



**CONSOB**

COMMISSIONE NAZIONALE  
PER LE SOCIETÀ E LA BORSA

# VIII Report on financial investments of Italian households

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CONSOB Economic Research Dept.

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## VIII Rapporto CONSOB

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### Focus investors

The 2022 Report is based on the Survey 'The approach to finance and investment of Italian households' administered in June and July 2022 by GfK Italia to a representative sample of Italian investors.

This Report was prepared by Nadia Linciano (coordinator), Valeria Caivano, Daniela Costa, Monica Gentile, Paola Soccorso.

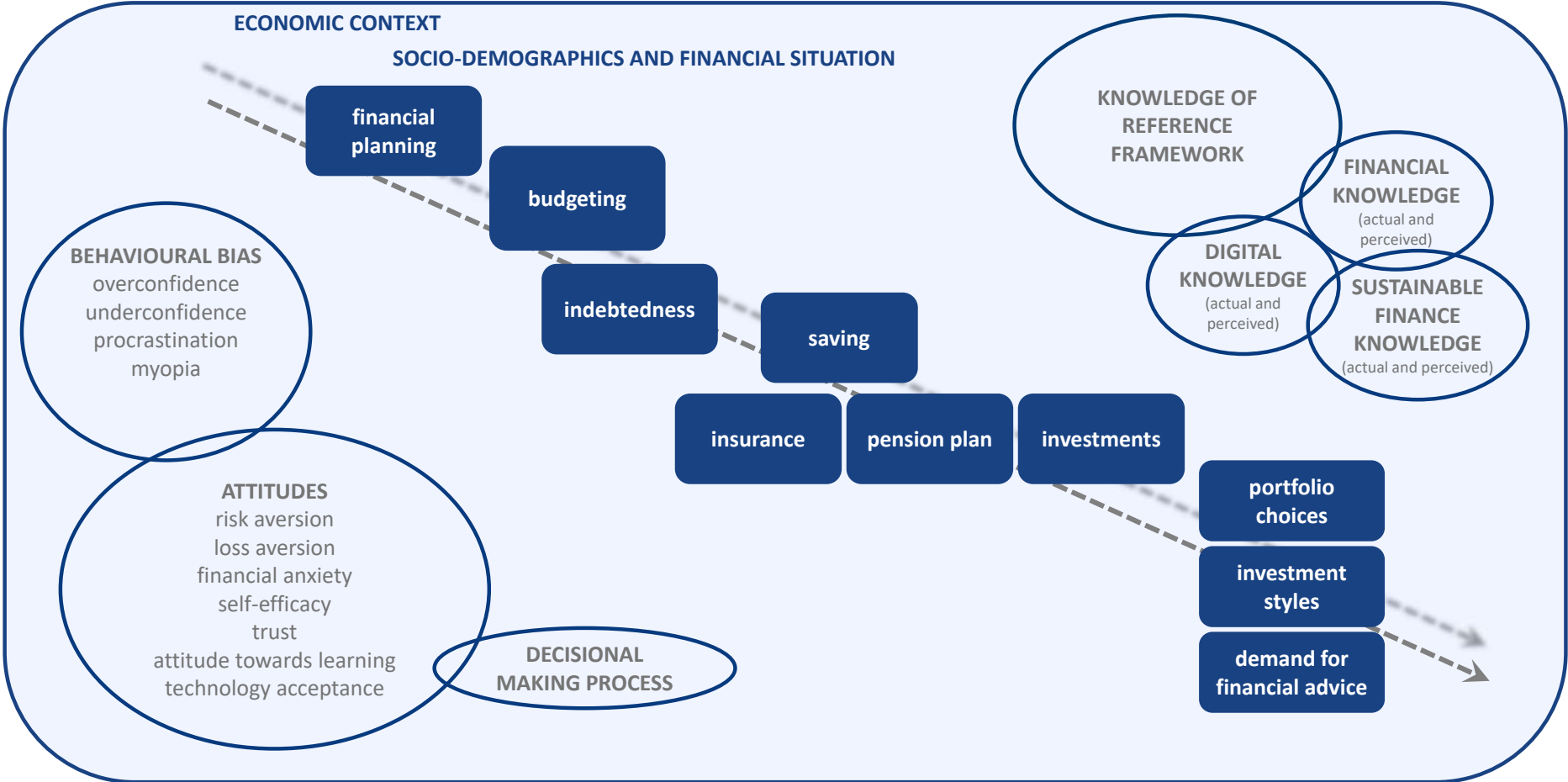
The authors wish to thank Chiara Tenerini for her help in the analysis of the data.

Editorial secretary and graphic design: Eugenia Della Libera, Lucia Pierantoni e Paola Maione

The Report is available on: <https://www.redattori.consob.it/en/web/consob-and-its-activities/report-on-investments-households>

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*The opinions expressed in this Report are the authors' personal views and are in no way binding on CONSOB.*



sample



focus gender



information

financial  
knowledge



digital  
finance



demand for  
financial advice

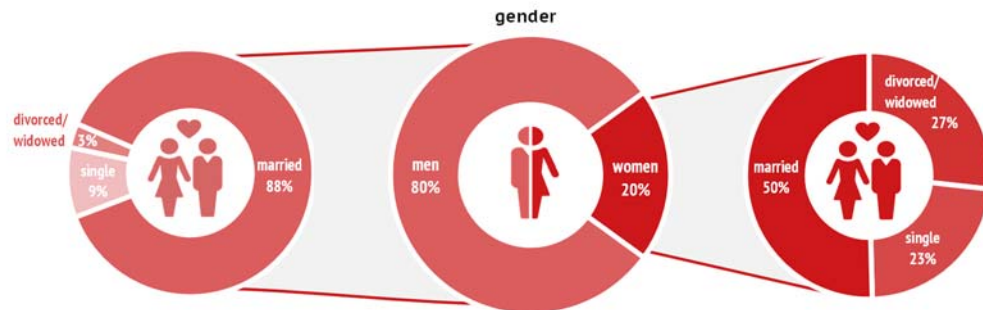


sustainable  
investments



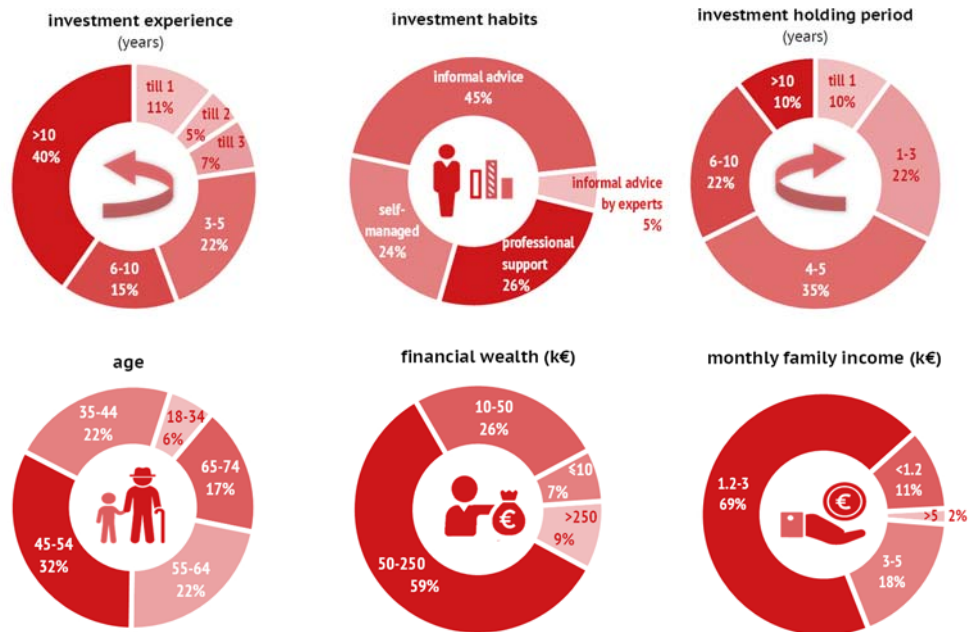
# The sample

1,436 householders and investors



# Extended sample

2,085 investors of which:  
1,436 householders,  
402 householder's partner,  
247 other cohabiting  
relatives



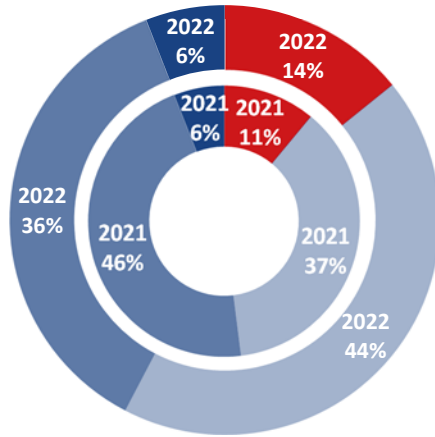
Source: Section II and Section III  
Rounding may cause discrepancies in the figures

# The sample

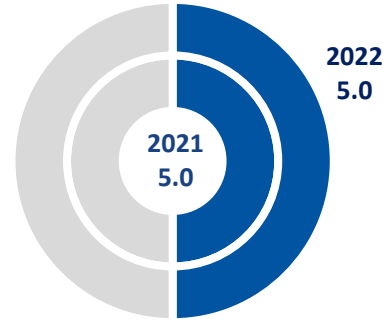
1,436 householders and investors

## do you save?

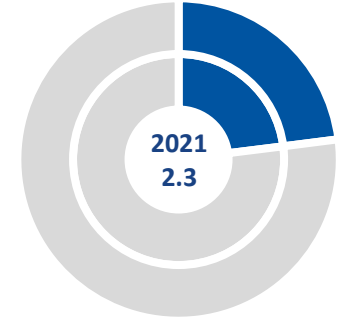
- no
- yes, occasionally some of my income
- yes, regularly some of my income
- yes, most of my income



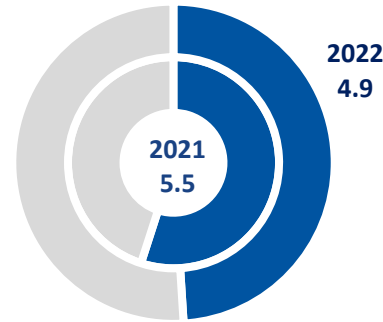
## money attitude



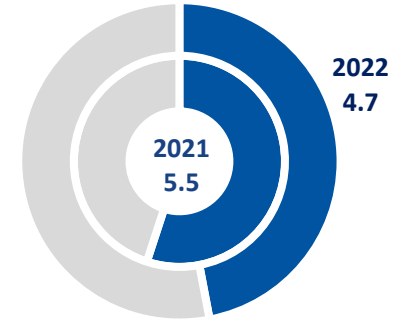
## saver at risk 2022 2.3



## savvy saver



## savvy investor



# Agenda



Personal traits



Financial knowledge



Digital knowledge and competence  
Digital finance knowledge



Financial control



Investment decisions



Sustainable finance



Gender gap



Concluding remarks

*Socio-demographics  
and personal traits*

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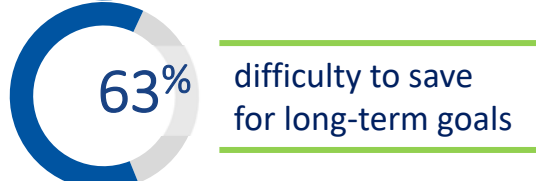
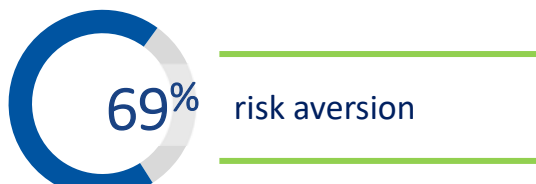
## Personal traits

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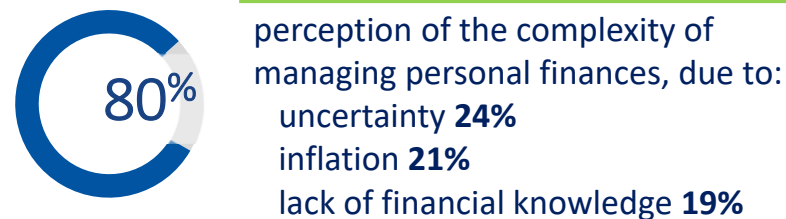
## Personal traits



the proportion of investors who believe that they can lose their savings without being responsible for them has grown



60% find achieving their goals 'challenging'



Source: Figg. 2.1-2.4 and 2.7 - 2.10

## *Financial knowledge*

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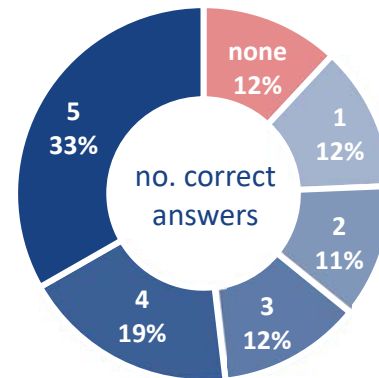
# Financial knowledge

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# Financial basics



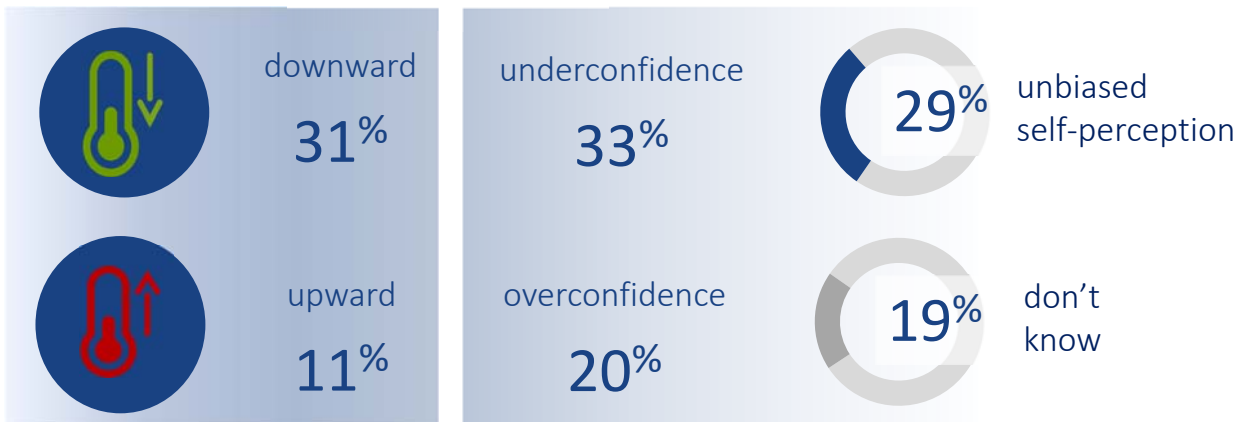
Five basic notions  
(risk-return relationship, compound interest rate, inflation, mortgage, portfolio diversification)



average correct answers 63%  
(adjusted 56%)

+3 p.p. 2022 over 2021

## SELF-ASSESSMENT EX-ANTE EX-POST

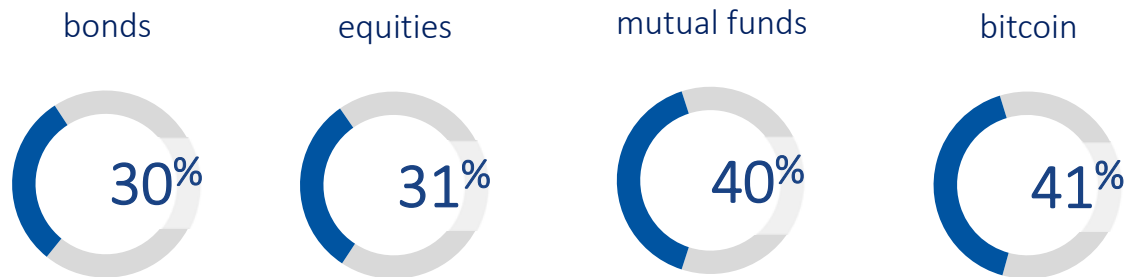


Source: Figg. 3.1, 3.4, 3.5

# Financial products and financial risks knowledge

- Products  
average correct answers 41%
- Risks  
average correct answers 34%

## Financial products knowledge



## Financial risks knowledge



Source: Figg. 3.8 e 3.9

# Inflation knowledge

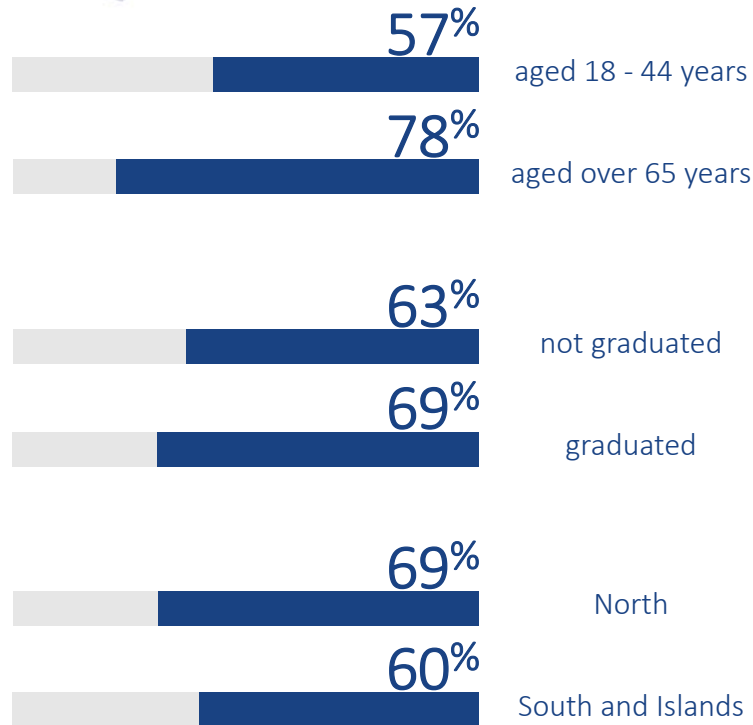
(1/2)

Average correct answers:  
65%

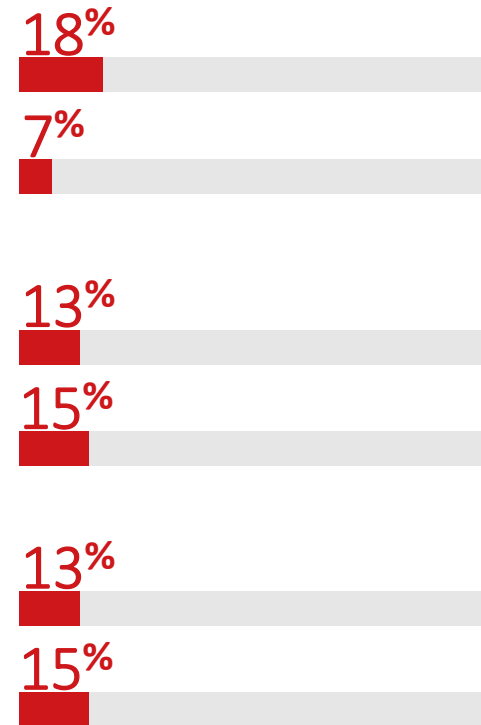
Average wrong answers:  
14%



correct answers



wrong answers



# Inflation knowledge

(2/2)



correct answers



financial wealth  
> 50k€



financial wealth  
≤ 50k€



monthly family income  
≤ 3k€



monthly family income  
> 3k€



inflation perceived as  
a driver of complexity



respondents preferring  
liquidity



wrong answers



# Focus on inflation

(1/2)

Preliminary evidence from a study conducted within the CONSOB Observatory

Sample:

1,018 investors (of the 1,436 already interviewed in June/July), recalled in November/December 2022

		RIGHT	DON'T KNOW
numeracy	10% of 1,000 euro	90%	3%
basic knowledge	Inflation	86%	8%
	Deflation	68%	16%
	Stagflation	39%	47%
	Measuring inflation	43%	20%
basic competence	Impact of inflation on purchasing power (over one year)	79%	12%
	Impact of inflation on the real value of savings	71%	13%
	Financial instruments most exposed to inflation	37%	25%
advanced knowledge	Real interest, nominal interest and inflation	27%	51%
	Fixed-income securities	57%	25%
	The role of the Central Bank in case of high inflation	56%	25%

# Focus on inflation

(2/2)

Preliminary evidence from a study conducted within the CONSOB Observatory

The estimated inflation rate for 2022 is 7%.  
**What do you expect for the next two years?**

	2023		2024
Prices will increase...			
... indicates how much	24%		10%
... but cannot indicate			
how much	34%		21%
Prices will remain stable	7%		16%
Prices will go down...			
... indicates how much	5%		7%
... but cannot indicate			
how much	9%		12%
Don't know	20%		34%



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Digital knowledge and competence  
Digital finance knowledge

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# Digitalisation in 2022 Report: information gathered

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## Use of online financial services and of digital tools for personal finance management

use of the Internet



devices and connectivity



digital  
knowledge



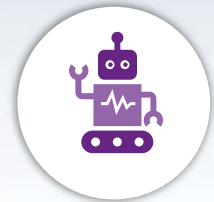
digital  
competence



digital  
finance  
knowledge



interest in  
digital financial  
assets and  
services



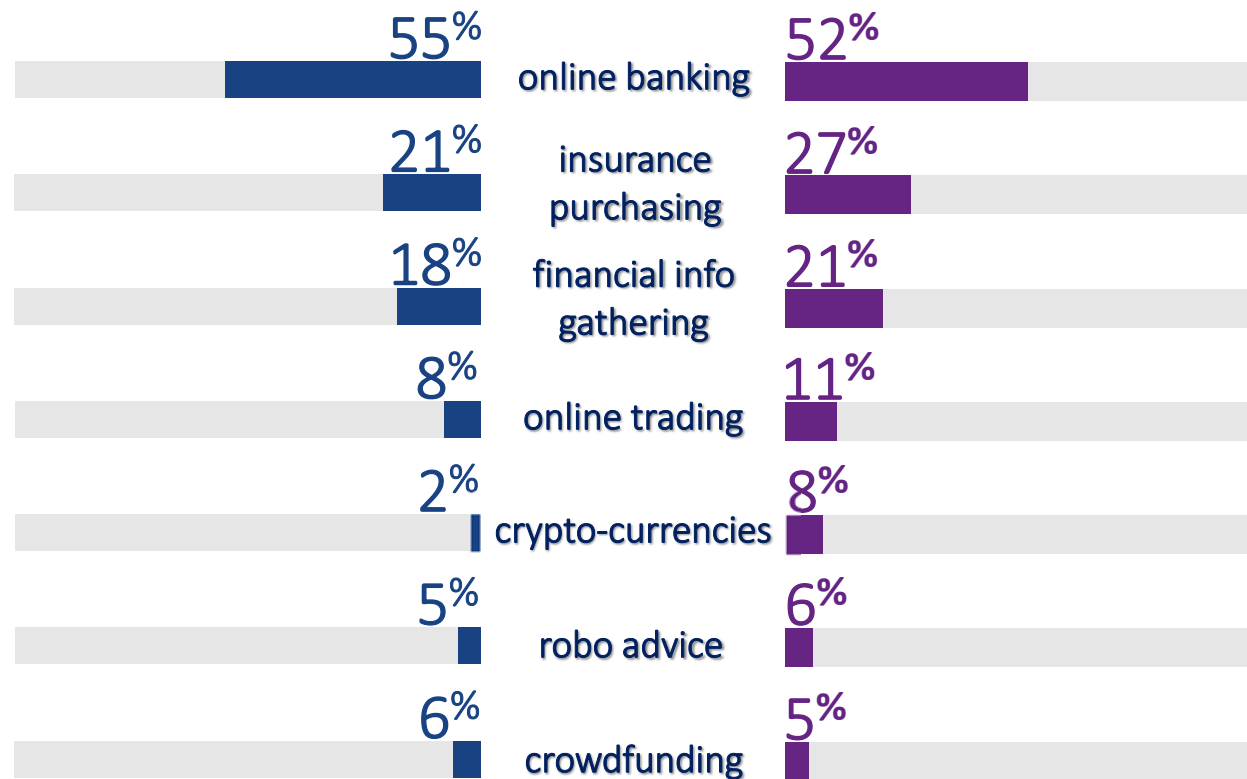
# Use of online financial services

29% use online financial services more than before the pandemic

2021

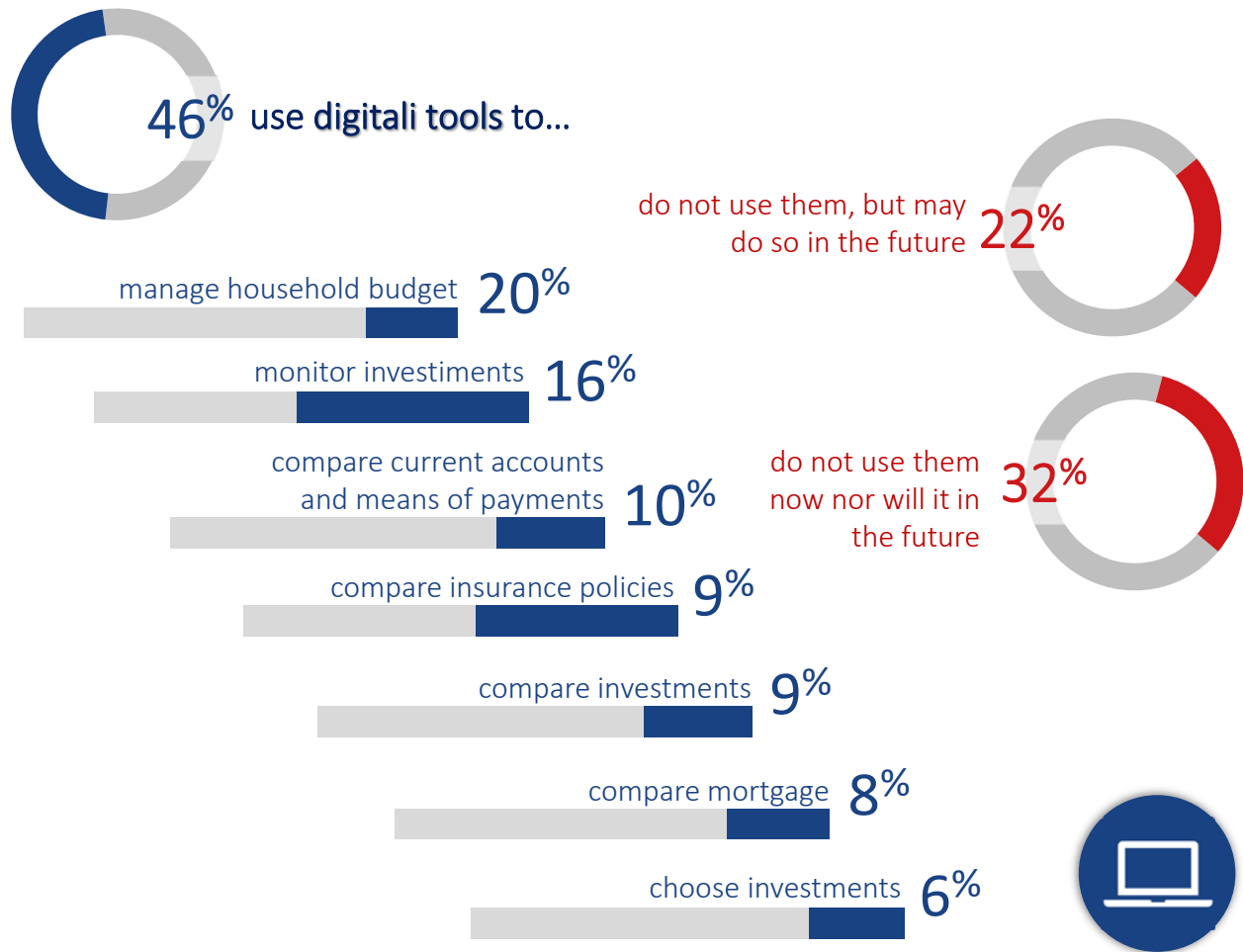


2022



Source: Fig. 5.1

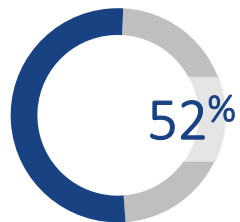
# Use of digital tools in personal finance management



Source: Fig. 5.3



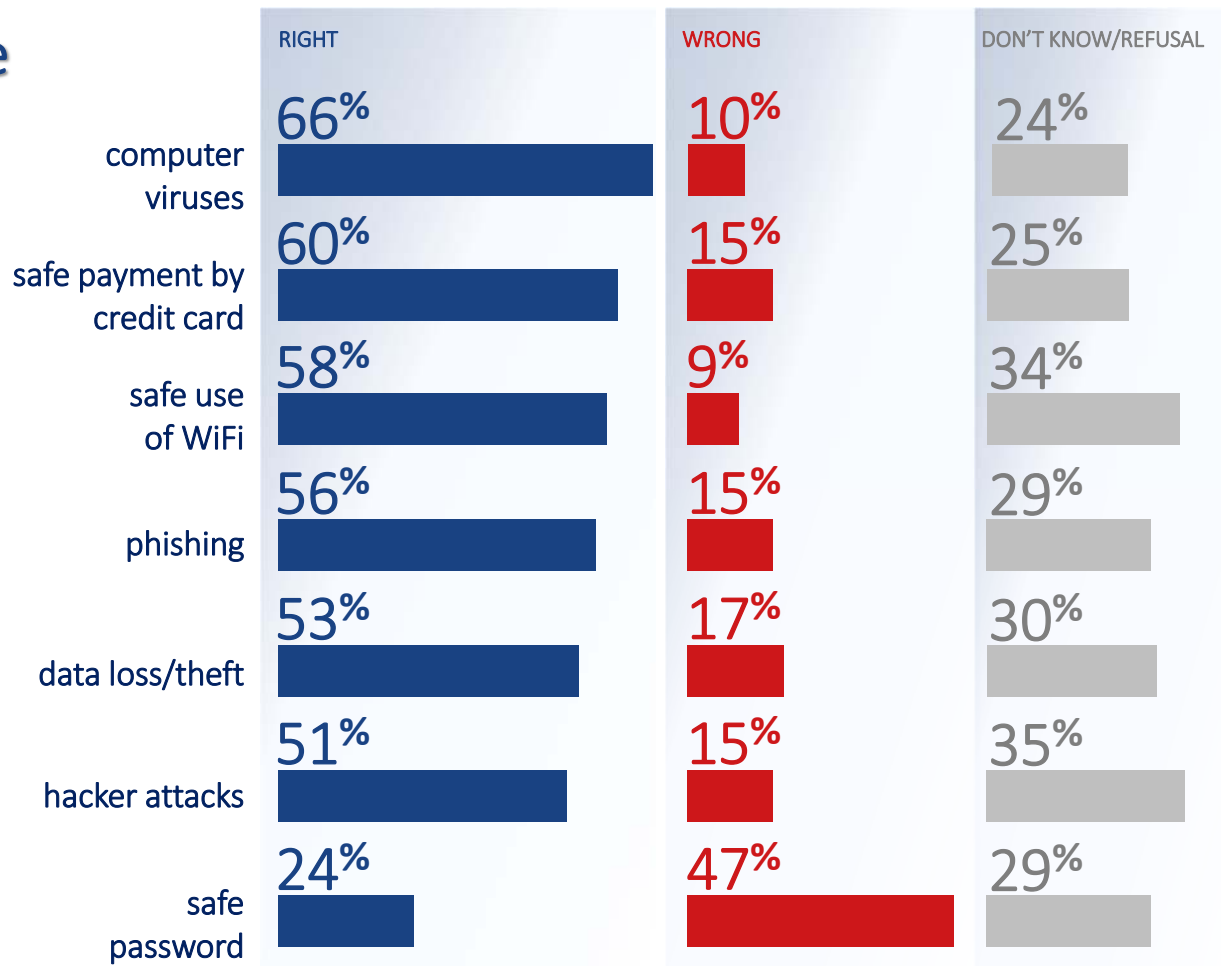
# Digital knowledge



correct answers on average



do not answer any questions correctly

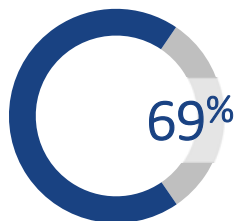


Source: Fig. 5.4. Rounding may cause discrepancies in the figures.

# Digital competence



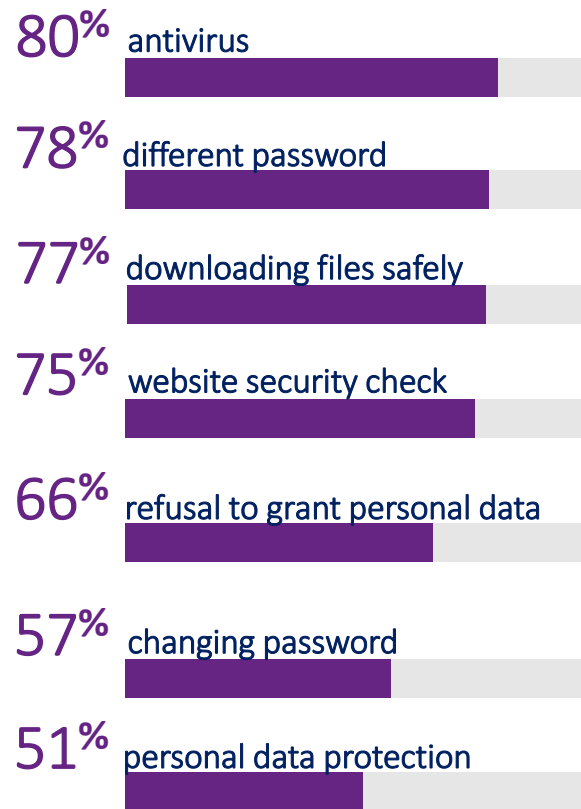
## Good practices



good practices  
on average

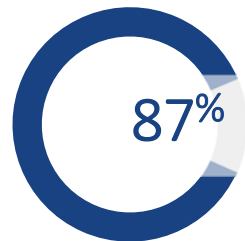


do not adopt any  
good practices



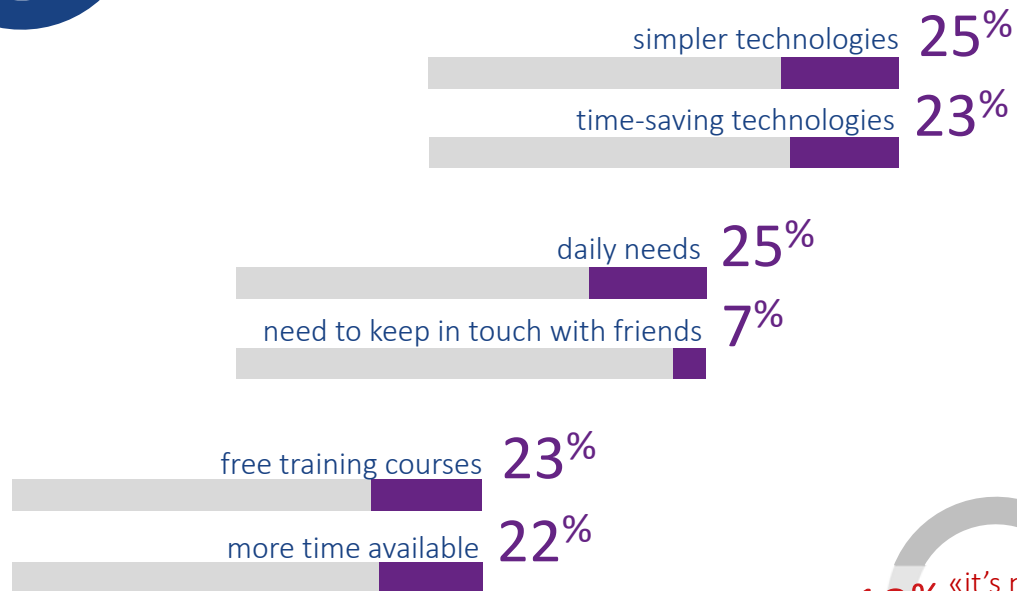
Source: Fig. 5.5

# Drivers of the intention to raise digital skills



would raise their digital skills

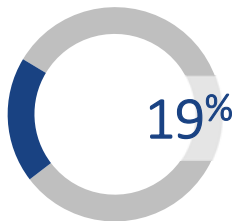
*drivers*



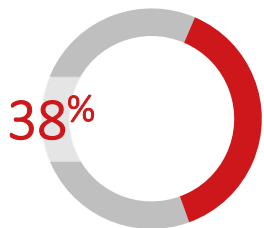
Source: Fig. 5.6



# Digital finance knowledge



correct answers on average



do not answer any questions correctly

		RIGHT	DON'T KNOW/REFUSAL
<b>crypto-currencies</b>	Crypto-currencies prices are relatively stable over time	45%	50%
<b>crowdfunding</b>	Equity crowdfunding platforms allow to lend money to small unlisted companies	23%	67%
<b>robo advice</b>	Robo advice platforms do not need to be authorised by competent authorities	18%	74%
<b>online trading</b>	The operator of an online trading platform must verify the knowledge of the investor wishing to engage in online trading	17%	55%
<b>stable coins</b>	The value of stablecoins can be 'pegged' to the value of a coin or gold	15%	75%
<b>NFTs</b>	Non-fungible tokens (NFT) are unique files but reproducible with dedicated procedures	15%	72%
<b>DLT</b>	Distributed ledger technology (DLT) allows money (or other assets) to be exchanged by recording transactions on a computer network	14%	75%
<b>Initial Coin Offerings</b>	Initial Coin Offerings (ICOs) are forms of capital raising governed by specific rules	10%	79%
<b>bitcoin</b>	Buying bitcoin is equivalent to buying any other currencies (i.e., euro, dollar, yen)	41%	47%

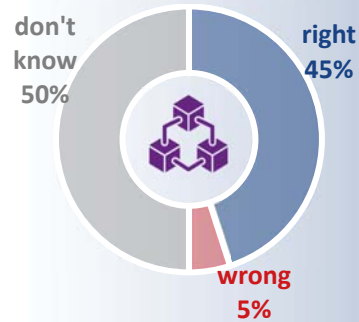
Source: Figg. 5.7 e 3.8



# Focus

## Knowledge of crypto-currencies and online trading

### crypto-currencies



DOWNWARD

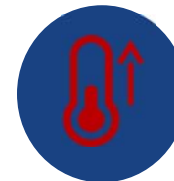
25%

UPWARD

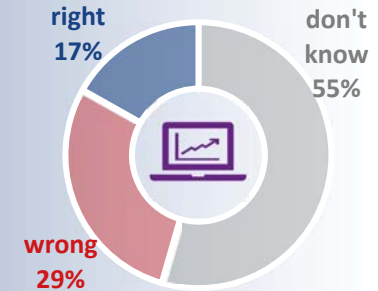
9%



EX ANTE SELF-ASSESSMENT



### online trading



DOWNWARD

7%

UPWARD

22%

# Focus

## Knowledge of crypto-currencies and source of information

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only 3% refer to banks and advisors



82% heard about crypto-currencies ...



42%

general press



28%

specialised media



26%

social and web communities



22%

online advertisement



18%

relatives and friends



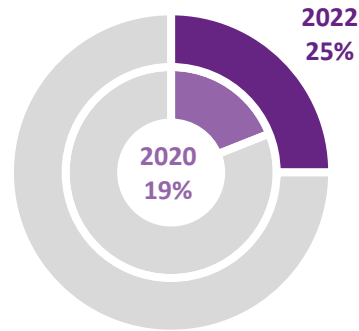
6%

don't know

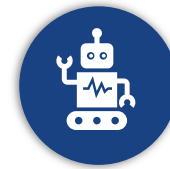
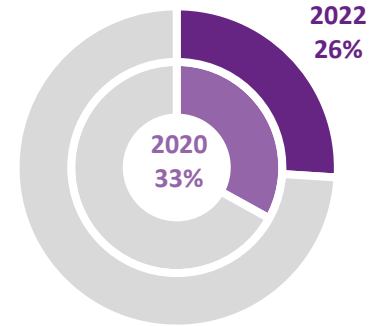
Source: Figg. 5.8 e 5.11

# Interest in digital financial assets and services

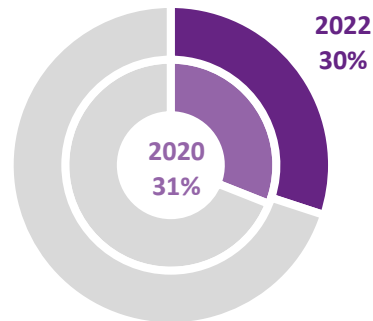
crypto-currencies



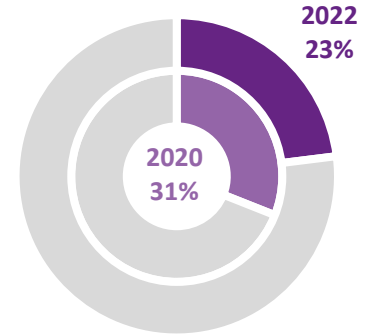
online trading



robo advice

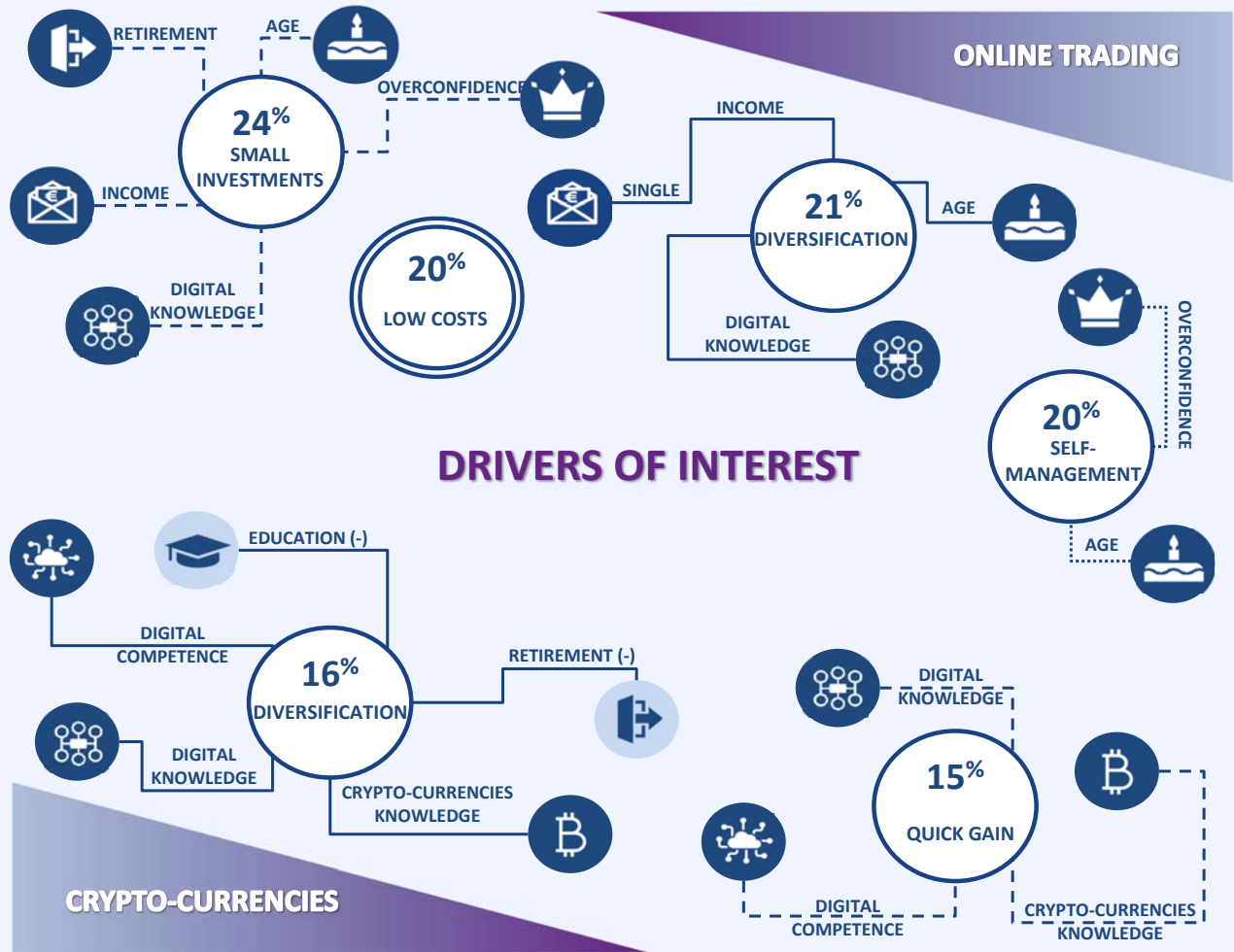


crowdfunding



Source: Fig. 5.10

# Drivers of interest in crypto-currencies and online trading



Source: Section V

*Financial control  
and savings*

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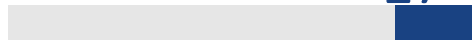
## Financial control

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# Financial weakness

2021

17%

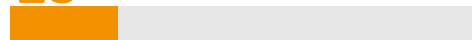


vulnerability



2022

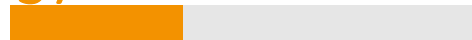
23%



fragility



37%



exposure to unexpected

expenses



23%



23%



indebtedness



53%



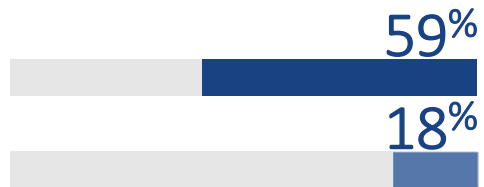
47%



Source: Figg. 4.1 – 4.3

# Financial control

2021

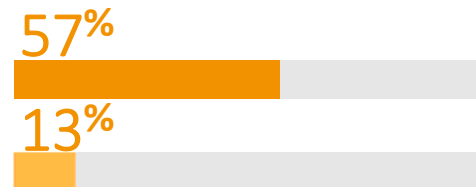


financial plan



for more than 5 ys

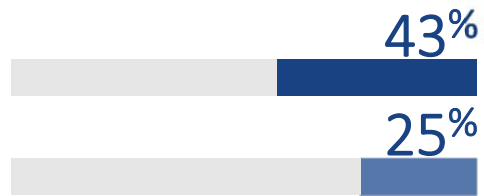
2022



budget respected



always



saving



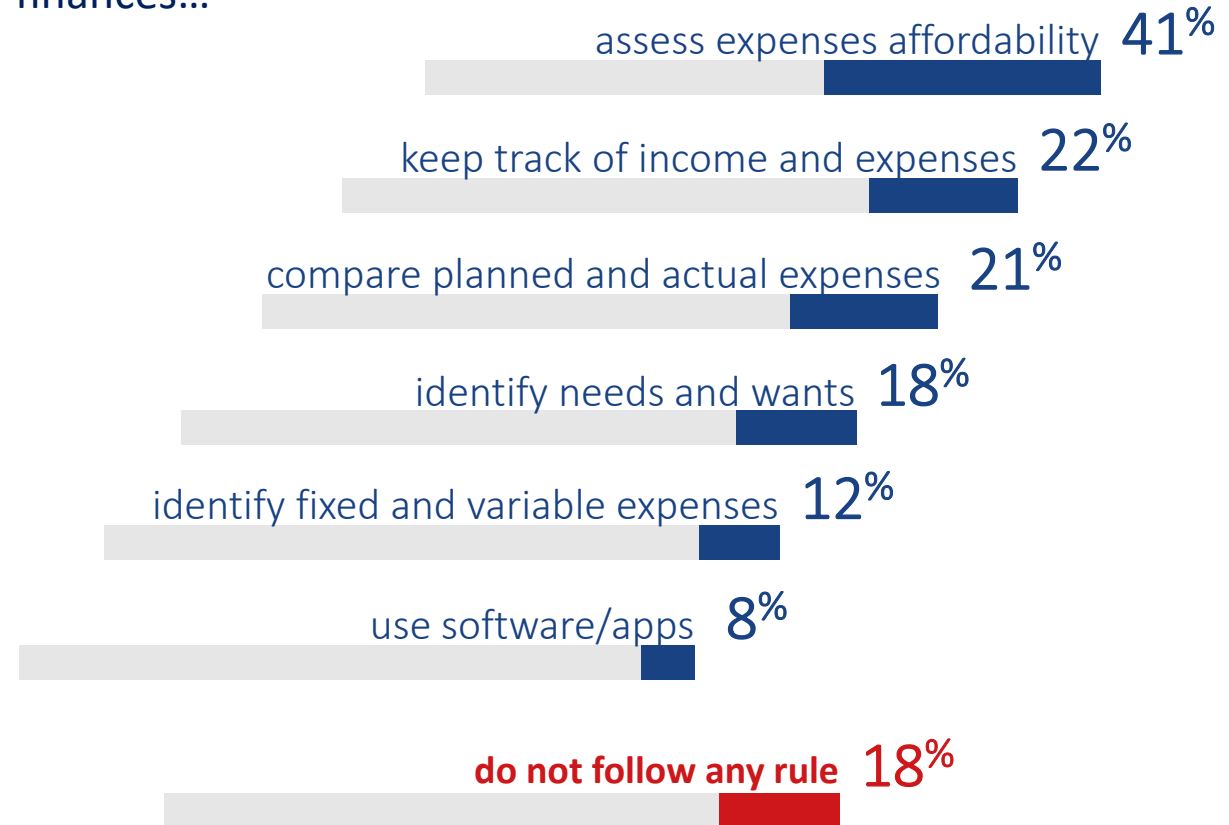
regularly



Source: Fig. 4.7 – 4.8

# Savvy financial control practices

when managing personal finances...



Source: Fig. 4.10



# Savvy financial control practices



+ education  
+ income/wealth

correlation

mental accounting +  
*self-efficacy* +  
financial anxiety -  
trust +



+ interest in fin. edu  
+ financial knowledge  
+ Knowledge of risks and products

financial planning +  
budgeting +  
saving +  
exposure to unexpected events -



*Investment choices  
and investment habits*

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## Investment decisions

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# Investment choices



## Investment GOALS:

capital protection 39%

capital growth 27%

don't know 16%

bank and postal savings 50%

mutual funds 29%

Italian Government bonds 18%

portfolio management 16%

insurance-based products 15%

Source: Figg. 6.1 and 6.2

# Investment styles



24%

self-managed



45%

informal advice

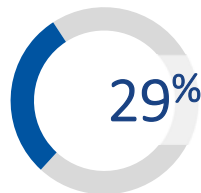


26%

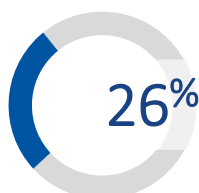
professional support



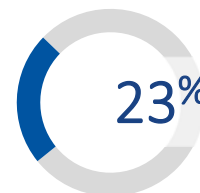
## Deterrents from seeking for advice



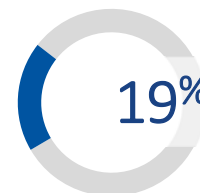
small  
investments



high costs



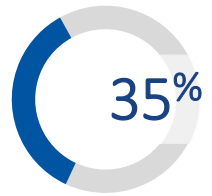
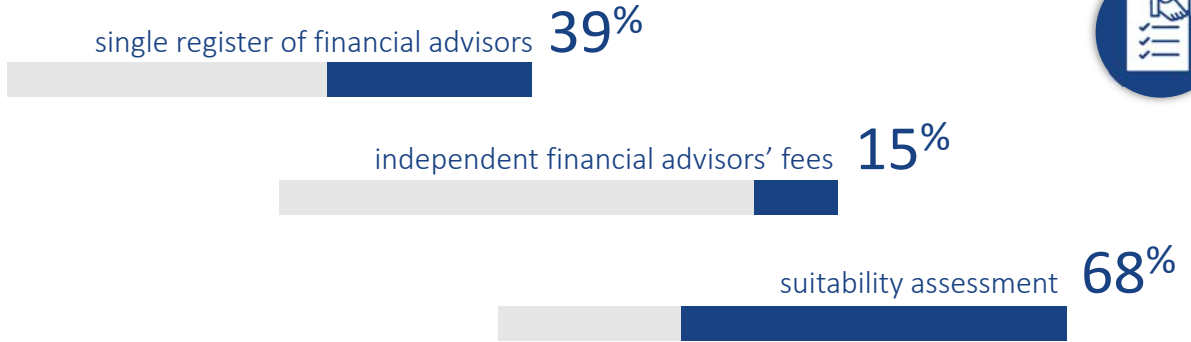
simple investments



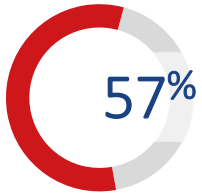
lack of trust

Source: Fig. 6.7

# Low demand for financial advice may reflect the low level of knowledge of the service



financial advice is a fee-based service



are not willing to pay for advice

Source: Figg. 6.8 – 6.9

# Drivers of financial advisor choice

- 47% of advised investors declare to not have been chosen the advisor
- 63% of advised investors declare to have been relying on the same advisor for at least 6 years



## financial advisor choice



clarity



attention to client's needs



reliability



caring



competence

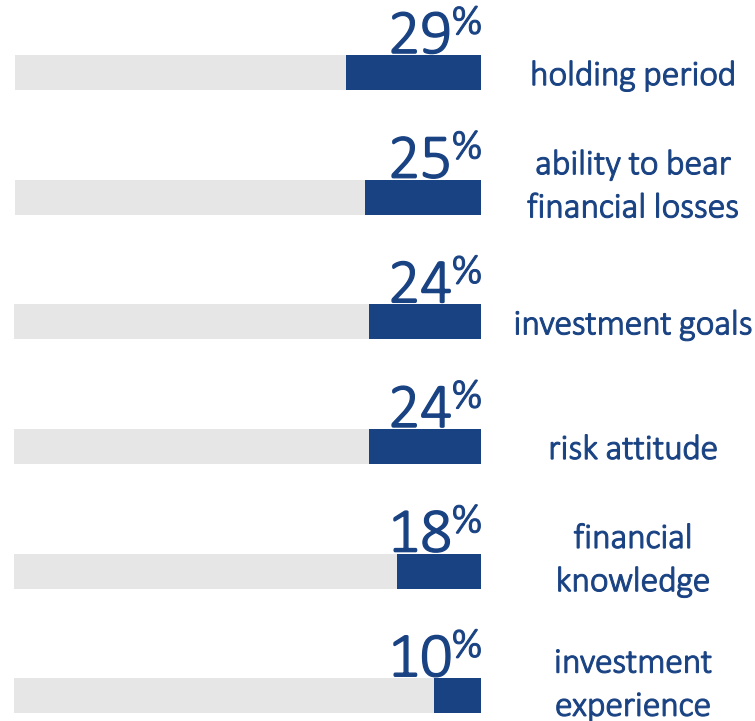
## financial advice satisfaction



# Information to be shared with the financial advisor

- 83% of advised investors indicate more than three information to be shared with the advisor
- preferences in sustainability are indicated by 41% of them

## INVESTORS factors to investment choices

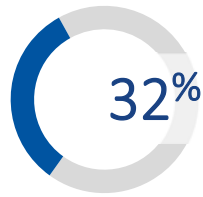


## ADVISED INVESTORS information to be shared with the financial advisor

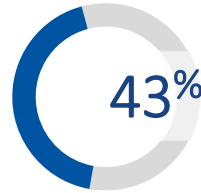


Source: Figg. 6.6 e 6.14

# Portfolio diversification

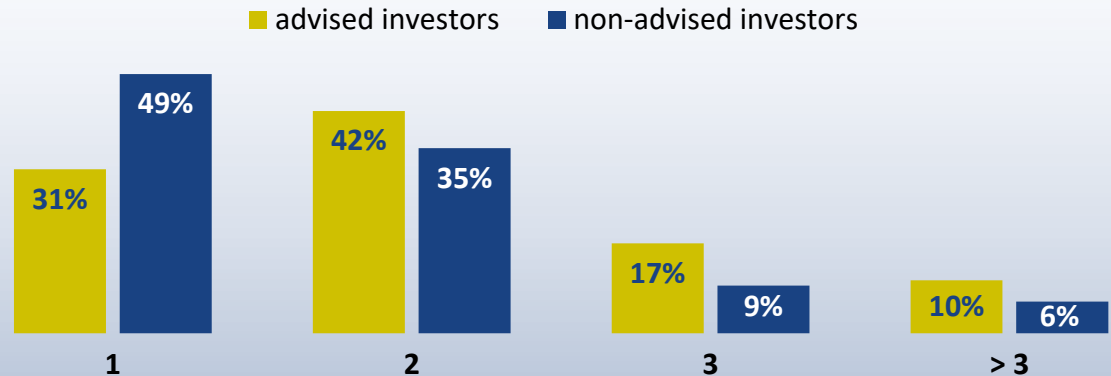


32% knowing the correct definition of portfolio diversification



43% owning only one financial asset (bank and postal savings in 51% of the cases)

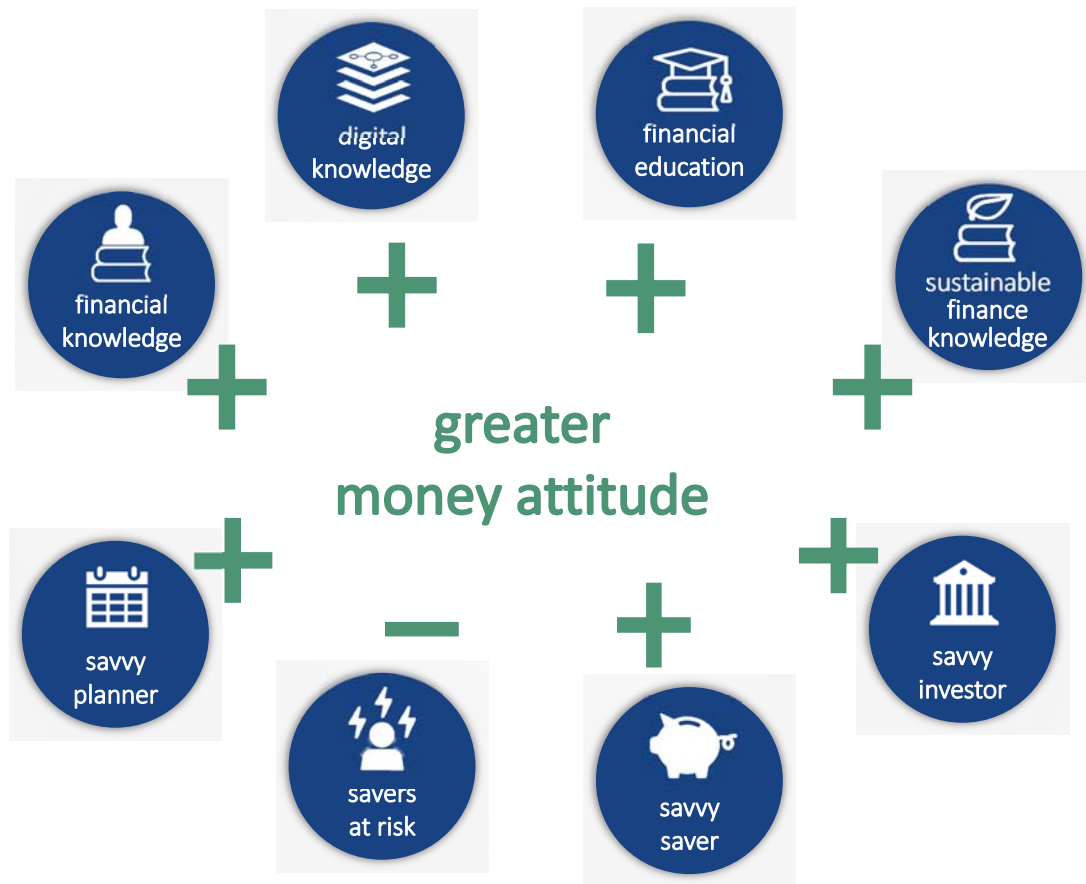
## distribution of investors by number of asset holdings



Source: Figg. 6.2, 6.3 and 6.10



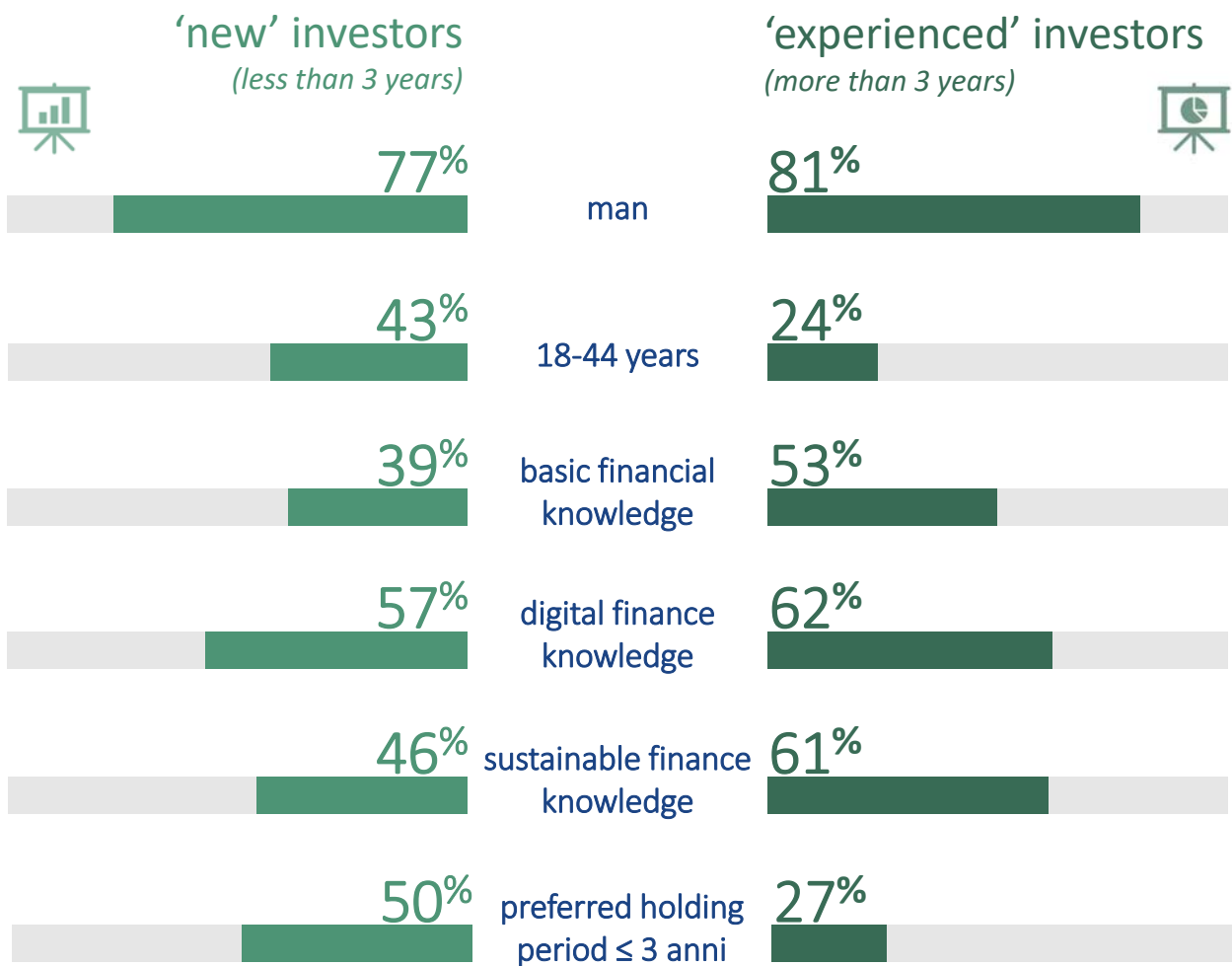
# Money attitude and investor characteristics



Source: Fig. 6.19

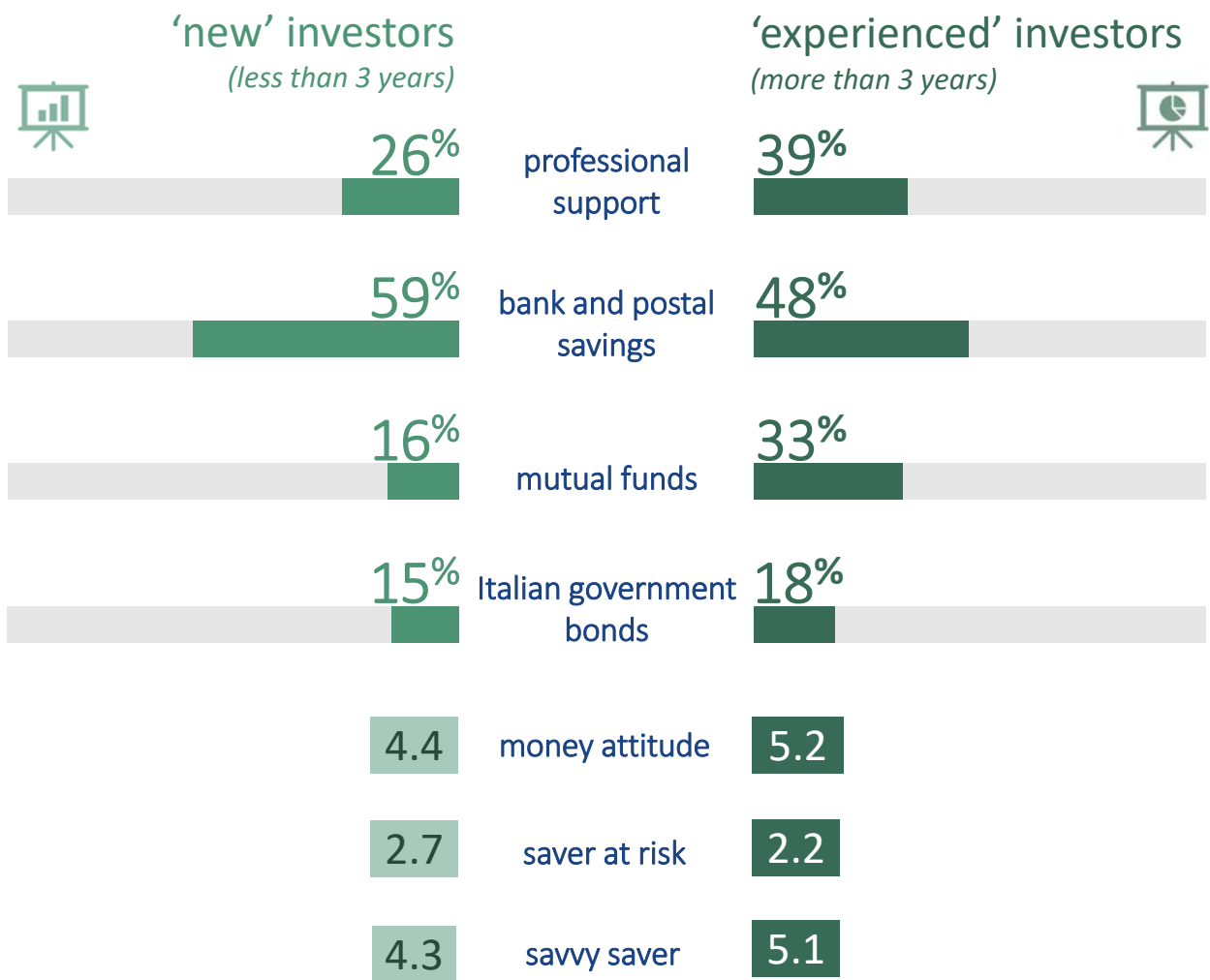
# Characteristics of investors by investment experience

55% have more than five years of investment experience



Source: Figg. 6.1 e 6.16

# Characteristics of investors by investment experience



Source: Figg. 6.1 e 6.16

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Investimenti Famiglie

*Sustainable  
investments*

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# Sustainable finance

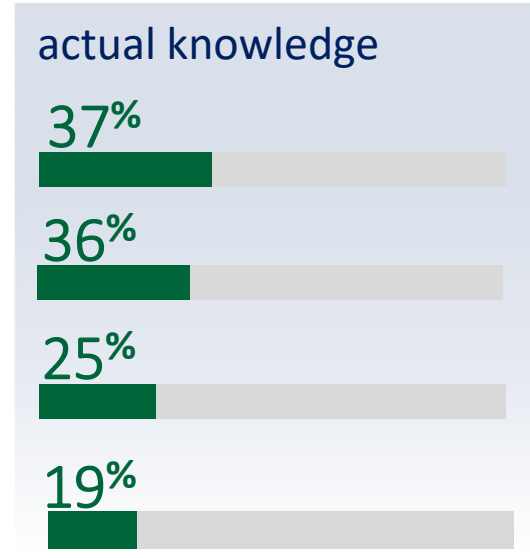
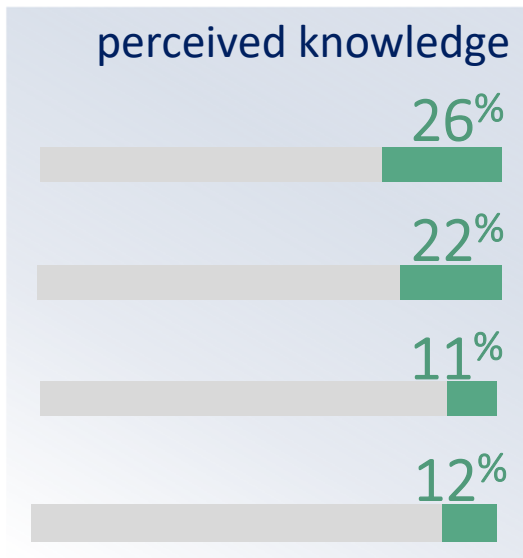
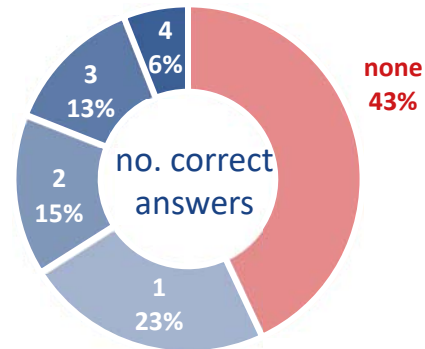
---

# Perceived and actual knowledge of sustainable finance basic notions

average correct answers:  
29%



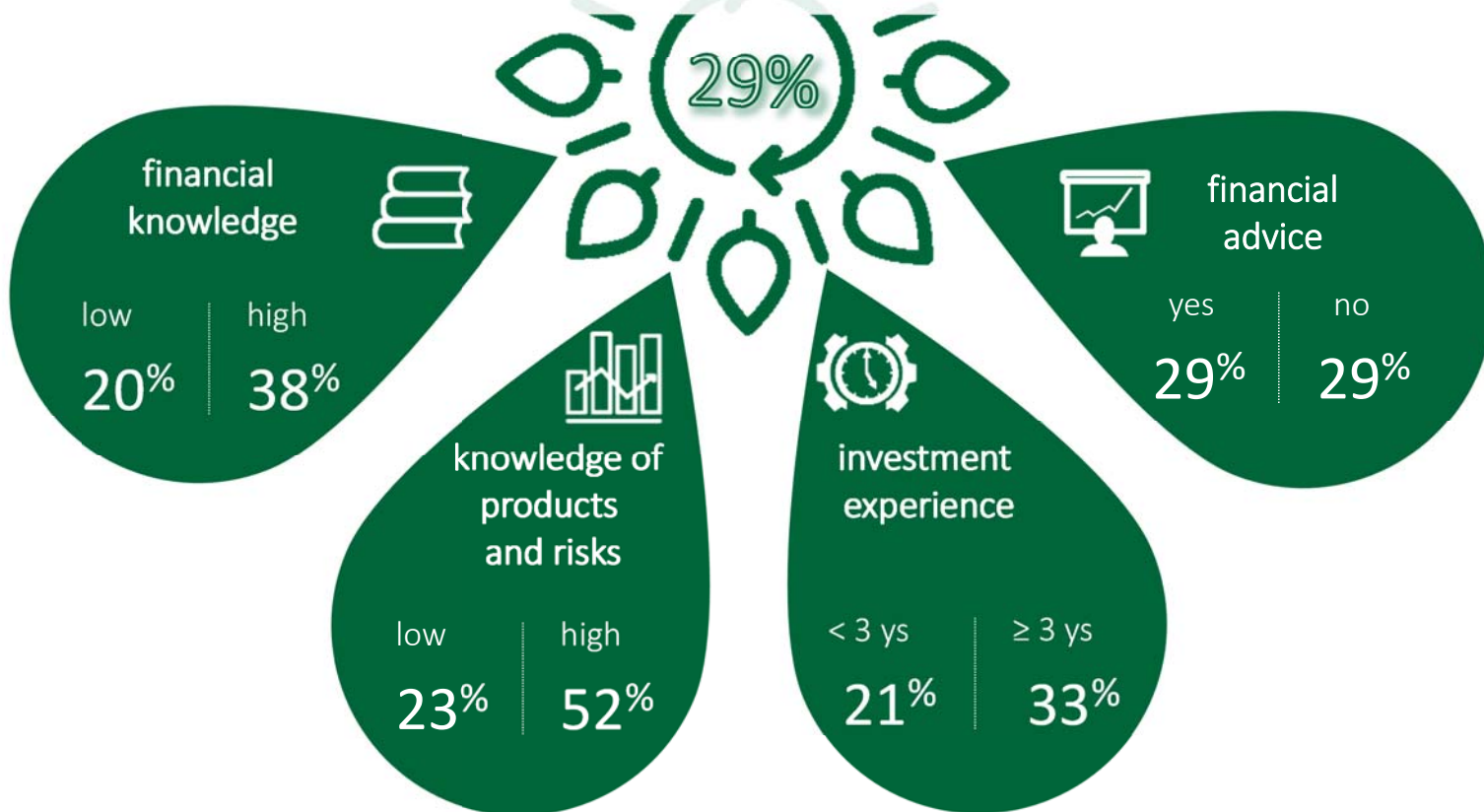
4-item test



Source: Figg. 7.1 and 7.4

# Knowledge of sustainable finance are associated with ...

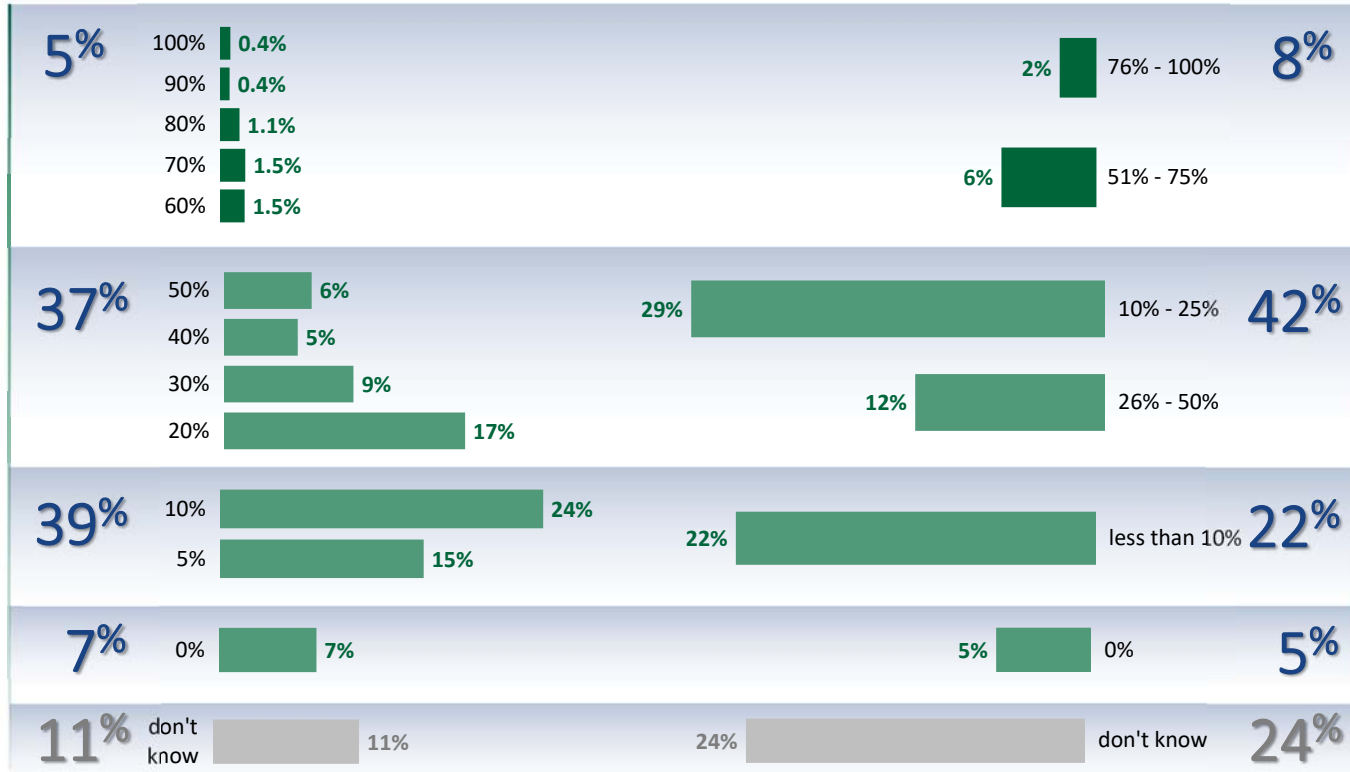
(average percentage of correct answers)



# Sustainability preferences are influenced by the framing effect

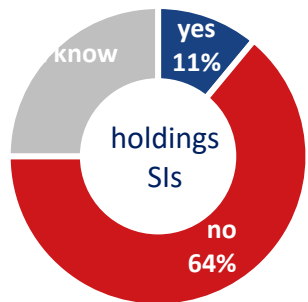
Group A

Group B

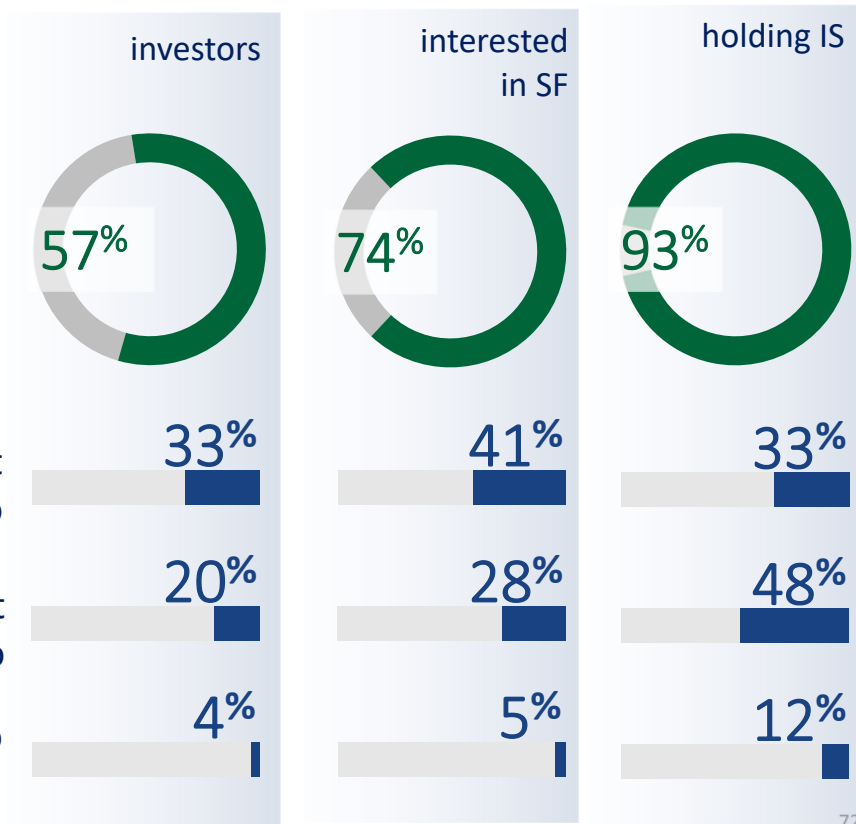


# Sustainable investments (SIs) holding

Looking ahead, however, they are inclined to change their asset allocation choices in favour of sustainable products ...



Lack of knowledge is the main deterrent





## *Gender gap*

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# Gender gap

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# Gender gap

The Report explores gender differences on the basis of an extended sample of 2,085 individuals, more balanced with respect to the presence of women



- + vulnerable (unstable income)
- + attitude towards professional support

- knowledge of financial products and digital finance
- attitude towards online trading and crypto-currencies
- sustainable finance knowledge

- risk aversion +
- loss aversion +
- underconfidence +

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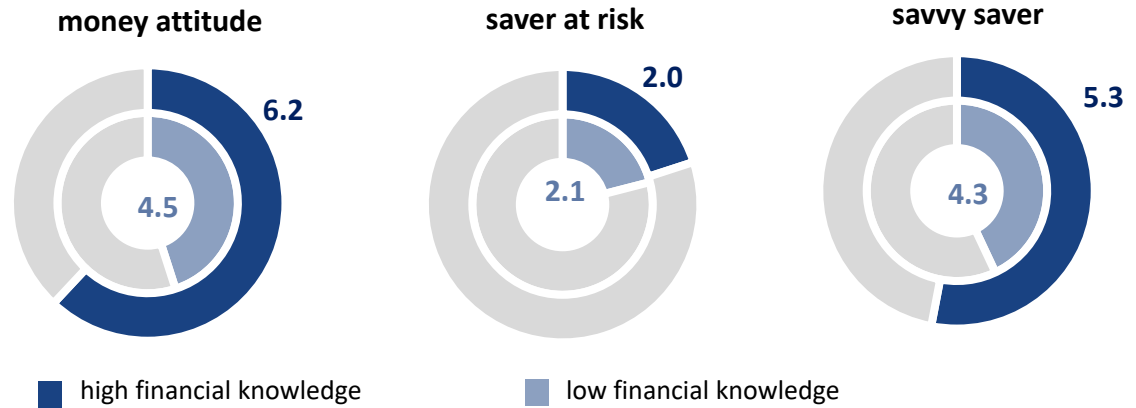
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## Concluding remarks

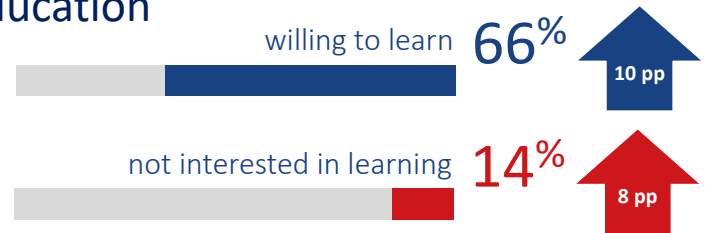
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# The role of financial literacy and the need of financial education

Data confirm positive association between knowledge and money attitude and financial control



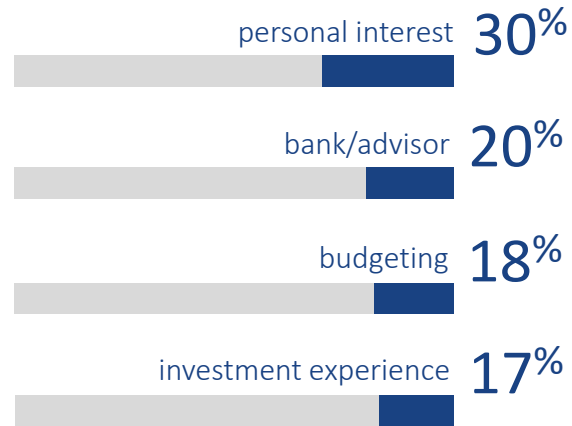
## Interest in financial education



Source: Section II and VI, Figg. 3.14 - 3.15

# Drivers to increase financial skills

## background factors



Only 11% indicate their background educational or family

## preferred promoters of financial education



Source: Figg. 3.13 - 3.15

Osservatorio CONSOB  
Investimenti Famiglie

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*Thanks!*