the pension scheme work and what methods are available to secure one's old age income?
  3. How to plan purchases of durables (car, apartment, dacha) and evaluate one's abilities to implement them?
  4. Mortgage loans
  5. What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated
- Men were more interested in all training courses other than that related to the pension system. Respondents mentioned important role of mass media in increasing financial literacy;
- Respondents said that they would spend additional income, first of all, on consumer goods, i.e. improvement of living condition. This view was more prevalent among female respondents compared to men. At the same time, more men than women said that they would invest additional income in development of their business. The share of those who preferred to invest in the bank deposit was considerably lower (6%);
- Significant part of respondents (47%) spend their income on daily needs. This indicates not good financial condition of respondents;
- 22% of respondents made investment or deposits. This figure is twice as much as the average indicator among people living in Baku city. In rural areas that figure is twice as less as the average indicator;
- The reason for respondents to make investment and deposits is to cover unprecedented costs and improve living condition in the future. Women prefer covering unprecedented costs and upgrading household provision, while more men than women give preference to improving their living condition in the future. Vast majority of respondents who don't keep deposits explained it with low level of income. Moreover, 17% of them still don't trust in financial institutions;
- Significant part of respondents (43%) use plastic bank cards. The share of users of insurance services and mortgage loans is higher in Baku city. More men than women use almost all financial services. In general, more respondents (15%) are planning to use consumer credits in the coming 2 years. More respondents living in the capital city are interested in use of bank deposit account, mortgage loans and credit cards. Population of rural and other urban areas prefer using consumer credits and bank plastic cards. Respondents mainly want to get more information on consumer credits (13%) and mortgage loans (10%);
- 31% of respondents applied to banks and majority of them visited banks once in a month. The share of respondents going to banks is higher in the capital city (52%) and in terms of gender disaggregation, the share of men is relatively higher;
- 29% of respondents who visited banks received information and brochures on other services. These cases were mainly observed in Baku city. 47% of respondents got information only on required issues;

- 43% of respondents would send money to relatives/acquaintances living in other region of Azerbaijan through banks and 19% through post offices. This indicates awareness of population about money remittance services of banks and post offices. There is no significant difference in answers of men and women regarding this question;
- One family member in 40% of households and 2-3 family members in 33% of households use payment cards. This indicates widespread use of payment cards in the country;
- 98% of users of payment cards indicated that they use POS terminals and ATMs only for taking cash. About 2% of users use payment cards for purchasing goods and services through POS terminals and internet, and men prevail here than women;
- Respondents use POS terminals or internet sources for purchasing goods and service mainly a couple of times in a month (56%);
- Respondents indicated lack of relevant information (69%) and small number of business entities accepting payment cards (21%) as reasons for not using payment cards during purchase of goods and services;
- According to respondents' views, large-scale awareness raising events should be carried out (52%) and opportunities for use of payment cards should be created in more places (42%) in order to ensure broad application of payment cards in Azerbaijan. Population living in Baku city and men mentioned that view more frequently;
- 41% of respondents indicated that ATMs didn't work normally and there was often lack of money, while 24% noted existence of very small number of ATMs in the vicinity. Population of Baku city prevailed among those who indicated bad work of ATMs. Rural population mainly complained of small number of ATMs;
- Share of people not observing safety mode during use of payment cards is insignificant higher (15%). Population of Baku city more frequently mentioned that view. This trend was more prevalent among female respondents;
- Only negligible part (1%) of respondents use internet, mobile banking. Men use such services more frequently than women.



## 4.2. Recommendations

It would be reasonable to consider following recommendations in the future to increase financial literacy of population and improve consumer rights while using financial services based on outcomes of the survey:

#	Recommendation	Description
1.	Targeting process on increasing financial literacy	Measures on increasing financial literacy should be targeted, first of all, to population of rural and other urban areas, and women, poor, disable people, pensioners and other vulnerable groups should be paid primary attention. <i>It is reasonable to involve financial service providers, line associations, NGOs, mass media, higher education institutions of economic-financial profile, municipalities and financial consultants in the process of increasing financial literacy.</i>
2.	Strengthening awareness raising activities	Mass media should be actively involved in awareness raising activities that covers following issues: <ul style="list-style-type: none"> <li>• Provided financial services and mode of use;</li> <li>• Consumer rights and procedures during use of financial services;</li> <li>• Management of household's income and expenditures;</li> <li>• Simple financial calculations;</li> <li>• And etc.</li> </ul>
3.	Organization of training courses, workshops, conferences and other public activities related to financial services	It would be reasonable to arrange financial training courses while paying special attention to women and vulnerable groups living in rural and other urban areas: <ul style="list-style-type: none"> <li>• What to do in order not to get up to one's neck in debt when using credits?</li> <li>• How to plan purchases of durables (car, apartment, dacha) and evaluate one's abilities to implement them?</li> <li>• Mortgage loans</li> <li>• What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated?</li> <li>• Management of household's income and expenditures: preparation, management, planning of household budget, record of income and expenditures and etc;</li> <li>• Increasing basic mathematic literacy of population (on simple financial calculations). This should cover calculations of interest rate on credit/deposits, comparison of deposit income with inflation, comparison of different type of reductions/discounts, ratio of additional funds to the principle and other matters faced in daily life.</li> <li>• How does the pension scheme work and what methods are available to secure one's old age income?</li> </ul>

4.	Increasing confidence of population to financial organizations	<p>Control over confusing/deceptive advertisement in mass media should be increased and relevant issues regulated. Studies show that significant part of population can't carry out simple financial calculations and they often don't correctly understand essence of advertisement/campaigns which subsequently decreases confidence towards financial service providers.</p> <p>Improving insurance process of financial services and raising awareness of population may increase their confidence towards financial organizations.</p> <p>It would be appropriate to improve the legislation on consumer rights and increase activities of relevant institutions.</p> <p>Preparation of contracts with clients in clear and simple way at financial institutions and explanation of all terms to clients during the signing of contract may improve situation in this area.</p> <p>Starting repayment process of deposits of population stored at banks during the soviet period may increase confidence of population towards financial institutions.</p>
5.	Increasing range of financial services in rural and other urban areas	<p>There are opportunities to increase consumer/business/mortgage loans, bank deposit account, insurance, bank current account, internet, mobile banking, local and foreign money remittance and other such kind of financial services in those areas.</p>
6.	Improving access of population of rural and other urban areas to financial services	<p>To this end, first of all, competition among institutions/organizations providing financial services should be increased, their service network upgraded and services fees decreased.</p>
7.	Improving use of payment cards	<p>With a view to ensuring broad use of payment cards in purchase of goods and services, large-scale awareness raising campaigns on capacity of cards should be carried out, opportunities for use of payment cards should be created in more places, normal function of ATMs should be ensured and quality of internet services increased. Thus, studies show that ATMs often lack money and their number is not sufficient in other urban and rural areas.</p>

# **ANNEXES**

## ANNEX 1: TABLES OF KEY FINDINGS OF THE SURVEY BY QUESTIONS OF THE QUESTIONNAIRE

*Findings of the survey were estimated based on questions of the questionnaire. Estimations were carried out generally, as well as by Baku (capital) city, other urban areas and rural areas. Answers of male and female respondents were estimated separately. Estimations by economic regions were implemented on necessary questions. Answers to all questions were given in number and percentage form. Titles of tables were given on the top of each table.*

### 1.1. Financial management and borrowing

Question 1: Does your family keep records of income and expenditures?												
	Capital city		Other urban areas		Rural areas		General		General-Men*		General-Women*	
	n	%	n	%	n	%	n	%	n	%	n	%
Yes, we keep records of everything, entering all revenues and all expenditures	84	30,3	55	14,7	114	26,8	17	14,2	114	26,8	17	14,2
Yes, we keep records of everything, but not all revenues and expenditures are entered	10	3,6	32	8,5	27	6,4	9	7,5	27	6,4	9	7,5
No, we don't keep records of everything, but we know in general how much money is received and spent during a month	60	21,7	139	37,1	132	31,1	49	40,8	132	31,1	49	40,8
No, we don't keep records of family's resources, and we don't have even a vague idea of how much money is received and spent during a month	121	43,7	134	35,7	143	33,6	42	35,0	143	33,6	42	35,0
<b>I find it difficult to answer this question</b>	<b>2</b>	<b>0,7</b>	<b>15</b>	<b>4,0</b>	<b>9</b>	<b>2,1</b>	<b>3</b>	<b>2,5</b>	<b>9</b>	<b>2,1</b>	<b>3</b>	<b>2,5</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>425</b>	<b>100,0</b>	<b>120</b>	<b>100,0</b>	<b>425</b>	<b>100,0</b>	<b>120</b>	<b>100,0</b>

• Note: General-Men and General-women are head of households

Questions 2. How often during the last year you (your family) had any money unspent from previous earnings before new revenues arrived (wages, pension, scholarship, benefits and etc.)?									
	Capital city		Other urban areas		Rural areas		General		
	n	%	n	%	n	%	n	%	
Always	5	1,8	32	8,5	30	5,4	67	5,6	
Very often	24	8,7	21	5,6	34	6,1	79	6,5	
Sometimes	77	27,8	66	17,6	77	13,9	220	18,2	
Very rarely	44	15,9	67	17,9	93	16,8	204	16,9	
Never	127	45,8	184	49,1	315	56,8	626	51,9	
<b>I find it difficult to answer this question</b>	<b>0</b>	<b>0,0</b>	<b>5</b>	<b>1,3</b>	<b>6</b>	<b>1,1</b>	<b>11</b>	<b>0,9</b>	
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>	

Question 3. If you (your family) have/has any money left right before the next revenue arrives, what would you usually do with it?									
	Capital city		Other urban areas		Rural areas		General		
	n	%	n	%	n	%	n	%	
We spend it on consumer goods	109	39,4	213	56,8	339	61,1	661	54,8	

We keep it in cash	104	37,5	126	33,6	155	27,9	385	31,9
We invest it in our own business	20	7,2	15	4,0	29	5,2	64	5,3
We invest it in gold and jewellery	4	1,4	2	0,5	22	4,0	28	2,3
We deposit it or do not withdraw it from the account	11	4,0	3	0,8	2	0,4	16	1,3
We lend it to friends or relatives	3	1,1	5	1,3	5	0,9	13	1,1
We invest it in the capital market	0	0,0	2	0,5	3	0,5	5	0,4
We build/repair home	0	0,0	3	0,8	2	0,4	5	0,4
We spend it on wedding or funeral ceremonies	2	0,7	1	0,3	1	0,2	4	0,3
We spend it on medical treatment/medicines	1	0,4	2	0,5	1	0,2	4	0,3
We spend in on charity activities	2	0,7	1	0,3	0	0,0	3	0,2
We repay credits	1	0,4	2	0,5	0	0,0	3	0,2
We send it to child in Baku city	0	0,0	1	0,3	0	0,0	1	0,1
We spend it on education	0	0,0	1	0,3	0	0,0	1	0,1
We don't have any money left	9	3,2	1	0,3	0	0,0	10	0,8
<b>I find it difficult to answer this question</b>	<b>8</b>	<b>2,9</b>	<b>47</b>	<b>12,5</b>	<b>125</b>	<b>22,5</b>	<b>180</b>	<b>14,9</b>
<b>No answer</b>	<b>63</b>	<b>22,7</b>	<b>4</b>	<b>1,1</b>	<b>22</b>	<b>4,0</b>	<b>89</b>	<b>7,4</b>

Question.4 How often during the last year did you/family run out of money from previous earnings before the new money arrived?								
	Capital city		Other urban areas		Rural areas		General	
	n	%	n	%	n	%	n	%
Always	10	3,6	97	25,9	151	27,2	258	21,4
Very often	100	36,1	107	28,5	168	30,3	375	31,1
Sometimes	104	37,5	61	16,3	70	12,6	235	19,5
Very rarely	29	10,5	46	12,3	96	17,3	171	14,2
Never	32	11,6	62	16,5	65	11,7	159	13,2
<b>I find it difficult to answer this question</b>	<b>2</b>	<b>0,7</b>	<b>2</b>	<b>0,5</b>	<b>5</b>	<b>0,9</b>	<b>9</b>	<b>0,7</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>

Question 5. What do you usually do when you (your family) run(s) out of money before the next income arrives?								
	Capital city		Other urban areas		Rural areas		General	
	n	%	n	%	n	%	n	%
We cut down expenses and save	170	61,4	198	52,8	250	45,0	618	51,2
We borrow money from relatives, friends and acquaintances	144	52,0	167	44,5	280	50,5	591	49,0
We spend our savings	43	15,5	92	24,5	73	13,2	208	17,2
We buy goods at shops with later payment	6	2,2	74	19,7	128	23,1	208	17,2
Our friends and relatives give us money free of charge	38	13,7	44	11,7	61	11,0	143	11,8
We sell agricultural products	0	0,0	3	0,8	97	17,5	100	8,3
We borrow cash on bank credit	12	4,3	13	3,5	42	7,6	67	5,6
We work extra hours or do additional jobs	15	5,4	14	3,7	21	3,8	50	4,1
We withdraw a required amount from our business	5	1,8	8	2,1	26	4,7	39	3,2
We didn't face such kind of situation	0	0,0	4	1,1	4	0,7	8	0,7
We use credit card	1	0,4	0	0,0	5	0,9	6	0,5
We take advance from chief/office	1	0,4	1	0,3	0	0,0	2	0,2
We take money with interest rate	0	0,0	0	0,0	1	0,2	1	0,1
We sell our securities/shares	0	0,0	0	0,0	0	0,0	0	0,0
<b>I find it difficult to answer this question</b>	<b>6</b>	<b>2,2</b>	<b>9</b>	<b>2,4</b>	<b>13</b>	<b>2,3</b>	<b>28</b>	<b>2,3</b>
<b>No answer</b>	<b>10</b>	<b>3,6</b>	<b>4</b>	<b>1,1</b>	<b>3</b>	<b>0,5</b>	<b>17</b>	<b>1,4</b>

**Question 6. Did you (your family) experience a significant reduction of income over the last three years, and if so, then what was the reason?**

	Capital city		Other urban areas		Rural areas		General	
	n	%	n	%	n	%	n	%
No, over the last three years I (my family) had not experienced any significant reduction of income	148	53,4	227	60,5	306	55,1	681	56,4
Yes, due to the loss of a job because of an accident, deterioration of health, disability of a breadwinner	28	10,1	46	12,3	68	12,3	142	11,8
Yes, due to the loss of a job by a breadwinner because of staff reduction, dismissal from work, etc.	34	12,3	39	10,4	56	10,1	129	10,7
Yes, due to the considerable reduction of salary, or delays with salary payment	45	16,2	24	6,4	57	10,3	126	10,4
Yes, due to the reduction of investment income	11	4,0	18	4,8	34	6,1	63	5,2
Yes, due to retirement of the breadwinner	5	1,8	5	1,3	11	2,0	21	1,7
Yes, due to another reason (no description)	0	0,0	3	0,8	8	1,4	11	0,9
Yes, due to the drop in income resulting from separation or divorce	0	0,0	4	1,1	4	0,7	8	0,7
Inflation	4	1,4	4	1,1	0	0,0	8	0,7
Due to economic crisis	0	0,0	2	0,5	6	1,1	8	0,7
Due to death of breadwinner	1	0,4	0	0,0	2	0,4	3	0,2
Due to termination of social assistance/benefits	0	0,0	1	0,3	1	0,2	2	0,2
Due to bankruptcy of business	1	0,4	0	0,0	0	0,0	1	0,1
Due to reduction of productivity in agriculture sector	0	0,0	0	0,0	1	0,2	1	0,1
<b>I find it difficult to answer this question</b>	<b>4</b>	<b>1,4</b>	<b>9</b>	<b>2,4</b>	<b>35</b>	<b>6,3</b>	<b>48</b>	<b>4,0</b>

**Question 7. Would you please say whether you (your family) borrowed debts for some reason over the last year?**

	Capital city		Other urban areas		Rural areas		General	
	n	%	n	%	n	%	n	%
Always	1	0,4	16	4,3	29	5,2	46	3,8
Very often	44	15,9	67	17,9	90	16,2	201	16,7
Sometimes	104	37,5	73	19,5	143	25,8	320	26,5
Very rarely	35	12,6	103	27,5	168	30,3	306	25,4
Never	92	33,2	114	30,4	120	21,6	326	27,0
<b>I find it difficult to answer this question</b>	<b>1</b>	<b>0,4</b>	<b>2</b>	<b>0,5</b>	<b>5</b>	<b>0,9</b>	<b>8</b>	<b>0,7</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>

**Question 8. Would you please say whether you (your family) have (has) any debts now?**

	Capital city		Other urban areas		Rural areas		General	
	n	%	n	%	n	%	n	%
No, we don't have any debts	140	50,5	208	55,5	278	50,1	626	51,9
Yes, we have debts	134	48,4	166	44,3	274	49,4	574	47,6
<b>I find it difficult to answer this question</b>	<b>3</b>	<b>1,1</b>	<b>1</b>	<b>0,3</b>	<b>3</b>	<b>0,5</b>	<b>7</b>	<b>0,6</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>

**Question 9. What is your total debt excluding any loans for purchase of an apartment, or dacha, or car secured on property out of your entire debt amount?**

	Capital city		Other urban areas		Rural areas		General	
	n	%	n	%	n	%	n	%

Less than one monthly income	23	17,2	34	20,5	49	17,9	106	18,5
From 1 to 2 monthly incomes	19	14,2	47	28,3	85	31,0	151	26,3
From 2 to 3 monthly incomes	20	14,9	22	13,3	49	17,9	91	15,9
From 3 to 6 monthly incomes	23	17,2	31	18,7	39	14,2	93	16,2
From 6 to 12 monthly incomes	18	13,4	21	12,7	23	8,4	62	10,8
More than yearly income	30	22,4	5	3,0	21	7,7	56	9,8
<b>I find it difficult to answer this question</b>	<b>1</b>	<b>0,7</b>	<b>2</b>	<b>1,2</b>	<b>6</b>	<b>2,2</b>	<b>9</b>	<b>1,6</b>
<b>No answer</b>	<b>0</b>	<b>0,0</b>	<b>4</b>	<b>2,4</b>	<b>2</b>	<b>0,7</b>	<b>6</b>	<b>1,0</b>
<b>Total</b>	<b>134</b>	<b>100,0</b>	<b>166</b>	<b>100,0</b>	<b>274</b>	<b>100,0</b>	<b>574</b>	<b>100,0</b>

**Question 10. Please tell us whether there are such families among your acquaintances or friends who used to be relatively well-to-do and then suddenly encountered financial problems? If so, then what was the reason in your opinion?**

	Capital city		Other urban areas		Rural areas		General	
	n	%	n	%	n	%	n	%
A family started to experience financial troubles because of unfortunate series of events	104	37,2	113	30,1	78	14,1	295	24,5
A family started to experience financial troubles because of a wrong money management or lack of ability to plan its finances	32	11,5	74	19,7	106	19,1	212	17,6
Economic crisis	2	0,7	0	0,0	5	0,9	7	0,6
Fraud	5	1,8	0	0,0	0	0,0	5	0,4
<b>No such families</b>	<b>140</b>	<b>50,5</b>	<b>139</b>	<b>37,1</b>	<b>303</b>	<b>54,6</b>	<b>582</b>	<b>48,2</b>
<b>I find it difficult to answer this question</b>	<b>2</b>	<b>0,7</b>	<b>57</b>	<b>15,2</b>	<b>74</b>	<b>13,3</b>	<b>133</b>	<b>11,0</b>

## 1.2. Financial awareness and consumer rights

**Question 11. If a citizen has a deposit in an Azerbaijani bank and this bank becomes bankrupt, do you know what maximum level of a deposit is entirely insured by the government?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	130	20,8	131	22,5
0 manat	130	46,9	45	12,0	86	15,5	261	21,6	49	7,9	30	5,1
1000 manats	18	6,5	26	6,9	35	6,3	79	6,5	62	9,9	43	7,4
4000 manats	38	13,7	39	10,4	28	5,0	105	8,7	51	8,2	19	3,3
<b>30000 manats</b>	<b>18</b>	<b>6,5</b>	<b>29</b>	<b>7,7</b>	<b>23</b>	<b>4,1</b>	<b>70</b>	<b>5,8</b>	2	0,3	1	0,2
50000 manats	0	0,0	2	0,5	1	0,2	3	0,2	27	4,3	34	5,8
The whole amount is insured	31	11,2	14	3,7	16	2,9	61	5,1	303	48,6	325	55,7
<b>I find it difficult to answer this question</b>	42	15,2	220	58,7	366	65,9	628	52,0	624	100,0	583	100,0
<b>Total</b>	277	100,0	375	100,0	555	100,0	1,207	100,0	130	20,8	131	22,5

**Question 12. Do you think that it is appropriate for the government to compensate individuals for the losses in the following cases?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
When the bank become a bankrupt	194	70,0	197	52,5	228	41,1	619	51,3	295	47,3	324	55,6
Apartment or dacha and their price dropped at the moment when one needs to sell them	118	42,6	58	15,5	133	24,0	309	25,6	167	26,8	142	24,4
Shares of a private company, and the value of shares dropped significantly	52	18,8	72	19,2	59	10,6	183	15,2	101	16,2	82	14,1
Natural disaster	1	0,4	3	0,8	4	0,7	8	0,7	7	1,1	1	0,2
When welfare is very bad	2	0,7	0	0,0	0	0,0	2	0,2	1	0,2	1	0,2
<b>None of the above</b>	<b>3</b>	<b>1,1</b>	<b>28</b>	<b>7,5</b>	<b>27</b>	<b>4,9</b>	<b>58</b>	<b>4,8</b>	37	5,9	21	3,6
<b>I find it difficult to answer this question</b>	<b>11</b>	<b>4,0</b>	<b>67</b>	<b>17,9</b>	<b>153</b>	<b>27,6</b>	<b>231</b>	<b>19,1</b>	<b>114</b>	<b>18,3</b>	<b>117</b>	<b>20,1</b>

**Question 13. According to the current legislation of Azerbaijan, who sets period, annual interest rate, commission fees and other terms when granting a bank credit?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
By banks	199	71,8	176	46,9	262	47,2	637	52,8	367	58,8	270	46,3
By state structures	14	5,1	69	18,4	96	17,3	179	14,8	79	12,7	100	17,2
By Central Bank	28	10,1	65	17,3	52	9,4	145	12,0	69	11,1	76	13,0
By contracts based on mutual agreement	5	1,8	21	5,6	45	8,1	71	5,9	42	6,7	29	5,0
<b>I find it difficult to answer this question</b>	<b>24</b>	<b>8,7</b>	<b>33</b>	<b>8,8</b>	<b>81</b>	<b>14,6</b>	<b>138</b>	<b>11,4</b>	<b>55</b>	<b>8,8</b>	<b>83</b>	<b>14,2</b>
<b>No answer</b>	<b>7</b>	<b>2,5</b>	<b>11</b>	<b>2,9</b>	<b>19</b>	<b>3,4</b>	<b>37</b>	<b>3,1</b>	<b>12</b>	<b>1,9</b>	<b>25</b>	<b>4,3</b>
<b>Total</b>	277	100,0	375	100,0	555	100,0	1 207	100,0	624	100,0	583	100,0

**Question 14. Which phrase out of the ones given below describes best your individual life insurance situation?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
My life is already insured for the	22	7,9	10	2,7	1	0,2	33	2,7	13	2,1	20	3,4



required amount												
My life is insured for some amount but in my opinion it is lower than required	1	0,4	3	0,8	1	0,2	5	0,4	5	0,8	0	0,0
I need to insure my life but it is too expensive	33	11,9	54	14,4	104	18,7	191	15,8	111	17,8	80	13,7
I need to insure my life but I don't believe that insurance companies will pay the claim in case of my death	81	29,2	158	42,1	180	32,4	419	34,7	228	36,5	191	32,8
I don't need life insurance actually	48	17,3	120	32,0	185	33,3	353	29,2	188	30,1	165	28,3
<b>I find it difficult to answer this question</b>	<b>6</b>	<b>2,2</b>	<b>27</b>	<b>7,2</b>	<b>75</b>	<b>13,5</b>	<b>108</b>	<b>8,9</b>	<b>47</b>	<b>7,5</b>	<b>61</b>	<b>10,5</b>
<b>No answer</b>	<b>86</b>	<b>31,0</b>	<b>3</b>	<b>0,8</b>	<b>9</b>	<b>1,6</b>	<b>98</b>	<b>8,1</b>	<b>32</b>	<b>5,1</b>	<b>66</b>	<b>11,3</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

Question 15. Which tendencies from the ones given below do you follow personally?												
	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
<b>Follows at least one trend</b>	<b>233</b>	<b>84,1</b>	<b>264</b>	<b>70,4</b>	<b>362</b>	<b>65,2</b>	<b>859</b>	<b>71,2</b>	<b>498</b>	<b>79,8</b>	<b>361</b>	<b>61,9</b>
Price fluctuations for oil, gold, metals, etc.	203	73,3	174	46,4	223	40,2	600	49,7	335	53,7	265	45,5
Changes in the inflation rate	123	44,4	157	41,9	173	31,2	453	37,5	266	42,6	187	32,1
Changes in the level of public pensions, benefits and tax exemptions	83	30,0	154	41,1	189	34,1	426	35,3	236	37,8	190	32,6
Changes in the property market	101	36,5	80	21,3	95	17,1	276	0,2	176	28,2	100	17,2
Changes of interest rates on credits	102	36,8	77	20,5	90	16,2	269	22,3	148	23,7	121	20,8
Changes of interest rates on deposits	93	33,6	51	13,6	43	7,7	187	15,5	100	16,0	87	14,9
Changes of quotations and indices in the capital market	39	14,1	44	11,7	35	6,3	118	9,8	73	11,7	45	7,7
<b>I don't watch any trends</b>	<b>44</b>	<b>15,9</b>	<b>107</b>	<b>28,5</b>	<b>175</b>	<b>31,5</b>	<b>326</b>	<b>27,0</b>	<b>118</b>	<b>18,9</b>	<b>208</b>	<b>35,7</b>
<b>I find it difficult to answer this question</b>	<b>0</b>	<b>0,0</b>	<b>4</b>	<b>1,1</b>	<b>18</b>	<b>3,2</b>	<b>22</b>	<b>1,8</b>	<b>8</b>	<b>1,3</b>	<b>14</b>	<b>2,4</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1,207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

Question 16. What sources do you use to get information about the above tendencies?												
	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Newspapers, magazines, TV programs specializing on financial issues	223	95,7	249	94,3	311	85,9	783	91,2	446	89,6	337	93,4
Friends and acquaintances	42	18,0	85	32,2	175	48,3	302	35,2	196	39,4	106	29,4
Advertising/Announcement	13	5,6	67	25,4	140	38,7	220	25,6	134	26,9	86	23,8
Specialized web sites	40	17,2	10	3,8	3	0,8	53	6,2	34	6,8	19	5,3
Independent financial consultants or brokers	3	1,3	9	3,4	2	0,6	14	1,6	9	1,8	5	1,4
Bank officers, employees of insurance and management companies, during a personal visit or by phone	2	0,9	7	2,7	4	1,1	13	1,5	8	1,6	5	1,4
At university	0	0,0	1	0,4	0	0,0	1	0,1	1	0,2	0	0,0
<b>I find it difficult to answer this question</b>	<b>0</b>	<b>0,0</b>	<b>2</b>	<b>0,8</b>	<b>4</b>	<b>1,1</b>	<b>6</b>	<b>0,7</b>	<b>4</b>	<b>0,8</b>	<b>2</b>	<b>0,6</b>
<b>Total</b>	<b>233</b>	<b>100,0</b>	<b>264</b>	<b>100,0</b>	<b>362</b>	<b>100,0</b>	<b>859</b>	<b>100,0</b>	<b>498</b>	<b>100,0</b>	<b>361</b>	<b>100,0</b>

Question 17. Did you ever buy a financial service during the last five years and later you were sorry about that, because the service did not meet your needs and you concluded to terminate relations with seller (or service provider)?									
	Capital city		Other urban areas		Rural areas		General		
	n	%	n	%	n	%	n	%	%
Yes	3	1,1	23	6,1	27	4,9	53	4,4	

No	273	98,6	349	93,1	520	93,7	1 142	94,6
<b>I find it difficult to answer this question</b>	<b>1</b>	<b>0,4</b>	<b>3</b>	<b>0,8</b>	<b>8</b>	<b>1,4</b>	<b>12</b>	<b>1,0</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>

<b>Question 18. What kind of service was it?</b>								
	<b>Capital city</b>		<b>Other urban areas</b>		<b>Rural areas</b>		<b>General</b>	
	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>
A consumer loan	1	33,3	10	43,5	4	14,8	15	28,3
A bank deposit	0	0,0	1	4,3	6	22,2	7	13,2
Business credit	0	0,0	1	4,3	5	18,5	6	11,3
A bank credit card	1	33,3	2	8,7	2	7,4	5	9,4
A car credit	1	33,3	3	13,0	1	3,7	5	9,4
A stock	0	0,0	2	8,7	1	3,7	3	5,7
An insurance policy	0	0,0	2	8,7	0	0,0	2	3,8
An agriculture credit	0	0,0	1	4,3	1	3,7	2	3,8
A collateral	0	0,0	1	4,3	1	3,7	2	3,8
A cash credit	0	0,0	1	4,3	0	0,0	1	1,9
I don't remember	0	0,0	0	0,0	5	18,5	5	9,4
<b>I find it difficult to answer this question</b>	<b>0</b>	<b>0,0</b>	<b>1</b>	<b>4,3</b>	<b>1</b>	<b>3,7</b>	<b>2</b>	<b>3,8</b>
<b>Total</b>	<b>3</b>	<b>100,0</b>	<b>23</b>	<b>100,0</b>	<b>27</b>	<b>100,0</b>	<b>53</b>	<b>100,0</b>

<b>Question 19. What did you do after you find out the problem?</b>								
	<b>Capital city</b>		<b>Other urban areas</b>		<b>Rural areas</b>		<b>General</b>	
	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>
Nothing	1	33,3	21	91,3	21	77,8	43	81,1
I stopped using the service before the contract expired	1	33,3	0	0,0	3	11,1	4	7,5
I submitted a claim to the appropriate government authority	0	0,0	2	8,7	2	7,4	4	7,5
I submitted a grievance to the company which sold me the product	1	33,3	0	0,0	0	0,0	1	1,9
<b>No answer</b>	<b>0</b>	<b>0,0</b>	<b>0</b>	<b>0,0</b>	<b>1</b>	<b>3,7</b>	<b>1</b>	<b>1,9</b>
<b>Total</b>	<b>3</b>	<b>100,0</b>	<b>23</b>	<b>100,0</b>	<b>27</b>	<b>100,0</b>	<b>53</b>	<b>100,0</b>

<b>Question 20. If a conflict arises between you and financial organization (bank, insurance company or the like) regarding the provision of financial services, are you sure that it will solve quickly and fairly?</b>												
	<b>Capital city</b>		<b>Other urban areas</b>		<b>Rural areas</b>		<b>General</b>		<b>General-Men</b>		<b>General-Women</b>	
	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>	<b>n</b>	<b>%</b>
I am completely sure (100%)	67	24,2	52	13,9	93	16,8	212	17,6	121	19,4	91	15,6
I am rather sure (75%)	12	4,3	48	12,8	64	11,5	124	10,3	62	9,9	62	10,6
Fifty-fifty	67	24,2	91	24,3	120	21,6	278	23,0	145	23,2	133	22,8
I am not quite sure	117	42,2	130	34,7	190	34,2	437	36,2	228	36,5	209	35,8
<b>I find it difficult to answer this question</b>	<b>12</b>	<b>4,3</b>	<b>47</b>	<b>12,5</b>	<b>71</b>	<b>12,8</b>	<b>130</b>	<b>10,8</b>	<b>57</b>	<b>9,1</b>	<b>73</b>	<b>12,5</b>
<b>No answer</b>	<b>2</b>	<b>0,7</b>	<b>7</b>	<b>1,9</b>	<b>17</b>	<b>3,1</b>	<b>26</b>	<b>2,2</b>	<b>11</b>	<b>1,8</b>	<b>15</b>	<b>2,6</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

### 1.3. Financial literacy

Question 21. Please evaluate your financial literacy using a five-point system where 1 for the worst and 5 for the best (subjective evaluation)												
	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Very low	2	0,7	23	6,1	36	6,5	61	5,1	24	3,8	37	6,3
Low	18	6,5	90	24,0	175	31,5	283	23,4	123	19,7	160	27,4
Average	169	61,0	160	42,7	203	36,6	532	44,1	304	48,7	228	39,1
High	68	24,5	37	9,9	35	6,3	140	11,6	80	12,8	60	10,3
Very high	11	4,0	23	6,1	16	2,9	50	4,1	28	4,5	22	3,8
<b>I find it difficult to answer this question</b>	<b>9</b>	<b>3,2</b>	<b>42</b>	<b>11,2</b>	<b>90</b>	<b>16,2</b>	<b>141</b>	<b>11,7</b>	<b>65</b>	<b>10,4</b>	<b>76</b>	<b>13,0</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

Financial literacy													
		Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
		n	%	n	%	n	%	n	%	n	%	n	%
<b>Question 22.</b> Let's assume that you deposited 1000 manats in a bank account for 1 year at 12% interest rate. How much money will you have in your account in 1 year if you do not withdraw from or add to this account any money?	Wrong answer	72	26,0	104	27,7	196	35,3	372	30,8	212	34,0	160	27,4
	Correct	161	58,1	196	52,3	207	37,3	564	46,7	317	50,8	247	42,4
	Don't know even rough number	44	15,9	75	20,0	152	27,4	271	22,5	95	15,2	176	30,2
	Total	277	100,0	375	100,0	555	100,0	1,207	100,0	624	100,0	583	100,0
<b>Question 23.</b> Let's assume that you deposited 1000 manats in a bank account for 5 years at 10% interest rate. The interest will be earned at the end of each year and will be added to the principal. How much money will you have in your account in 5 years if you do not withdraw either the principal or the interest?	Wrong answer	99	35,7	97	25,9	172	31,0	368	30,5	205	32,9	163	28,0
	Correct	129	46,6	207	55,2	222	40,0	558	46,2	317	50,8	241	41,3
	Don't know even rough number	49	17,7	71	18,9	161	29,0	281	23,3	102	16,3	179	30,7
	Total	277	100,0	375	100,0	555	100,0	1,207	100,0	624	100,0	583	100,0
<b>Question 24.</b> Imagine, than you deposited the money in a bank account at 8% interest rate, while the annual inflation rate was 10%. Do you think the money from your account can buy more or less, or the same amount of goods and services on average now as a year ago?	Wrong answer	103	37,2	94	25,1	194	35,0	391	32,4	232	37,2	159	27,3
	Correct	119	43,0	215	57,3	219	39,5	553	45,8	301	48,2	252	43,2
	Don't know even rough number	55	19,9	66	17,6	142	25,6	263	21,8	91	14,6	172	29,5
	Total	277	100,0	375	100,0	555	100,0	1,207	100,0	624	100,0	583	100,0
<b>Question 25.</b> Let's assume that in 2010 your income is twice as now, and the consumer prices also grow twofold. Do you think that in 2010 you will be able to buy more, less, or the same amount of goods and services as today?	Wrong answer	47	17,0	105	28,0	160	28,8	312	25,8	180	28,8	132	22,6
	Correct	222	80,1	229	61,1	294	53,0	745	61,7	385	61,7	360	61,7
	Don't know even rough number	8	2,9	41	10,9	101	18,2	150	12,4	59	9,5	91	15,6
	Total	277	100,0	375	100,0	555	100,0	1,207	100,0	624	100,0	583	100,0
<b>Question 26.</b> Let's assume that you saw a refrigerator of the same model on sales in two different shops. The initial retail price of it was 1000 manats.	Wrong answer	46	16,6	38	10,1	41	7,4	125	10,4	50	8,0	75	12,9
	Correct	222	80,1	295	78,7	426	76,8	943	78,1	519	83,2	424	72,7

One shop offered a discount of 150 manats, while the other one offered a 10% discount. Which one is a better bargain – a discount of 150 manats or 10%?	Don't know even rough number	9	3,2	42	11,2	88	15,9	139	11,5	55	8,8	84	14,4
	Total	277	100,0	375	100,0	555	100,0	1,207	100,0	624	100,0	583	100,0
<b>Question 27.</b> Let's assume that you took a bank credit of 1000 manats to be paid back during a year in equal monthly payments. The credit charge is 90 manats. Give a rough estimate of the annual interest rate on your credit.	Wrong answer	22	7,9	75	20,0	120	21,6	217	18,0	122	19,6	95	16,3
	Correct	214	77,3	185	49,3	232	41,8	631	52,3	373	59,8	258	44,3
	Don't know even rough number	41	14,8	115	30,7	203	36,6	359	29,7	129	20,7	230	39,5
	Total	277	100,0	375	100,0	555	100,0	1,207	100,0	624	100,0	583	100,0

**Mathematic financial literacy by place of residence and gender (average indicator, %), based on questions 22-27**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
Wrong answer	23,4	22,8	26,5	24,6	26,7	22,4
Correct	64,2	59,0	48,0	55,2	59,1	50,9
Don't know even rough number	12,4	18,2	25,4	20,2	14,2	26,6
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

**Mathematic financial literacy by economic regions (average indicator, %), based on questions 22-27**

	Baku	Absheron	Guba-Khachmaz	Upper Shirvan	Sheki-Zagatala	Aran	Nakhchivan	Ganja-Gazakh	Lankaran	General
Wrong answer	23,4	34,6	31,3	16,9	36,3	25,5	20,0	20,0	14,2	24,6
Correct	64,2	50,3	58,3	54,7	41,5	51,0	43,1	59,8	55,7	55,2
Don't know even rough number	12,4	15,1	10,4	28,3	22,2	23,5	36,9	20,2	30,1	20,2
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

**Question 28. In your opinion what should be primary attention when someone compare banks in order to choose the one where to take a credit from or to make deposit in?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Bank's reputation (fame) and its reliability	198	71,5	235	62,7	282	50,8	715	59,2	365	58,5	350	60,0
Credit and deposit interest rate and the credit cost	80	28,9	104	27,7	161	29,0	345	28,6	181	29,0	154	26,4
Gifts and advertising campaigns	2	0,7	10	2,7	16	2,9	28	2,3	12	1,9	14	2,4
View of the bank office and qualifications of its personnel	1	0,4	2	0,5	15	2,7	18	1,5	7	1,1	10	1,7
Collateral requirement	0	0,0	0	0,0	1	0,2	1	0,1	1	0,2	0	0,0
<b>I find it difficult to answer this question</b>	<b>2</b>	<b>0,7</b>	<b>23</b>	<b>6,1</b>	<b>75</b>	<b>13,5</b>	<b>100</b>	<b>8,3</b>	<b>56</b>	<b>9,0</b>	<b>44</b>	<b>7,5</b>
<b>No answer</b>	<b>0</b>	<b>0,0</b>	<b>3</b>	<b>0,8</b>	<b>10</b>	<b>1,8</b>	<b>13</b>	<b>1,1</b>	<b>2</b>	<b>0,3</b>	<b>11</b>	<b>1,9</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1,207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

**Question 29. In your opinion when is the right condition to buy on credit?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
If a shop has sales for the goods I	60	21,7	197	52,5	310	55,9	567	47,0	306	49,0	261	44,8

need												
If the interest rate on credit is higher than the one on deposit	25	9,0	79	21,1	100	18,0	204	16,9	103	16,5	101	17,3
If a person needs to pay for education which would allow to get a better paid job	35	12,6	42	11,2	53	9,5	130	10,8	63	10,1	67	11,5
If a person really needs a vocational training but does not have money at the moment	42	15,2	33	8,8	23	4,1	98	8,1	48	7,7	50	8,6
In case of necessity	35	12,6	3	0,8	3	0,5	41	3,4	31	5,0	10	1,7
Purchase of dowries	23	8,3	5	1,3	1	0,2	29	2,4	12	1,9	17	2,9
In case of lack of cash	20	7,2	0	0,0	0	0,0	20	1,7	2	0,3	18	3,1
If there is income to repay loan	5	1,8	1	0,3	1	0,2	7	0,6	2	0,3	5	0,9
If gift is provided	2	0,7	0	0,0	1	0,2	3	0,2	2	0,3	1	0,2
If there is no other choice	1	0,4	0	0,0	0	0,0	1	0,1	0	0,0	1	0,2
<b>It's not reasonable to take credit/ Never</b>	<b>16</b>	<b>5,8</b>	<b>0</b>	<b>0,0</b>	<b>0</b>	<b>0,0</b>	<b>16</b>	<b>1,3</b>	<b>4</b>	<b>0,6</b>	<b>12</b>	<b>2,1</b>
<b>I find it difficult to answer this question</b>	<b>13</b>	<b>4,7</b>	<b>15</b>	<b>4,0</b>	<b>63</b>	<b>11,4</b>	<b>91</b>	<b>7,5</b>	<b>51</b>	<b>8,2</b>	<b>40</b>	<b>6,9</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

**Question 30. On which basis do banks provide credits?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Monthly income and repayment capacity of a borrower	208	75,1	291	77,6	415	74,8	914	75,7	497	79,6	417	71,5
Welfare and needs of a borrower for funds	202	72,9	192	51,2	277	49,9	671	55,6	91	14,6	94	16,1
Provision of collateral or guarantee for credit	46	16,6	92	24,5	47	8,5	185	15,3	359	57,5	306	52,5
Credits are provided to everybody based on application and turns of clients	0	0,0	1	0,3	11	2,0	12	1,0	7	1,1	5	0,9
Registration at the bank	0	0,0	2	0,5	0	0,0	2	0,2	1	0,2	1	0,2
Business plan	1	0,4	0	0,0	0	0,0	1	0,1	1	0,2	0	0,0
Through acquaintances	0	0,0	1	0,3	0	0,0	1	0,1	0	0,0	1	0,2
<b>I find it difficult to answer this question</b>	<b>4</b>	<b>1,4</b>	<b>3</b>	<b>0,8</b>	<b>26</b>	<b>4,7</b>	<b>33</b>	<b>2,7</b>	<b>15</b>	<b>2,4</b>	<b>18</b>	<b>3,1</b>
<b>No answer</b>	<b>2</b>	<b>0,7</b>	<b>5</b>	<b>1,3</b>	<b>11</b>	<b>2,0</b>	<b>18</b>	<b>1,5</b>	<b>3</b>	<b>0,5</b>	<b>15</b>	<b>2,6</b>

**Table 31. There is a list below of the topics regarding various aspects of personal finance management. Please specify which are most interesting to learn about in the course of financial training?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
What to do in order not to get up to one's neck in debt when using credits	168	60,6	128	34,1	160	28,8	456	37,8	246	39,4	210	36,0
How does the pension scheme work and what methods are available to secure one's old age income	114	41,2	118	31,5	134	24,1	366	30,3	167	26,8	199	34,1
How to plan purchases of durables (car, apartment, dacha) and evaluate one's abilities to implement them	116	41,9	73	19,5	132	23,8	321	26,6	179	28,7	142	24,4
Mortgage loans	128	46,2	56	14,9	108	19,5	292	24,2	157	25,2	135	23,2
What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated?	45	16,2	85	22,7	100	18,0	230	19,1	123	19,7	107	18,4
Consumer loans to buy goods and services	41	14,8	77	20,5	93	16,8	211	17,5	116	18,6	95	16,3
How to form one's own financial targets and draw a personal current financial plan	56	20,2	51	13,6	85	15,3	192	15,9	123	19,7	69	11,8
Banking services – current accounts, saving deposits, and debit/credit cards	67	24,2	66	17,6	36	6,5	169	14,0	95	15,2	74	12,7
What parameters are used to compare the services offered by banks and other financial companies	56	20,2	49	13,1	36	6,5	141	11,7	84	13,5	57	9,8

Sources of information on financial services, how to interpret the information and how to differentiate the advertising information from the objective one	44	15,9	45	12,0	45	8,1	134	11,1	69	11,1	65	11,1
What information should a user pay attention to when signing a contract with a bank or another financial company	89	32,1	14	3,7	22	4,0	125	10,4	64	10,3	61	10,5
Capital markets and stock	35	12,6	46	12,3	24	4,3	105	8,7	59	9,5	46	7,9
Insurance and insurance products	19	6,9	36	9,6	34	6,1	89	7,4	61	9,8	28	4,8
Mode of use from internet, mobile banking services	13	4,7	21	5,6	15	2,7	49	4,1	38	6,1	11	1,9
<b>I am not interested in any of such topics</b>	23	8,3	90	24,0	170	30,6	283	23,4	<b>114</b>	<b>18,3</b>	<b>169</b>	<b>29,0</b>
<b>I find it difficult to answer this question</b>	<b>0</b>	<b>0,0</b>	<b>20</b>	<b>5,3</b>	<b>44</b>	<b>7,9</b>	<b>64</b>	<b>5,3</b>	<b>30</b>	<b>4,8</b>	<b>34</b>	<b>5,8</b>

**Table 31. There is a list below of the topics regarding various aspects of personal finance management by economic regions. Please specify which are most interesting to learn about in the course of financial training?**

	Baku	Absheron	Guba-Khachmaz	Upper Shirvan	Sheki-Zagatala	Aran	Nakhchivan	Ganja-Gazakh	Lankaran	General
	%	%	%	%	%	%	%	%	%	%
What to do in order not to get up to one's neck in debt when using credits	60,6	25,8	57,8	26,7	16,7	27,1	25,0	36,7	32,5	37,8
How does the pension scheme work and what methods are available to secure one's old age income	41,2	22,5	2,2	11,7	30,0	24,2	25,0	58,7	23,3	30,3
How to plan purchases of durables (car, apartment, dacha) and evaluate one's abilities to implement them	41,9	10,0	58,9	16,7	25,6	19,6	8,3	27,3	11,7	26,6
Mortgage loans	46,2	15,0	10,0	10,0	30,0	21,7	21,7	15,3	13,3	24,2
What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated?	16,2	17,5	1,1	5,0	6,7	7,1	0,0	52,7	48,3	19,1
Consumer loans to buy goods and services	14,8	8,3	53,3	15,0	13,3	9,6	5,0	22,7	25,8	17,5
How to form one's own financial targets and draw a personal current financial plan	20,2	38,3	3,3	3,3	12,2	17,1	30,0	0,7	11,7	15,9
Banking services – current accounts, saving deposits, and debit/credit cards	24,2	37,5	5,6	3,3	7,8	6,3	6,7	8,7	9,2	14,0
What parameters are used to compare the services offered by banks and other financial companies	20,2	18,3	10,0	5,0	13,3	12,1	1,7	0,0	7,5	11,7
Sources of information on financial services, how to interpret the information and how to differentiate the advertising information from the objective one	15,9	19,2	2,2	1,7	25,6	10,0	21,7	2,0	0,8	11,1
What information should a user pay attention to when signing a contract with a bank or another financial company	32,1	2,5	2,2	11,7	2,2	5,4	6,7	0,0	4,2	10,4
Capital markets and stock	12,6	19,2	1,1	3,3	14,4	5,8	1,7	9,3	1,7	8,7
Insurance and insurance products	6,9	3,3	6,7	5,0	8,9	6,3	5,0	17,3	4,2	7,4
Mode of use from internet, mobile banking services	4,7	7,5	2,2	1,7	4,4	3,3	6,7	2,0	4,2	4,1
<b>I am not interested in any of such topics</b>	<b>8,3</b>	<b>29,2</b>	<b>7,8</b>	<b>41,7</b>	<b>20,0</b>	<b>27,1</b>	<b>60,0</b>	<b>23,3</b>	<b>32,5</b>	<b>23,4</b>
<b>I find it difficult to answer this question</b>	<b>0,0</b>	<b>2,5</b>	<b>31,1</b>	<b>0,0</b>	<b>0,0</b>	<b>7,5</b>	<b>6,7</b>	<b>6,7</b>	<b>0,8</b>	<b>5,3</b>

**Question 32. What kind of trainers do you see as the most suitable to deliver financial literacy program?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Mass media (journalists and TV presenters)	71	25,6	263	70,1	258	46,5	592	49,0	332	53,2	260	44,6
Higher education institutions of economic and financial profile	172	62,1	62	16,5	64	11,5	298	24,7	154	24,7	144	24,7
Independent financial consultants	86	31,0	85	22,7	73	13,2	244	20,2	138	22,1	106	18,2
Government entities regulating capital	18	6,5	45	12,0	105	18,9	168	13,9	102	16,3	66	11,3

markets												
Commercial banks	32	11,6	51	13,6	73	13,2	156	12,9	92	14,7	64	11,0
Non-government organizations or public organizations involved in consumer rights protection	25	9,0	31	8,3	66	11,9	122	10,1	83	13,3	39	6,7
Insurance companies	6	2,2	11	2,9	18	3,2	35	2,9	22	3,5	13	2,2
<b>I find it difficult to answer this question</b>	<b>8</b>	<b>2,9</b>	<b>55</b>	<b>14,7</b>	<b>165</b>	<b>29,7</b>	<b>228</b>	<b>18,9</b>	<b>93</b>	<b>14,9</b>	<b>135</b>	<b>23,2</b>
<b>No answer</b>	<b>15</b>	<b>5,4</b>	<b>11</b>	<b>2,9</b>	<b>28</b>	<b>5,0</b>	<b>54</b>	<b>4,5</b>	<b>21</b>	<b>3,4</b>	<b>33</b>	<b>5,7</b>

**Question 33. Let's assume that in addition to your regular income your family got some money in the amount of 2000-3000 manats. What would you do with this money most likely?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
I'll spend it on the purchase of household goods (furniture, clothes, home electronic appliances, etc.)	102	36,8	163	43,5	233	42,0	498	41,3	232	37,2	266	45,6
I'll make reserves (for unexpected event, special events, for a rainy day, etc.)	68	24,5	163	43,5	253	45,6	484	40,1	237	38,0	247	42,4
I'll spend it on my medical treatment and that of my close family	39	14,1	90	24,0	164	29,5	293	24,3	149	23,9	144	24,7
I'll spend it on education and development of my children	58	20,9	95	25,3	137	24,7	290	24,0	139	22,3	151	25,9
I'll try to add money (through borrowing, e.g.) and buy a plot of land, a car, etc.	34	12,3	113	30,1	140	25,2	287	23,8	186	29,8	101	17,3
I'll invest it in my own business	30	10,8	63	16,8	148	26,7	241	20,0	182	29,2	59	10,1
I'll repay my debts earlier	46	16,6	56	14,9	78	14,1	180	14,9	99	15,9	81	13,9
I'll buy gold, jewels and the things like these	19	6,9	25	6,7	90	16,2	134	11,1	48	7,7	86	14,8
I'll make long-term savings to accumulate money for more expensive things (a house, apartment, expensive car, etc.)	22	7,9	49	13,1	32	5,8	103	8,5	59	9,5	44	7,5
I'll invest it in the bank deposit at an interest rate	22	7,9	23	6,1	29	5,2	74	6,1	39	6,3	35	6,0
I'll spend it on upgrade of my skills or training for a new vocation/profession	16	5,8	38	10,1	8	1,4	62	5,1	27	4,3	35	6,0
I'll spend it on entertainment, on travel or vacation	18	6,5	16	4,3	19	3,4	53	4,4	33	5,3	20	3,4
I'll buy garment/foods	14	5,1	12	3,2	9	1,6	35	2,9	14	2,2	21	3,6
I'll repair/build house	12	4,3	4	1,1	17	3,1	33	2,7	11	1,8	22	3,8
I'll buy an insurance policy for myself or the family, spend it on voluntary pension	4	1,4	4	1,1	4	0,7	12	1,0	6	1,0	6	1,0
I'll buy shares and other stock of Azerbaijani companies, buy government bonds	1	0,4	6	1,6	3	0,5	10	0,8	9	1,4	1	0,2
I'll buy land	6	2,2	0	0,0	0	0,0	6	0,5	0	0,0	6	1,0
I'll spend it on charity activities	3	1,1	0	0,0	1	0,2	4	0,3	2	0,3	2	0,3
I'll make farming	2	0,7	0	0,0	6	1,1	8	0,7	5	0,8	3	0,5
<b>I find it difficult to answer this question</b>	<b>4</b>	<b>1,4</b>	<b>5</b>	<b>1,3</b>	<b>16</b>	<b>2,9</b>	<b>25</b>	<b>2,1</b>	<b>13</b>	<b>2,1</b>	<b>12</b>	<b>2,1</b>

**Question 34. How do you (does your family) usually manage your everyday revenues?**

	Capital city		Other urban areas		Rural areas		General	
	n	%	n	%	n	%	n	%
I try to save something and spend the rest of the money on the everyday needs	38	13,7	111	29,6	129	23,2	278	23,0
I spend money on the everyday needs and save the rest	166	59,9	74	19,7	100	18,0	340	28,2
I spend all the money on everyday needs and do not save anything	72	26,0	180	48,0	315	56,8	567	47,0
<b>I find it difficult to answer this question</b>	<b>1</b>	<b>0,4</b>	<b>10</b>	<b>2,7</b>	<b>11</b>	<b>2,0</b>	<b>22</b>	<b>1,8</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>

Question 35. Did you (your family) invest or make deposit?								
	Capital city		Other urban areas		Rural areas		General	
	n	%	n	%	n	%	n	%
Yes	114	41,2	85	22,7	64	11,5	263	21,8
No	163	58,8	290	77,3	491	88,5	944	78,2
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>

Question 36. What are your (your family's) personal reasons to make savings or investments?												
	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
For a rainy day, for unexpected expenses	93	81,6	78	91,8	57	89,1	228	86,7	132	82,5	96	93,2
To increase my living standards in the future	42	36,8	45	52,9	28	43,8	115	43,7	79	49,4	36	35,0
To leave something for children to inherit	14	12,3	13	15,3	14	21,9	41	15,6	31	19,4	10	9,7
To be independent and be able to make choices	18	15,8	9	10,6	2	3,1	29	11,0	18	11,3	11	10,7
I prefer saving to spending money	8	7,0	2	2,4	2	3,1	12	4,6	8	5,0	4	3,9
To get income in the form of interest, increased market value of assets, etc.	5	4,4	3	3,5	0	0,0	8	3,0	7	4,4	1	1,0
For retirement	1	0,9	0	0,0	4	6,3	5	1,9	3	1,9	2	1,9
To speculate on the stock exchange	0	0,0	0	0,0	0	0,0	0	0,0	0	0,0	0	0,0
No particular reason, this is a family tradition	1	0,9	1	1,2	0	0,0	2	0,8	2	1,3	0	0,0
<b>Total</b>	<b>114</b>	<b>100,0</b>	<b>85</b>	<b>100,0</b>	<b>64</b>	<b>100,0</b>	<b>263</b>	<b>100,0</b>	<b>160</b>	<b>100,0</b>	<b>103</b>	<b>100,0</b>

Question 37. What is the reason that you (your family) do not make savings?												
	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
I cannot do this because of a low income	145	89,0	256	88,3	463	94,3	864	91,5	425	91,6	439	91,5
I don't trust financial institutions	33	20,2	47	16,2	80	16,3	160	16,9	81	17,5	79	16,5
I cannot resist the temptation to spend the money on shopping	0	0,0	43	14,8	22	4,5	65	6,9	26	5,6	39	8,1
I don't see the point in making savings	9	5,5	9	3,1	13	2,6	31	3,3	18	3,9	13	2,7
For religious point of view	1	0,6	0	0,0	0	0,0	1	0,1	1	0,2	0	0,0
Processes are time consuming	0	0,0	1	0,3	0	0,0	1	0,1	1	0,2	0	0,0
Inflation	0	0,0	0	0,0	1	0,2	1	0,1	0	0,0	1	0,2
<b>I find it difficult to answer this question</b>	<b>0</b>	<b>0,0</b>	<b>0</b>	<b>0,0</b>	<b>4</b>	<b>0,8</b>	<b>4</b>	<b>0,4</b>	<b>1</b>	<b>0,2</b>	<b>3</b>	<b>0,6</b>
<b>No answer</b>	<b>0</b>	<b>0,0</b>	<b>1</b>	<b>0,3</b>	<b>1</b>	<b>0,2</b>	<b>2</b>	<b>0,2</b>	<b>1</b>	<b>0,2</b>	<b>1</b>	<b>0,2</b>
<b>Total</b>	<b>163</b>	<b>100,0</b>	<b>290</b>	<b>100,0</b>	<b>491</b>	<b>100,0</b>	<b>944</b>	<b>100,0</b>	<b>464</b>	<b>100,0</b>	<b>480</b>	<b>100,0</b>



## 1.4. Use of financial services

Question 38. What financial services from the given below do you personally use?												
	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Debit card (Bank plastic card)	116	41,9	173	46,1	227	40,9	516	42,8	275	44,1	241	41,3
Currency exchange	89	32,1	7	1,9	5	0,9	101	8,4	62	9,9	39	6,7
Consumer credit	25	9,0	21	5,6	33	5,9	79	6,5	48	7,7	31	5,3
Insurance policies	28	10,1	15	4,0	8	1,4	51	4,2	27	4,3	24	4,1
Local and foreign money remittance	22	7,9	14	3,7	7	1,3	43	3,6	24	3,8	19	3,3
Credit card	20	7,2	4	1,1	4	0,7	28	2,3	17	2,7	11	1,9
Bank deposit account	13	4,7	3	0,8	0	0,0	16	1,3	11	1,8	5	0,9
Internet, Mobile banking	8	2,9	3	0,8	0	0,0	11	0,9	9	1,4	2	0,3
Bank current account	8	2,9	1	0,3	1	0,2	10	0,8	7	1,1	3	0,5
Mortgage loan	5	1,8	0	0,0	0	0,0	5	0,4	3	0,5	2	0,3
Business credit	0	0,0	1	0,3	3	0,5	4	0,3	3	0,5	1	0,2
Investments in companies' stock	1	0,4	0	0,0	0	0,0	1	0,1	1	0,2	0	0,0
Agricultural credit	0	0,0	0	0,0	1	0,2	1	0,1	0	0,0	1	0,2
<b>None of the above</b>	<b>97</b>	<b>35,0</b>	<b>179</b>	<b>47,7</b>	<b>270</b>	<b>48,6</b>	<b>546</b>	<b>45,2</b>	<b>260</b>	<b>41,7</b>	<b>286</b>	<b>49,1</b>
<b>No answer</b>	<b>2</b>	<b>0,7</b>	<b>9</b>	<b>2,4</b>	<b>23</b>	<b>4,1</b>	<b>34</b>	<b>2,8</b>	<b>14</b>	<b>2,2</b>	<b>20</b>	<b>3,4</b>

Question 39. What financial services from the given below do your family members use?												
	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Debit card (Bank plastic card)	152	54,9	221	58,9	305	55,0	678	56,2	374	59,9	304	52,1
Consumer credit	9	3,2	16	4,3	24	4,3	49	4,1	20	3,2	29	5,0
Currency exchange	36	13,0	4	1,1	2	0,4	42	3,5	15	2,4	27	4,6
Insurance policies	25	9,0	4	1,1	3	0,5	32	2,7	6	1,0	26	4,5
Local and foreign money remittance	14	5,1	6	1,6	4	0,7	24	2,0	9	1,4	15	2,6
Credit card	11	4,0	3	0,8	4	0,7	18	1,5	8	1,3	10	1,7
Bank deposit account	6	2,2	1	0,3	0	0,0	7	0,6	2	0,3	5	0,9
Bank current account	5	1,8	1	0,3	0	0,0	6	0,5	3	0,5	3	0,5
Mortgage loan	3	1,1	1	0,3	0	0,0	4	0,3	2	0,3	2	0,3
Internet, Mobile banking	2	0,7	2	0,5	0	0,0	4	0,3	1	0,2	3	0,5
Business credit	0	0,0	0	0,0	3	0,5	3	0,2	1	0,2	2	0,3
<b>None of the above</b>	<b>97</b>	<b>35,0</b>	<b>137</b>	<b>36,5</b>	<b>218</b>	<b>39,3</b>	<b>452</b>	<b>37,4</b>	<b>215</b>	<b>34,5</b>	<b>237</b>	<b>40,7</b>
<b>No answer</b>	<b>4</b>	<b>1,4</b>	<b>6</b>	<b>1,6</b>	<b>16</b>	<b>2,9</b>	<b>26</b>	<b>2,2</b>	<b>15</b>	<b>2,4</b>	<b>11</b>	<b>1,9</b>

Question 40. What financial services from the given below are you personally going to use over the coming 2 years?												
	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Consumer credit	19	6,9	49	13,1	114	20,5	182	15,1	121	19,4	61	10,5
Debit card (Bank plastic card)	13	4,7	31	8,3	35	6,3	79	6,5	43	6,9	36	6,2
Credit card	33	11,9	10	2,7	25	4,5	68	5,6	43	6,9	25	4,3
Mortgage loan	36	13,0	10	2,7	11	2,0	57	4,7	32	5,1	25	4,3
Bank deposit account	37	13,4	8	2,1	5	0,9	50	4,1	23	3,7	27	4,6
Insurance policies	19	6,9	4	1,1	7	1,3	30	2,5	21	3,4	9	1,5
Bank current account	10	3,6	6	1,6	0	0,0	16	1,3	11	1,8	5	0,9
Currency exchange	7	2,5	5	1,3	2	0,4	14	1,2	8	1,3	6	1,0
Local and foreign money remittance	4	1,4	4	1,1	5	0,9	13	1,1	4	0,6	9	1,5
Internet, Mobile banking	6	2,2	2	0,5	0	0,0	8	0,7	5	0,8	3	0,5

Investments in companies' stock	6	2,2	1	0,3	0	0,0	7	0,6	4	0,6	3	0,5
Agricultural credit	0	0,0	1	0,3	2	0,4	3	0,2	0	0,0	3	0,5
Business credit	0	0,0	0	0,0	2	0,4	2	0,2	1	0,2	1	0,2
<b>None of the above</b>	<b>156</b>	<b>56,3</b>	<b>215</b>	<b>57,3</b>	<b>323</b>	<b>58,2</b>	<b>694</b>	<b>57,5</b>	<b>312</b>	<b>50,0</b>	<b>382</b>	<b>65,5</b>
<b>No answer</b>	<b>9</b>	<b>3,2</b>	<b>43</b>	<b>11,5</b>	<b>50</b>	<b>9,0</b>	<b>102</b>	<b>8,5</b>	<b>57</b>	<b>9,1</b>	<b>45</b>	<b>7,7</b>

**Question 41. What services of the below would you like to know better or get additional information about?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Consumer credit	18	6,5	61	16,3	82	14,8	161	13,3	93	14,9	68	11,7
Mortgage loan	46	16,6	19	5,1	51	9,2	116	9,6	66	10,6	50	8,6
Bank deposit account	47	17,0	28	7,5	12	2,2	87	7,2	45	7,2	42	7,2
Debit card (Bank plastic card)	11	4,0	37	9,9	36	6,5	84	7,0	44	7,1	40	6,9
Credit card	37	13,4	17	4,5	23	4,1	77	6,4	50	8,0	27	4,6
Insurance policies	21	7,6	8	2,1	8	1,4	37	3,1	25	4,0	12	2,1
Bank current account	11	4,0	23	6,1	2	0,4	36	3,0	21	3,4	15	2,6
Internet, Mobile banking	7	2,5	15	4,0	7	1,3	29	2,4	21	3,4	8	1,4
Currency exchange	6	2,2	6	1,6	1	0,2	13	1,1	8	1,3	5	0,9
Investments in companies' stock	11	4,0	2	0,5	0	0,0	13	1,1	8	1,3	5	0,9
Local and foreign money remittance	2	0,7	4	1,1	1	0,2	7	0,6	3	0,5	4	0,7
Business credit	0	0,0	0	0,0	3	0,5	3	0,2	1	0,2	2	0,3
<b>None of the above</b>	<b>134</b>	<b>48,4</b>	<b>190</b>	<b>50,7</b>	<b>312</b>	<b>56,2</b>	<b>636</b>	<b>52,7</b>	<b>294</b>	<b>47,1</b>	<b>342</b>	<b>58,7</b>
<b>No answer</b>	<b>10</b>	<b>3,6</b>	<b>26</b>	<b>6,9</b>	<b>31</b>	<b>5,6</b>	<b>67</b>	<b>5,6</b>	<b>31</b>	<b>5,0</b>	<b>36</b>	<b>6,2</b>

**Question 42. How often do you compare the terms and conditions for provision of financial services by various companies before you buy such service?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Always	23	12,8	34	17,3	28	9,8	85	12,9	56	15,4	29	9,8
Sometimes	63	35,0	17	8,7	28	9,8	108	16,3	65	17,9	43	14,5
Rarely	33	18,3	29	14,8	26	9,1	88	13,3	54	14,8	34	11,4
Never	54	30,0	76	38,8	101	35,4	231	34,9	111	30,5	120	40,4
<b>I find it difficult to answer this question</b>	<b>7</b>	<b>3,9</b>	<b>40</b>	<b>20,4</b>	<b>102</b>	<b>35,8</b>	<b>149</b>	<b>22,5</b>	<b>78</b>	<b>21,4</b>	<b>71</b>	<b>23,9</b>
<b>Total</b>	<b>180</b>	<b>100,0</b>	<b>196</b>	<b>100,0</b>	<b>285</b>	<b>100,0</b>	<b>661</b>	<b>100,0</b>	<b>364</b>	<b>100,0</b>	<b>297</b>	<b>100,0</b>

**Question 43. What sources of information do you pay attention when you are choosing a company to buy a service from?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Advertisements/Announcement	44	24,4	69	35,2	92	32,3	205	31,0	116	31,9	89	30,0
Advice of friends and relatives	47	26,1	53	27,0	96	33,7	196	29,7	118	32,4	78	26,3
Analytical information in mass media	47	26,1	68	34,7	52	18,2	167	25,3	97	26,6	70	23,6
Advice of consultants working for providers of a required service	50	27,8	9	4,6	20	7,0	79	12,0	49	13,0	30	10,1
Internet resources	24	13,3	4	2,0	2	0,7	30	4,5	21	5,8	8	2,7
Information materials of financial companies on their tariffs and services of various types	13	7,2	9	4,6	4	1,4	26	3,9	20	5,5	6	2,0
Recommendations of independent financial consultants or brokers	13	7,2	8	4,1	3	1,1	24	3,6	20	5,5	4	1,3
Advice of employers	2	1,1	1	0,5	2	0,7	5	0,8	3	0,8	2	0,7
<b>I find it difficult to answer this question</b>	<b>8</b>	<b>4,4</b>	<b>51</b>	<b>26,0</b>	<b>103</b>	<b>36,1</b>	<b>162</b>	<b>24,5</b>	<b>76</b>	<b>20,9</b>	<b>86</b>	<b>29,0</b>
<b>No answer</b>	<b>40</b>	<b>22,2</b>	<b>14</b>	<b>7,1</b>	<b>25</b>	<b>8,8</b>	<b>79</b>	<b>12,0</b>	<b>35</b>	<b>9,6</b>	<b>44</b>	<b>14,8</b>

## 1.5. Bank services and payment cards

**Question 44. How often do you go to the bank?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
<b>I went to the bank</b>	<b>173</b>	<b>62,5</b>	<b>101</b>	<b>26,9</b>	<b>101</b>	<b>18,2</b>	<b>375</b>	<b>31,1</b>	<b>205</b>	<b>32,9</b>	<b>170</b>	<b>29,2</b>
Once a week or more	11	4,0	6	1,6	2	0,4	19	1,6	15	2,4	4	0,7
Once a month	143	51,6	78	20,8	83	15,0	304	25,2	162	26,0	142	24,4
Once in 2-3 months	19	6,9	13	3,5	12	2,2	44	3,6	28	4,5	16	2,7
Once in a year	0	0,0	4	1,1	2	0,4	6	0,5	0	0,0	6	1,0
Twice in a year	0	0,0	0	0,0	2	0,4	2	0,2	0	0,0	2	0,3
<b>Never</b>	<b>104</b>	<b>37,5</b>	<b>274</b>	<b>73,1</b>	<b>454</b>	<b>81,8</b>	<b>832</b>	<b>68,9</b>	<b>419</b>	<b>67,1</b>	<b>413</b>	<b>70,8</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

**Question 45. Did bank staffs provide you with other services of the bank when you applied for a particular bank service?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
No! I got information only on required issue	51	29,5	75	74,3	50	49,5	176	46,9	102	49,8	74	43,5
Yes! They give me information on other services and brochures on these services	87	50,3	8	7,9	14	13,9	109	29,1	66	32,2	43	25,3
Yes! They give me information on other services	0	0,0	3	3,0	11	10,9	14	3,7	12	5,9	2	1,2
<b>I find it difficult to answer this question</b>	<b>35</b>	<b>20,2</b>	<b>9</b>	<b>8,9</b>	<b>25</b>	<b>24,8</b>	<b>69</b>	<b>18,4</b>	<b>25</b>	<b>12,2</b>	<b>44</b>	<b>25,9</b>
<b>No answer</b>	<b>0</b>	<b>0,0</b>	<b>6</b>	<b>5,9</b>	<b>1</b>	<b>1,0</b>	<b>7</b>	<b>1,9</b>	<b>0</b>	<b>0,0</b>	<b>7</b>	<b>4,1</b>
<b>Total</b>	<b>173</b>	<b>100,0</b>	<b>101</b>	<b>100,0</b>	<b>101</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>205</b>	<b>100,0</b>	<b>170</b>	<b>100,0</b>

**Question 46. Which means would you use to send money to relative/acquaintance living in other region of Azerbaijan?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
I would apply to the bank	166	59,9	198	52,8	152	27,4	516	42,8	264	42,3	252	43,2
I send through relatives/acquaintances	56	20,2	91	24,3	220	39,6	367	30,4	212	34,0	155	26,6
Through post	28	10,1	62	16,5	143	25,8	233	19,3	122	19,6	111	19,0
I would do it by myself	0	0,0	4	1,1	1	0,2	5	0,4	2	0,3	3	0,5
<b>I find it difficult to answer this question</b>	<b>27</b>	<b>9,7</b>	<b>20</b>	<b>5,3</b>	<b>39</b>	<b>7,0</b>	<b>86</b>	<b>7,1</b>	<b>24</b>	<b>3,8</b>	<b>62</b>	<b>10,6</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

**Question 47. How many family members do use debit/credit card?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
One	113	40,8	149	39,7	224	40,4	486	40,3	217	34,8	269	46,1
2-3	98	35,4	134	35,7	166	29,9	398	33,0	242	38,8	156	26,8
All family members	6	2,2	2	0,5	4	0,7	12	1,0	5	0,8	7	1,2
No one	60	21,7	90	24,0	161	29,0	311	25,8	160	25,6	151	25,9
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

**Question 48. For what reason do you use payment cards?**

	Capital city	Other urban areas	Rural areas	General	General-Men	General-Women
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	n	%	n	%	n	%	n	%				
Only ATMs and POS terminals for taking money	209	96,3	279	97,9	392	99,5	880	98,2	451	97,2	429	99,3
POS terminals, Internet for purchase of goods and services	5	2,3	1	0,4	1	0,3	7	0,8	5	1,1	2	0,5
Both of them	3	1,4	5	1,8	1	0,3	9	1,0	8	1,7	1	0,2
<b>Total</b>	<b>217</b>	<b>100,0</b>	<b>285</b>	<b>100,0</b>	<b>394</b>	<b>100,0</b>	<b>896</b>	<b>100,0</b>	<b>464</b>	<b>100,0</b>	<b>432</b>	<b>100,0</b>

**Question 49. How often do you use POS terminals or purchase of goods and services through internet?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Daily	2	25,0	0	0,0	0	0,0	2	12,5	1	7,7	1	33,3
Every week	2	25,0	0	0,0	0	0,0	2	12,5	2	15,4	0	0,0
Once in two weeks	2	25,0	1	16,7	0	0,0	3	18,8	3	23,1	0	0,0
Several times in a month	2	25,0	5	83,3	2	100,0	9	56,3	7	53,8	2	66,7
<b>Total</b>	<b>8</b>	<b>100,0</b>	<b>6</b>	<b>100,0</b>	<b>2</b>	<b>100,0</b>	<b>16</b>	<b>100,0</b>	<b>13</b>	<b>100,0</b>	<b>3</b>	<b>100,0</b>

**Question 50. What is the reason for not using payment cards in purchase of goods and services?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
I don't have information about it	75	35,9	188	67,6	348	88,8	611	69,5	313	69,6	298	69,5
Number of entities receiving cards as means of payment is low	103	49,3	67	24,1	18	4,6	188	21,4	103	22,9	85	19,8
Entities receiving payment card offer relatively high prices	28	13,4	38	13,7	1	0,3	67	7,6	36	8,0	31	7,2
It's difficult to control expenditures	15	7,2	22	7,9	4	1,0	41	4,7	24	5,3	17	4,0
There is no such services/There is no place for use of cards	1	0,5	16	5,8	21	5,4	38	4,3	21	4,7	17	4,0
I suppose that additional commission fees are taken	7	3,3	9	3,2	8	2,0	24	2,7	12	2,7	12	2,8
There is no need	21	10,0	0	0,0	0	0,0	21	2,4	8	1,8	13	3,0
I don't believe in their safety	6	2,9	4	1,4	7	1,8	17	1,9	5	1,1	12	2,8
Technical defects in use and very slow speed of the service	2	1,0	1	0,4	0	0,0	3	0,3	1	0,2	2	0,5
<b>I find it difficult to answer this question</b>	<b>15</b>	<b>7,2</b>	<b>6</b>	<b>2,2</b>	<b>19</b>	<b>4,8</b>	<b>40</b>	<b>4,6</b>	<b>16</b>	<b>3,6</b>	<b>24</b>	<b>5,6</b>
<b>Total</b>	<b>209</b>	<b>100,0</b>	<b>278</b>	<b>100,0</b>	<b>392</b>	<b>100,0</b>	<b>879</b>	<b>100,0</b>	<b>450</b>	<b>100,0</b>	<b>429</b>	<b>100,0</b>

**Question 51. To your opinion, what is required for broader use of payment cards in Azerbaijan?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
Awareness activities should be organized broadly	121	55,8	167	58,6	177	44,9	465	51,9	249	53,7	216	50,0
More broad access (in many places) should be ensured	175	80,6	118	41,4	88	22,3	381	42,5	200	43,1	181	41,9
Service fees of banks should be cut down	32	14,7	46	16,1	36	9,1	114	12,7	62	13,4	52	12,0
Interest rates should be calculated for funds remained in the card	2	0,9	19	6,7	61	15,5	82	9,2	50	10,8	32	7,4
Refusal of entities to receive payment cards should be prevented	12	5,5	27	9,5	41	10,4	80	8,9	55	11,9	25	5,8

<b>I find it difficult to answer this question</b>	13	6,0	57	20,0	147	37,3	217	24,2	94	20,3	123	94
<b>Total</b>	<b>217</b>	<b>100,0</b>	<b>285</b>	<b>100,0</b>	<b>394</b>	<b>100,0</b>	<b>896</b>	<b>100,0</b>	<b>464</b>	<b>100,0</b>	<b>432</b>	<b>464</b>

**Question 52. Did you face constraints while taking money from your card account?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
ATMs don't operate normally (regular lack of money)	124	57,1	107	37,5	135	34,3	366	40,8	171	36,9	195	45,1
There is small number of ATMs in the vicinity	0	0,0	29	10,2	190	48,2	219	24,4	125	26,9	94	21,8
High service fees are applied while taking money from ATM of other banks	44	20,3	51	17,9	28	7,1	123	13,7	60	12,9	63	14,6
Number of daily transactions is limited	6	2,8	45	15,8	45	11,4	96	10,7	53	11,4	43	10,0
Scope of transactions is limited	4	1,8	12	4,2	12	3,0	28	3,1	15	3,2	13	3,0
<b>There is no constraint</b>	<b>84</b>	<b>38,7</b>	<b>127</b>	<b>44,6</b>	<b>104</b>	<b>26,4</b>	<b>315</b>	<b>35,2</b>	<b>177</b>	<b>38,1</b>	<b>138</b>	<b>31,9</b>
<b>Total</b>	<b>217</b>	<b>100,0</b>	<b>285</b>	<b>100,0</b>	<b>394</b>	<b>100,0</b>	<b>896</b>	<b>100,0</b>	<b>464</b>	<b>100,0</b>	<b>432</b>	<b>100,0</b>

**Question 54. What safety rules do you follow while using payment (debit/credit) card?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
I don't confide payment card and PIN package to strangers	151	69,6	197	69,1	212	53,8	560	62,5	313	67,5	247	57,2
I don't expose introduction of PIN code to strangers	151	69,6	138	48,4	124	31,5	413	46,1	239	51,5	174	40,3
I keep payment card and PIN package separately	59	27,2	49	17,2	69	17,5	177	19,8	96	20,7	81	18,8
I don't observe any safety rules	47	21,7	25	8,8	66	16,8	138	15,4	56	12,1	82	19,0
<b>I find it difficult to answer this question</b>	<b>8</b>	<b>3,7</b>	<b>32</b>	<b>11,2</b>	<b>53</b>	<b>13,5</b>	<b>93</b>	<b>10,4</b>	<b>31</b>	<b>6,7</b>	<b>62</b>	<b>14,4</b>
<b>Total</b>	<b>217</b>	<b>100,0</b>	<b>285</b>	<b>100,0</b>	<b>394</b>	<b>100,0</b>	<b>896</b>	<b>100,0</b>	<b>464</b>	<b>100,0</b>	<b>432</b>	<b>100,0</b>

**Question 55. Do you use Internet, Mobile banking services?**

	Capital city		Other urban areas		Rural areas		General		General-Men		General-Women	
	n	%	n	%	n	%	n	%	n	%	n	%
I haven't heard of such services	199	71,8	308	82,1	507	91,4	1 014	84,0	510	81,7	504	86,4
I've heard of it. But don't use it as don't find it safe	50	18,1	34	9,1	13	2,3	97	8,0	62	9,9	35	6,0
Just a couple of times	6	2,2	2	0,5	0	0,0	8	0,7	6	1,0	2	0,3
Very often	2	0,7	1	0,3	0	0,0	3	0,2	3	0,5	0	0,0
<b>I find it difficult to answer this question</b>	<b>20</b>	<b>7,2</b>	<b>30</b>	<b>8,0</b>	<b>35</b>	<b>6,3</b>	<b>85</b>	<b>7,0</b>	<b>43</b>	<b>6,9</b>	<b>42</b>	<b>7,2</b>
<b>Total</b>	<b>277</b>	<b>100,0</b>	<b>375</b>	<b>100,0</b>	<b>555</b>	<b>100,0</b>	<b>1 207</b>	<b>100,0</b>	<b>624</b>	<b>100,0</b>	<b>583</b>	<b>100,0</b>

## ANNEX 2: QUESTIONNAIRE

### Financial Literacy Survey Questionnaire

No / / / /

1. Does your family keep records of income and expenditures?

	q.1
Yes, we keep records of everything, entering all revenues and all expenditures	1
Yes, we keep records of everything, but not all revenues and expenditures are entered	2
No, we don't keep records of everything, but we know in general how much money is received and spent during a month	3
No, we don't keep records of family's resources, and we don't have even a vague idea of how much money is received and spent during a month	4
I find it difficult to answer this question	98

2. How often during the last year you (your family) had any money unspent from previous earnings before new revenues arrived (wages, pension, scholarship, benefits and etc.)?

	q.2
Always	1
Very often	2
Sometimes	3
Very rarely	4
Never	5
I find it difficult to answer this question	98

3. If you (your family) have/has any money left right before the next revenue arrives, what would you usually do with it?  
(Multiple choices is possible)

	q.3
We spend it on consumer goods	1
We keep it in cash	2
We deposit it or do not withdraw it from the account	3
We invest it in the capital market	4
We lend it to friends or relatives	5
We invest it in our own business	6
We invest it in gold and jewelry	7
Other.....	
I find it difficult to answer this question	98
No answer	99

4. How often during the last year did you/family run out of money from previous earnings before the new money arrived?

	q.4
Always	1
Very often	2
Sometimes	3
Very rarely	4
Never	5
I find it difficult to answer this question	98

5. What do you usually do when you (your family) run(s) out of money before the next income arrives?  
(Multiple choices is possible)

	q.5
We cut down expenses and save	1
We borrow money from relatives, friends and acquaintances	2
We spend our savings	3
We use a credit card	4
We sell our securities/shares	5
We borrow cash on bank credit	6
Our friends and relatives give us money free of charge	7
We work extra hours or do additional jobs	8
We withdraw a required amount from our business	9
Other.....	
I find it difficult to answer this question	98
No answer	99

6. Did you (your family) experience a significant reduction of income over the last three years, and if so, then what was the reason? **(Multiple choices is possible)**

	q.6
No, over the last three years I (my family) had not experienced any significant reduction of income	1
Yes, due to the loss of a job because of an accident, deterioration of health, disability of a breadwinner	2
Yes, due to the loss of a job by a breadwinner because of staff reduction, dismissal from work, etc.	3
Yes, due to the considerable reduction of salary, or delays with salary payment	4
Yes, due to the drop in income resulting from separation or divorce	5
Yes, due to the reduction of investment income	6
Yes, due to retirement of the breadwinner	7
Yes, due to another reason.....	
I find it difficult to answer this question	98

7. Would you please say whether you (your family) borrowed debts for some reason over the last year?

	k.7
Always	1
Very often	2
Sometimes	3
Very rarely	4
Never	5
I find it difficult to answer this question	98

8. Would you please say whether you (your family) have (has) any debts now?

	q.8	
Yes, we have debts	1	
No, we don't have any debts	2	
I find it difficult to answer this question	98	<b>Shift to the 10th question</b>

9. What is your total debt excluding any loans for purchase of an apartment, or dacha, or car secured on property out of your entire debt amount (total debt minus the loan for purchase of the apartment, dacha or car secured on property)?

	q.9
Less than one monthly income	1
From 1 to 2 monthly incomes	2
From 2 to 3 monthly incomes	3
From 3 to 6 monthly incomes	4
From 6 to 12 monthly incomes	5
More than yearly income	6
I find it difficult to answer this question	98
No answer	99

10. Please tell us whether there are such families among your acquaintances or friends who used to be relatively well-to-do and then suddenly encountered financial problems? If so, then what was the reason in your opinion? **(Multiple choices is possible)**

	q.10
A family started to experience financial troubles because of unfortunate series of events (a sudden death or loss of a job by a breadwinner, a divorce, an accident, etc.)	1
A family started to experience financial troubles because of a wrong money management or lack of ability to plan its finances (they were buying too much, took too many credits, did not plan their future, lived for the moment, etc.)	2
No such families	3
Other.....	
I find it difficult to answer this question	98

**11.** If a citizen has a deposit in an Azerbaijani bank and this bank becomes bankrupt, do you know what maximum level of a deposit is entirely insured by the government?

	<b>q.11</b>
0 manat	1
1 000 manats	2
4 000 manats	3
30 000 manats	4
50 000 manats	5
No limits – the government insures all bank deposits in their full amount	6
I find it difficult to answer this question	98

**12.** There are different opinions now of the way the government could compensate individuals for the damages from losses in the financial market investments. What do you think about it? Do you think it is appropriate for the government to compensate individuals for the losses in the following cases? *(Multiple choices is possible)*

	<b>q.12</b>
When the bank become a bankrupt	1
Shares of a private company, and the value of shares dropped significantly	2
Apartment or dacha and their price dropped at the moment when one needs to sell them	3
Other.....	
None of the above	4
I find it difficult to answer this question	98

**13.** According to the current legislation of Azerbaijan, who sets period, annual interest rate, commission fees and other terms when granting a bank credit?

	<b>q.13</b>
Government authorities	1
Central Bank	2
Relevant banks	3
By contracts based on mutual agreement	4
I find it difficult to answer this question	98
No answer	99

**14.** Which phrase out of the ones given below describes best your individual life insurance situation?

	<b>q.14</b>
My life is already insured for the required amount	1
My life is insured for some amount but in my opinion it is lower than required	2
I need to insure my life but it is too expensive	3
I need to insure my life but I don't believe that insurance companies will pay the claim in case of my death	4
I don't need life insurance actually	5
I find it difficult to answer this question	98
No answer	99

**15.** Which tendencies from the ones given below do you follow personally? *(Multiple choices is possible)*

	<b>q.15</b>	
Changes in the property market	1	<b>Continue!</b>
Changes of quotations and indices in the capital market	2	
Changes of interest rates on deposits	3	
Changes of interest rates on credits	4	
Changes in the inflation rate	5	
Changes in the level of public pensions, benefits and tax exemptions	6	
Price fluctuations for oil, gold, metals, etc.	7	
Other.....		<b>Shift to the 17th question!</b>
I don't watch any trends	8	
I find it difficult to answer this question	98	



16. What sources do you use to get information about the above tendencies? *(Multiple choices is possible)*

	q.16
Advertising/Announcement	1
Newspapers, magazines, TV programs specializing on financial issues	2
Specialized web sites	3
Bank officers, employees of insurance and management companies, during a personal visit or by phone	4
Independent financial consultants or brokers	5
Friends and acquaintances	6
From other sources.....	
I find it difficult to answer this question	98

17. Did you ever buy a financial service during the last five years and later you were sorry about that, because the service did not meet your needs and you concluded to terminate relations with seller (or service provider)?

	q.17	
Yes	1	<b>Continued!</b>
No	2	<b>Shift to the 20th question</b>
I find it difficult to answer this question	98	

18. What kind of service was it? *(Multiple choices is possible)*

	q.18	
A bank deposit	1	
A stock	2	
A bank credit card	3	
A bank debit card	4	
A consumer loan	5	
An insurance policy	6	
A car credit	7	
A mortgage loan	8	
Other services.....		
I don't remember	97	<b>Shift to the 20th question</b>
I find it difficult to answer this question	98	

19. What did you do after you find out the problem?

	q.19
Nothing	1
I stopped using the service before the contract expired (closed the deposit, account, canceled the insurance contract, etc.)	2
I submitted a grievance to the company which sold me the product	3
I submitted a claim to the appropriate government authority	4
Other.....	
I find it difficult to answer this question	98
No answer	99

20. If a conflict arises between you and financial organization (bank, insurance company or the like) regarding the provision of financial services, are you sure that it will solve quickly and fairly?

	q.20
I am completely sure (100%)	1
I am rather sure (75%)	2
Fifty-fifty	3
I am not quite sure	4
I find it difficult to answer this question	5
No answer	98

**21.** Please evaluate your financial literacy using a five-point system where 1 stands for the worst and 5 for the best

	<b>q.21</b>
Very low	1
Low	2
Average	3
High	4
Very high	5
I find it difficult to answer this question	98

**22.** Let's assume that you deposited 1000 manats in a bank account for 1 year at 12% interest rate. How much money will you have in your account in 1 year if you do not withdraw from or add to this account any money?

	<b>q.22</b>
More than 1120 manats	1
Exactly 1120 manats	2
Less than 1120 manats	3
I cannot come up with even a rough number	4

**23.** Let's assume that you deposited 1000 manats in a bank account for 5 years at 10% interest rate. The interest will be earned at the end of each year and will be added to the principal. How much money will you have in your account in 5 years if you do not withdraw either the principal or the interest?

	<b>q.23</b>
More than 1500 manats	1
Exactly 1500 manats	2
Less than 1500 manats	3
I cannot come up with even a rough number	4

**24.** Imagine, than you deposited the money in a bank account at 8% interest rate, while the annual inflation rate was 10%. Do you think the money from your account can buy more or less, or the same amount of goods and services on average now as a year ago?

	<b>q.24</b>
More than a year ago	1
The same	2
Less than a year ago	3
I cannot estimate it even roughly	4

**25.** Let's assume that in 2010 your income is twice as now, and the consumer prices also grow twofold. Do you think that in 2010 you will be able to buy more, less, or the same amount of goods and services as today?

	<b>q.25</b>
More than today	1
Exactly the same	2
Less than today	3
I cannot estimate it even roughly	4

**26.** Let's assume that you saw a refrigerator of the same model on sales in two different shops. The initial retail price of it was 1000 manats. One shop offered a discount of 150 manats, while the other one offered a 10% discount. Which one is a better bargain – a discount of 150 manats or 10%?

	<b>q.26</b>
150 manats	1
10% discount	2
I cannot estimate it even roughly	3
No answer	99

**27.** Let's assume that you took a bank credit of 1000 manats to be paid back during a year in equal monthly payments. The credit charge is 90 manats. Give a rough estimate of the annual interest rate on your credit.

	<b>k.27</b>
6%	1
9%	2
12%	3
15%	4
I cannot estimate it even roughly	5

**28.** In your opinion what should be primary attention when someone compares the banks in order to choose the one where to take a credit from or to make deposit in?

	<b>q.28</b>
Bank's reputation (fame) and its reliability	1
View of the bank office and qualifications of its personnel	2
Credit interest rate and the credit cost	3
Gifts and advertising campaigns	4
Other.....	
I cannot estimate it even roughly	98
No answer	99

**29.** When do you think buying on credit is justified? In your opinion when is the right condition to buy on credit?  
(Choose only one answer)

	<b>q.29</b>
If a shop has sales for the goods I need	1
If the interest rate on credit is higher than the one on deposit	2
If a person needs to pay for education which would allow to get a better paid job	3
If a person really needs a vocational training but does not have money at the moment	4
Other.....	
I cannot estimate it even roughly	98

**30.** On which basis do banks provide credits? (Multiple choices is possible)

	<b>q.30</b>
Monthly income and repayment capacity of a borrower	1
Welfare and needs of a borrower for funds	2
Provision of collateral or guarantee for credit	3
Credits are provided to everybody based on application and turns of clients	4
I find it difficult to answer this question	98
Other.....	
No answer	99

**31.** (Show the cart!) There is a list below of the topics regarding various aspects of personal finance management. Please specify which are most interesting to learn about in the course of financial training? (Not more than 5 answers)

	<b>q.31</b>
How to form one's own financial targets and draw a personal current financial plan	1
What to do in order not to get up to one's neck in debt when using credits	2
How to plan purchases of durables (car, apartment, dacha) and evaluate one's abilities to implement them	3
How does the pension scheme work and what methods are available to secure one's old age income	4
Banking services – current accounts, saving deposits, and debit/credit cards	5
Mode of use from internet, mobile banking services	6
Consumer credits to purchase goods and services	7
Mortgage loans	8
Insurance and insurance products	9
Capital markets and stock	10
Sources of information on financial services, how to interpret the information and how to differentiate the advertising information from the objective one	11
What parameters are used to compare the services offered by banks and other financial companies	12
What consumer rights protection laws are available and what one needs to do when one's consumer rights are violated	13
What information should a user pay attention to when signing a contract with a bank or another financial company	14
I am not interested in any of such topics	15
I find it difficult to answer this question	98

**32.** What kind of trainers do you see as the most suitable to deliver financial literacy program? *(No more than 3 answers)*

	q.32
A commercial bank	1
Insurance companies	2
Non-government organizations or public organizations involved in consumer rights protection	3
Government entities regulating capital markets	4
Higher education institutions of economic and financial profile	5
Independent financial consultants	6
Mass media (journalists and TV presenters)	7
Other people.....	
I find it difficult to answer this question	98
No answer	99

**33.** Let's assume that in addition to your regular income your family got some money in the amount of 2000-3000 manats. What would you do with this money most likely? *(No more than 5 answers)*

	q.33
I'll spend it on the purchase of household goods (furniture, clothes, home electronic appliances, etc.)	1
I'll try to add money (through borrowing, e.g.) and buy a plot of land, a car, etc.	2
I'll make long-term savings to accumulate money for more expensive things (a house, apartment, expensive car, etc.)	3
I'll make reserves (for unexpected event, special events, for a rainy day, etc.)	4
I'll repay my earlier debts	5
I'll spend it on entertainment, on travel or vacation	6
I'll invest it in my own business	7
I'll spend it on education and development of my children	8
I'll spend it on upgrade of my skills or training for a new vocation/profession	9
I'll buy an insurance policy for myself or the family, spend it on voluntary pension	10
I'll spend it on my medical treatment and that of my close family	11
I'll buy gold, jewels and the things like these	12
I'll invest it in the bank deposit at an interest rate	13
I'll buy shares and other stock of Azerbaijani companies, buy government bonds	14
Other.....	
I find it difficult to answer this question	98

**34.** How do you (does your family) usually manage your everyday revenues?

	q.34
I try to save something and spend the rest of the money on the everyday needs	1
I spend money on the everyday needs and save the rest	2
I spend all the money on everyday needs and do not save anything	3
I find it difficult to answer this question	98

**35.** Did you (your family) invest or make deposit?

	Q 35	
Yes	1	<b>Continue!</b>
No	2	<b>Shift to 37th question</b>

**36.** What are your (your family's) personal reasons to make savings or investments? *(Multiple choices is possible)*

	q.36	
For a rainy day, for unexpected expenses	1	<b>Shift to the 38th question</b>
For retirement	2	
To get income in the form of interest, increased market value of assets, etc.	3	
To leave something for children to inherit	4	
To increase my living standards in the future	5	
I like saving rather than spending money	6	
To be independent and be able to make choices	7	
To speculate on the stock exchange	8	
No particular reason, this is a family tradition	9	
For another reason.....		
I find it difficult to answer this question	98	
No answer	99	

**37.** If you (your family) do/does not make savings, what is the reason? What is the reason that you (your family) do not make savings? *(Multiple choices is possible)*

	<b>q.37</b>
I don't trust financial institutions	1
I cannot do this because of a low income	2
I don't see the point in making savings	3
I cannot resist the temptation to spend the money on shopping	4
For another reason .....	
I find it difficult to answer this question	98
No answer	99

**38. (Show the cart!)** What financial services from the given below do you personally use? *(Multiple choices is possible)*

**39. (Show the cart!)** What financial services from the given below do your family members use? *(Multiple choices is possible)*

**40. (Show the cart!)** What financial services from the given below are you personally going to use over the coming 2 years? *(Multiple choices is possible)*

**41.** What services of the below would you like to know better or get additional information about? *(Multiple choices is possible)*

	<b>q.38</b>	<b>q.39</b>	<b>q.40</b>	<b>q.41</b>
Consumer credit	1	1	1	1
Bank current account	2	2	2	2
Bank transaction account	3	3	3	3
Currency exchange	4	4	4	4
Credit card	5	5	5	5
Debit card (Bank plastic card)	6	6	6	6
Mortgage loan	7	7	7	7
Internet, Mobile banking	8	8	8	8
Insurance policies	9	9	9	9
Investments in companies' stock	10	10	10	10
Local and foreign money remittance	11	11	11	11
Other services.....				
None of the above	12	12	12	12
No answer	99	99	99	99

**42.** How often do you compare the terms and conditions for provision of financial services by various companies before you buy such service?

	<b>q.42</b>
Always	1
Sometimes	2
Rarely	3
Never	4
I find it difficult to answer this question	98

**43.** What sources of information do you pay attention when you are choosing a company to buy a service from? *(Multiple choices is possible)*

	<b>q.43</b>
Advertisements/Announcement	1
Advice of consultants working for providers of a required service	2
Information materials of financial companies on their tariffs and services of various types	3
Recommendations of independent financial consultants or brokers	4
Advice of friends and relatives	5
Analytical materials published in mass media	6
Employer's advice	7
Internet resources	8
Other sources.....	
I find it difficult to answer this question	98
No answer	99

**44.** How often do you go to the bank?

	q.44	
Once a week or more	1	<b>Continue!</b>
Once a month	2	
Once in 2-3 months	3	
Other.....		
Never	4	<b>Shift to 46th question</b>

**46.** Which means would you use to send money to relative/acquaintance living in other region of Azerbaijan?

	q.46	
I send through relatives/acquaintances	1	<b>Continue</b>
Through post	2	
I would apply to the bank	3	
Other.....		
I find it difficult to answer this question	98	<b>Shift to 55th question</b>

**48.** For what reason do you use payment cards?

	q.48	
POS terminals, Internet for purchase of goods and services	1	<b>Continue</b>
Only ATMs and POS terminals for taking money	2	<b>Shift to 50th question</b>
Both of them	3	<b>Continue</b>
I find it difficult to answer this question	98	<b>Shift to 51st question</b>

**50.** What is the reason for not using payment cards in purchase of goods and services? (**Multiple choices is possible**)

	q.50	
I don't have information about it	1	<b>Continue</b>
Number of entities receiving cards as means of payment is low	2	
It's difficult to control expenditures	3	
Entities receiving payment card offer relatively high prices	4	
I suppose that additional commission fees are taken	5	
I don't believe in their safety	6	
Technical defects in use and very slow speed of the service	7	
Other.....		
I find it difficult to answer this question	98	

**45.** Did bank staffs provide you with other services of the bank when you applied for a particular bank service?

	q.45	
No! I got information only on required issue	1	<b>Continue</b>
Yes! They give me information on other services and brochures on these services	2	
Yes! They give me information on other services	3	
Other.....		
I find it difficult to answer this question	98	<b>Shift to 55th question</b>

**47.** How many family members do use debit/credit card?

	q.47	
One	1	<b>Continue</b>
2-3	2	
All family members	3	
No one	4	
I find it difficult to answer this question	98	<b>Shift to 55th question</b>

**49.** How often do you use POS terminals or purchase of goods and services through internet?

	q.49	
Daily	1	<b>Shift to 51st question</b>
Every week	2	
Once in two weeks	3	
Several times in a month	4	
I find it difficult to answer this question	98	<b>Shift to 55th question</b>

**51.** To your opinion, what is required for broader use of payment cards in Azerbaijan? (**Multiple choices is possible**)

	q.51	
Large-scale awareness measures should be carried out	1	<b>Continue</b>
More broad access (in many places) should be ensured	2	
Service fees of banks should be cut down	3	
Refusal of entities to receive payment cards should be prevented	4	
Interest rates are calculated for funds remained in the card	5	
Other.....		
I find it difficult to answer this question	98	

**52.** Did you face constraints while taking money from your card account? *(Multiple choices is possible)*

	<b>q.52</b>
Number of daily transactions is limited	1
Scope of transactions is limited	2
High service fees are applied while taking money from ATM of other banks	3
ATMs don't operate normally (regular lack of money)	4
There is no constraint	5
There are few in the vicinity	6

**54.** What safety rules do you follow while using payment (debit/credit) card? *(Multiple choices is possible)*

	<b>q.54</b>
I don't confide payment card and PIN package to strangers	1
I don't expose introduction of PIN code to strangers	2
I keep payment card and PIN package separately	3
I don't observe any safety rules	4
I find it difficult to answer this question	98

**56.** Respondent's gender

	<b>q.56</b>
Male	1
Female	2

**58.** How old are you? **q.58** /...../

**59.** Relationship with head of household

	<b>q.59</b>
Head of household	1
Husband/Wife	2
Child	3
Son in law/daughter in law	4
Father/Mother	5
Father in law/mother in law	6
Brother/sister	7
Brother in law/sister in law	8
Grand-child	9
Grand-father/grand-mother	10
Other relatives	11

**53.** Have you heard about the Centralized Information System on Mass Payment created by the Central Bank?

	<b>q.53</b>
Yes, I got registered, I carry out cash payments	1
Yes, I carry out cash payments without registration	2
Yes, I carry out payment through internet services	3
No, I haven't heard	4

**55.** Do you use Internet, Mobile banking services?

	<b>q.55</b>
I haven't heard of such services	1
I've heard of it. But don't use it as don't find it safe	2
Just a couple of times	3
Very often	4
I find it difficult to answer this question	98

**57.** Respondent's status

	<b>q.57</b>
Local resident	1
IDP/Refugee	2

**60.** Your education?

	<b>q.60</b>
Higher education	1
Special vocational education (technical college)	2
Technical-vocational	3
General secondary	4
Incomplete secondary education	5
Primary education	6
No education	7

**61. Respondent's employment status**

	<b>q.61</b>
Public sector	1
Private sector employee	2
Employee of non-governmental organization	3
Entrepreneur	4
Self-employment	6
Temporary/seasonal works	7
Unpaid household works (assistance in farm and household works)	8
Housewife	9
Student	10
Pensioner	11
Unemployed (job-seeker)	12
Unemployed (non job-seeker)	13
Other.....	
I find it difficult to answer this question	14

**62.** What was the level of your earnings, wages/salary in your main job, including bonuses, vacation benefits, and other payments (*after tax deductions*).

**q.62** /...../

**63.** How much is the total income and expenditures of your family?

**q.63.1** /...../      **q.63.2** /...../

**64.** How many people live in your household including you personally and all children

**q.64** /...../

**65.** How do you assess the financial situation in your family?

	<b>q.65</b>
Very good	1
Good	2
Satisfactory	3
Bad	4
Very bad	5
I find it difficult to answer this question	98

<b>Name of respondent</b>	
<b>Mobil no. or ordinary telephone No.</b>	
<b>Address</b>	
<b>Time of start and end of the survey</b>	
<b>Date of survey</b>	





## Preliminary results of the Financial Literacy Survey

December 17, 2009

### Main objective of the survey

- **Main objective** of the survey is to determine current status of management of households' revenues and expenditures, mathematic-financial literacy of population, awareness of financial services, use of financial services and consumer rights.

## Survey coverage by economic regions and rayons

#	City/Rayon	Urban areas	Rural areas	Total
I. 1.	Baku city	277		275
II.	Absheron economic region			
2	Absheron	45	15	60
3	Sumgait city	60		60
III.	Guba-Khachmaz economic region			
4	Gusar	15	30	45
5	Guba	15	30	45
IV.	Upper Shirvan economic region			
6	Aghsu	15	45	60
V.	Sheki-Zagatala economic region			
7	Sheki	30	60	90
VI.	Aran economic region			
11	Bilesuvar	15	45	60
12	Shirvan city	30		30
13	Ujar		30	30
14	Yevlakh	15	45	60
15	Berde	15	45	60
VII.	Nakhchivan economic region			
16	Nakhchivan	15	45	60
VIII.	Ganja-Gazakh economic region			
17	Ganja	60		60
18	Tovuz	15	45	60
19	Khanlar		30	30
IX.	Lenkeran economic region			
8	Lenkeran	15	45	60
9	Lerik		15	15
10	Masalli	15	30	45
	<b>CƏMI</b>	<b>652</b>	<b>555</b>	<b>1207</b>
	<b>%-lə</b>	<b>54,0</b>	<b>46,0</b>	<b>100,0</b>

Baku, Ganja, Sumgait, Shirvan, Khirdalan, Sheki, Lenkeran, Yevlakh, Nakhchivan, Guba, Gusar, Aghsu, Bilesuvar, Berde, Tovuz, Masalli cities;  
2 settlements;  
37 villages

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## Methodology

- The survey conducted through face-to-face interviews at households (household means dwellers using the same budget and living at the same house). The survey was carried out among people above 18 years old (18 also included) (except for those not capable of being interviewed) with the latest birthday date within a year. The aim of using that method was to ensure age and gender ratio balance.
- The survey was conducted among 1207 respondents. It covered 8 out of 10 economic regions of the country (2 economic regions are under occupation) and Baku city. In general, 54% of respondents live in urban and 46% in rural areas. This is a similar pattern to the national demographic situation.

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## ...Methodology

- Sampling was carried out at 2 stages: i) at the first stage, it was conducted while taking into account distribution of population by capital city, other urban and rural areas and economic regions with preliminary sampling units being street and villages (each preliminary sampling unit includes 15 respondents); ii) At the second stage, streets within the sampled cities and villages within economic regions were randomly selected. For example, according to results of the first stage of the sampling, a survey should be carried out among 45 people in Guba region and 15 respondents should be selected in urban areas and 30 respondents in rural areas. In view of the fact that preliminary sampling unit is 15 respondents, 1 street within Guba town or its settlements and 2 villages among rural areas should be randomly selected.

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## ...Methodology

- The interviewer conducted surveys at every house out of three. In case, a household member with the latest birthday date within a year was not at home or rejected to the survey, the interviewer surveyed the next house. If it was impossible to conduct a survey among 15 respondents in the selected street or village, the interviewer continued a survey in the nearest street or village, accordingly. It should be noted that such kind of cases happened very rarely.

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## Social and demographic status of respondents

SEX	Capital city	Other urban areas	Rural areas	Total
Male	42,2%	51,5%	56,6%	51,7%
Female	57,8%	48,5%	43,4%	48,3%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
AGE				
18-25 years old	23,1%	18,4%	9,0%	15,2%
26-35 years old	24,9%	20,0%	19,1%	20,7%
36-45 years old	22,0%	19,5%	26,7%	23,4%
46-55 years old	20,9%	22,1%	25,2%	23,3%
56-65 years old	5,8%	12,8%	11,5%	10,6%
65 and more	3,2%	7,2%	8,5%	6,9%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
EDUCATION				
Higher	49,8%	26,9%	16,0%	27,2%
Secondary general, technical college	20,9%	18,9%	14,4%	17,3%
Vocational	1,1%	4,8%	5,0%	4,1%
Secondary general	27,4%	44,0%	55,0%	45,2%
Incomplete secondary	0,4%	3,5%	5,9%	3,9%
Primary	0,0%	1,9%	2,9%	1,9%
No education	0,4%	0,0%	0,7%	0,4%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
STATUS				
Local resident	89,2%	92,5%	99,1%	94,8%
IDP	10,8%	7,5%	0,9%	5,2%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

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## ... Social and demographic status of respondents

Relationship with the head of household				
	Capital city	Other urban area	Rural areas	Total
Sister	37,9%	44,5%	50,3%	45,7%
Husband/wife	35,4%	25,1%	25,8%	27,8%
Child	26,4%	27,2%	18,2%	22,9%
Son in law/daughter in law	0,4%	2,9%	5,0%	3,3%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
Employment status				
	Capital city	Other urban area	Rural areas	Total
Civil servant	22,7%	21,9%	21,3%	21,8%
Housewife	22,7%	14,7%	16,2%	17,2%
Pensioner	12,3%	18,9%	18,6%	17,2%
Self-employee	6,5%	13,3%	19,1%	14,4%
Unemployed (job seeker)	10,8%	7,5%	7,7%	8,4%
Private sector employee	12,6%	10,4%	4,0%	8,0%
Student	7,2%	5,6%	0,2%	3,5%
Business person	1,1%	4,3%	2,3%	2,7%
Unpaid household worker (aid at farm or in household works)	0,0%	0,3%	4,3%	2,1%
Employee at non-governmental organization	1,8%	1,1%	2,7%	2,0%
Unemployed (non jobseeker)	1,4%	1,1%	1,8%	1,5%
Temporary/seasonal works	0,7%	1,1%	1,6%	1,2%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

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## Records of households' revenues and expenditures

	Capital city	Other urban areas	Rural areas	Total
Those who keep records of everything, entering all revenues and all expenditures	30,3%	14,7%	20,2%	20,8%
Those who keep records of major revenues and expenditures	3,6%	8,5%	5,9%	6,2%
Those who don't keep records of everything, but know in general how much money is received and spent during a month	21,7%	37,1%	39,5%	34,6%
Those who don't keep records of family's resources, and don't have an idea of how much money is received and spent in a month	43,7%	35,7%	29,7%	34,8%
Those who find it difficult to answer this question	0,7%	4,0%	4,7%	3,6%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

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## Financial literacy

Assessment of mathematic financial literacy				
	Capital city	Other urban areas	Rural areas	Total
Those who gave correct answer	64,4%	59,6%	48,7%	55,7%
Those who gave wrong answer	23,4%	22,9%	25,9%	24,4%
Don't know vague figure	12,2%	17,5%	25,4%	19,9%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
Subjective assessment of financial literacy				
	Capital city	Other urban areas	Rural areas	Total
Very low	0,7%	6,1%	6,5%	5,1%
Low	6,5%	24,0%	31,5%	23,4%
Average	61,0%	42,7%	36,6%	44,1%
High	24,5%	9,9%	6,3%	11,6%
Very high	4,0%	6,1%	2,9%	4,1%
Find it difficult to answer	3,2%	11,2%	16,2%	11,7%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

Mathematic financial literacy of people is very low in rural areas and this is directly linked to their education level.

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## Financial services most frequently used by respondents

	Capital city (n=277)	Other urban areas (n=375)	Rural areas (n=555)	Total (n=1207)
<b>Those who use at least 1 financial service</b>	<b>63,5%</b>	<b>49,8%</b>	<b>47,4%</b>	<b>51,8%</b>
Debit card (Bank plastic card)	41,9%	45,9%	40,9%	42,7%
Currency exchange	32,5%	1,9%	0,9%	8,5%
Consumer credit	9,0%	5,6%	5,9%	6,5%
Local and foreign money transfers	7,9%	3,7%	1,3%	3,6%
Insurance policy	8,7%	1,3%	1,1%	2,9%
Credit card	7,2%	1,1%	0,9%	2,4%
Bank deposit account	4,7%	0,8%	0,0%	1,3%
Bank current account	2,9%	0,3%	0,2%	0,8%
Internet, Mobile banking	1,4%	0,8%	0,0%	0,6%
Mortgage loan	1,8%	0,0%	0,0%	0,4%
Business credit	0,0%	0,3%	0,5%	0,3%
Investments in companies' stock	0,4%	0,0%	0,0%	0,1%
Agricultural credit	0,0%	0,0%	0,2%	0,1%
<b>None of financial services</b>	<b>35,7%</b>	<b>48,0%</b>	<b>48,5%</b>	<b>45,4%</b>
<b>No answer</b>	<b>0,7%</b>	<b>2,4%</b>	<b>4,1%</b>	<b>2,8%</b>

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## Financial services most frequently used by household members of respondents

	Capital city (n=277)	Other urban areas (n=375)	Rural areas (n=555)	Total (n=1207)
<b>Those who use at least 1 financial service</b>	<b>63,2%</b>	<b>61,1%</b>	<b>57,8%</b>	<b>60,1%</b>
Debit card (Bank plastic card)	53,8%	58,4%	54,8%	55,7%
Consumer credit	3,2%	4,3%	4,3%	4,1%
Currency exchange	13,0%	1,1%	0,4%	3,5%
Insurance policy	9,0%	1,1%	0,5%	2,7%
Local and foreign money transfers	5,1%	1,6%	0,7%	2,0%
Credit card	4,0%	0,8%	0,7%	1,5%
Bank deposit account	2,2%	0,3%	0,0%	0,6%
Bank current account	1,8%	0,3%	0,0%	0,5%
Mortgage loan	1,1%	0,3%	0,0%	0,3%
Internet, Mobile banking	0,7%	0,5%	0,0%	0,3%
Business credit	0,0%	0,0%	0,5%	0,2%
Investments in companies' stock	0,0%	0,0%	0,0%	0,0%
Agricultural credit	0,0%	0,0%	0,0%	0,0%
<b>None of financial services</b>	<b>35,4%</b>	<b>37,3%</b>	<b>39,3%</b>	<b>37,8%</b>
<b>No answer</b>	<b>1,4%</b>	<b>1,6%</b>	<b>2,9%</b>	<b>2,2%</b>

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## Those who are unsatisfied with financial services

Those who were unsatisfied with financial services over the last 5 years				
	Capital city	Other urban areas	Rural areas	Total
Consumer credit	33,3%	43,5%	14,8%	28,3%
Bank deposit	0,0%	4,3%	22,2%	13,2%
Business credit	0,0%	4,3%	18,5%	11,3%
Bank credit card	33,3%	8,7%	7,4%	9,4%
Car credit	33,3%	13,0%	3,7%	9,4%
Stock exchange	0,0%	8,7%	3,7%	5,7%
Insurance	0,0%	8,7%	0,0%	3,8%
Collateral	0,0%	4,3%	3,7%	3,8%
Agricultural credit	0,0%	4,3%	0,0%	1,9%
Cash credit	0,0%	4,3%	0,0%	1,9%
Farmer credit	0,0%	0,0%	3,7%	1,9%
Bank debit card	0,0%	0,0%	0,0%	0,0%
Mortgage loan	0,0%	0,0%	0,0%	0,0%
I can't remember	0,0%	0,0%	18,5%	9,4%
I find it difficult to answer	0,0%	4,3%	3,7%	3,8%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

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## Most required financial data

	Capital city (n=277)	Other urban areas (n=375)	Rural areas (n=555)	Total (n=1207)
<b>Follows any information/trends</b>	<b>84,1%</b>	<b>70,4%</b>	<b>65,2%</b>	<b>71,2%</b>
Price fluctuations for oil, gold, metals, etc.	73,3%	46,4%	40,2%	49,7%
Changes in the inflation rate	44,4%	41,9%	31,2%	37,5%
Changes in the level of public pensions, benefits and tax exemptions	30,0%	41,1%	34,1%	35,3%
Changes in the property market	36,5%	21,3%	17,1%	22,9%
Changes of interest rates on credits	36,8%	20,5%	16,2%	22,3%
Changes of interest rates on deposits	33,6%	13,6%	7,7%	15,5%
Changes of quotations and indices in the capital market	14,1%	11,7%	6,3%	9,8%
Don't watch any trends/information	15,9%	28,5%	31,5%	27,0%
Find it difficult to answer this question	0,0%	1,1%	3,2%	1,8%

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## Sources to follow financial information

	Capital city	Other urban areas	Rural areas	Total
	% (n=233)	% (n=264)	% (n=362)	% (n=859)
Newspapers, magazines, TV programs specializing on financial issues	95,7%	94,3%	85,9%	91,2%
Friends and acquaintances	18,0%	32,2%	48,3%	35,2%
Advertising	5,6%	25,4%	38,7%	25,6%
Specialized web sites	17,2%	3,8%	0,8%	6,2%
Independent financial consultants or brokers	1,3%	3,4%	0,6%	1,6%
Bank officers, employees of insurance and management companies, during a personal visit or by phone	0,9%	2,7%	1,1%	1,5%
From university	0,0%	0,4%	0,0%	0,1%
Find it difficult to answer	0,0%	0,8%	1,1%	0,7%

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## Subjects most required to acquire in financial training courses

	Capital city (n=277)	Other urban areas (n=375)	Rural areas (n=555)	Total (n=1207)
What should be done to avoid over-indebtedness while using credits?	60,6%	34,1%	28,8%	37,8%
How does pension system work and what methods do exist to provide elder citizens with income?	41,2%	31,5%	24,1%	30,3%
How to make and implement a plan to purchase durable commodities (car, apartment, dacha)?	41,9%	19,5%	23,8%	26,6%
Mortgage loans	46,2%	14,9%	19,5%	24,2%
Which laws do exists to protect consumer rights and what should be done in case of violation of these rights	16,2%	22,7%	18,0%	19,1%

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**THANK YOU FOR ATTENTION!**

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