

Appendix 1: Consumer Survey on Finance

[Survey Results]

The August 2001 survey was conducted nationwide to 4,000 individuals (20 years or older); 2,638 individuals responded (response rate: 66.0%). The survey used a stratified two-stage random-sampling method.

Figures in the response column show response rates (% , rounded off to the nearest tenth). Because the percentage of nonrespondents is not indicated in the results, percentages do not always total 100.

Questions about Finance in General

Question 1

(1) In regard to items (a) through (g) below, where do your views stand between the following two views of A and B? Please circle “Closer to A,” “Closer to B,” or “Cannot say which” for each item. (Choose one answer for each item.)

		Closer to A	Cannot say which	Closer to B		
		A				B
(a)	Sufficient knowledge on the mechanisms of the economy and finance.	6.9	43.2	49.7	Almost no knowledge on the mechanisms of the economy and finance.	
(b)	Sufficient knowledge on financial products.	5.2	37.2	57.3	Almost no knowledge on financial products.	
(c)	Sufficient knowledge on savings and deposits.	19.8	56.7	23.1	Almost no knowledge on savings and deposits.	
(d)	Sufficient knowledge on investment in securities such as stocks and bonds.	4.9	24.2	70.7	Almost no knowledge on investment in securities such as stocks and bonds.	
(e)	Sufficient knowledge on insurance, pensions, and tax.	13.5	57.1	29.1	Almost no knowledge on insurance, pensions, and tax.	
(f)	Sufficient knowledge on risks related to investment, such as exchange rate risks on foreign currency deposits and other foreign currency-denominated products.	5.2	18.7	75.9	Almost no knowledge on risks related to investment, such as exchange rate risks on foreign currency deposits and other foreign currency-denominated products.	

(g)	Sufficient knowledge on systems to protect users and consumers, such as the deposit insurance system and the Law on Sales of Financial Products.	4.9	30.0	64.9	Almost no knowledge on systems to protect users and consumers, such as the deposit insurance system and the Law on Sales of Financial Products.
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If you have responded to all of the items (a) through (g) with either “Closer to A” or “Cannot say which,” please proceed directly to **Question 2**.

If you have responded to any one of the items (a) through (g) with “Closer to B,” please proceed to the question below.

Question to those who have chosen “Closer to B” to any one of the items from (a) through (g) in Question 1 (1)

(2) How much is your knowledge and understanding of financial products and the mechanisms of the economy and finance? (Choose up to three answers.)

- | | |
|--|-------------|
| 1. Can get along without any financial knowledge. | 34.5 |
| 2. Have not actively sought financial information because of the impression that finance was a complicated subject. | 50.1 |
| 3. Have invested funds mainly in deposits and savings with principals guaranteed and have not anticipated any bankruptcies or collapses of financial institutions. | 33.1 |
| 4. Do not know how to obtain accurate information on finance. | 31.2 |
| 5. Accurate, easy-to-understand information is not fully provided on financial products. | 35.4 |
| 6. Even though gathered information, a lot of it is hard to understand. | 28.0 |
| 7. Other.
() | 2.7 |

Proceed to the next page.

Question to all respondents

Question 2

Please choose the description that best matches the degree of your knowledge for each item listed from (a) through (j). (Choose one answer for each item.)

		Know well.	Know to some extent.	Have heard about it, but do not know the details.	Have not heard about it.
(a)	Removal of the blanket deposit insurance.	8.2	24.6	37.1	29.7
(b)	Expected rate of return on life insurance.	3.9	27.3	42.3	26.1
(c)	Defined-contribution pension plan (Japanese version of 401k).	2.3	11.8	31.1	54.0
(d)	Inheritance tax.	11.3	62.0	23.2	3.2
(e)	Law on Sales of Financial Products.	1.8	11.3	41.3	44.7
(f)	Revolving payments.	13.1	28.5	22.9	35.1
(g)	Compound interest.	17.8	40.6	28.7	12.5
(h)	Diversified investment (portfolio).	3.4	12.0	27.9	56.1
(i)	Risk and return.	9.6	25.7	33.8	30.6
(j)	Money supply.	3.8	12.1	45.9	38.0

Question about Your Impression of Information on Finance

Question 3

What are your views about the financial information provided by various organizations and companies? (Choose one answer.)

- | | |
|---|-------------|
| 1. Useful enough to gain knowledge on financial products and the mechanisms of the economy and finance by reading pamphlets and other materials and searching websites. | 4.8 |
| 2. The content of information is rather difficult and hard to follow. | 29.3 |
| 3. Have got the impression that a lot of information is written in the interest of financial institutions. | 27.3 |
| 4. Have not seen much information. | 38.6 |

Questions about the Breadth and Scope of Necessary Information on Finance

Question 4

What kind of information and knowledge on finance do you think is useful to your everyday life? (Choose up to three answers.)

- | | |
|--|-------------|
| 1. Information and knowledge on the types and schemes of financial products and services available. | 22.8 |
| 2. Information and knowledge on the system that will protect a certain amount of deposits in case of bankruptcies or collapses of financial institutions and information and knowledge that will be required for us to judge whether or not there is a risk of bankruptcy. | 53.8 |
| 3. Information and knowledge on the mechanisms of the economy and finance, such as roles and functions of financial institutions and the stock market. | 18.0 |
| 4. Information and knowledge on how <i>not</i> to get into over-indebtedness. | 7.7 |
| 5. Information and knowledge on how <i>not</i> to get involved in troubles in financial transactions. | 36.2 |
| 6. Information and knowledge on how to design future life plans and accompanying funding plans. | 40.3 |
| 7. Information and knowledge on the institutional aspects of social systems such as nursing care insurance, pensions, and tax systems. | 64.1 |
| 8. Information and knowledge on how to provide children with a sound understanding of the value of money. | 13.8 |
| 9. Other.
() | 1.1 |

Question 5

What type of information do you want to have? (Choose up to three answers.)

- | | | | |
|--|-------------|-----------------------------------|-------------|
| 1. Deposits and savings. | 51.3 | 6. Insurance. | 47.4 |
| 2. Stocks. | 10.8 | 7. Taxes such as inheritance tax. | 35.6 |
| 3. Bonds (public and corporate bonds). | 5.5 | 8. Loans and credits. | 7.8 |
| 4. Investment trusts. | 7.8 | 9. Other. () | 0.5 |
| 5. Pensions. | 67.9 | 10. Want nothing in particular. | 10.7 |

Question 6

How do you want to apply your information and knowledge on finance? (Choose up to three answers.)

- | | |
|--|-------------|
| 1. To manage household economy in a sound and rational manner. | 57.2 |
| 2. To increase financial assets. | 18.1 |
| 3. To protect oneself against financial troubles and unexpected losses. | 48.2 |
| 4. To design future financial life plans. | 45.1 |
| 5. To raise children with a sound mind and a notion of independence. | 11.7 |
| 6. To enhance the culture level and broaden perspective. | 16.7 |
| 7. To enhance the ability to make judgments to act as a self-reliant consumer and member of society. | 37.3 |
| 8. Other. () | 1.3 |

Questions about Sources of Necessary Information and Knowledge on Finance

Question 7

What are your main sources of information and knowledge on finance? (Choose up to three answers.)

- | | |
|---|-------------|
| 1. Explanations by people such as financial institutions' counter staff and sales staff. | 34.5 |
| 2. Product brochures of financial institutions. | 35.9 |
| 3. Books. | 10.2 |
| 4. TV programs and newspaper and magazine articles (excluding advertisements). | 65.0 |
| 5. Advertisements on TV, in newspapers, in magazines, and elsewhere. | 37.0 |
| 6. Internet surfing. | 5.9 |
| 7. Conversations with family members or friends. | 33.5 |
| 8. Pamphlets and seminars of organizations that are not connected to any particular industry. | 2.4 |
| 9. Lessons or lectures at schools. | 1.5 |
| 10. Other.
() | 1.1 |

Question 8

How do you think information and knowledge on finance should be provided? (Choose up to three answers.)

- | | |
|---|-------------|
| 1. Through brochures, leaflets, and videos. | 44.6 |
| 2. Through lectures and seminar meetings. | 17.1 |
| 3. Through the use of information technology, such as the Internet. | 27.5 |
| 4. Through correspondence courses. | 2.7 |
| 5. Through mass media, such as newspapers, magazines, and TV. | 79.2 |
| 6. Other.
() | 2.1 |
| 7. Have no idea. | 11.7 |

Questions about the Internet as a Means to Obtain Information

Question 9

(1) Are you using the Internet to obtain information on finance? (Choose one answer.)

- | | | | |
|-------------------|-------------------------|------------------------------------|------------------------------|
| 1. | 2. | 3. | 4. |
| Yes, quite often. | Yes, from time to time. | Not now, but thinking of using it. | No, do not intend to use it. |



Proceed to **Question 10.**

Questions to those who have chosen 1, 2, or 3 in Question 9 (1)

(2) What do you think would be an appropriate and concrete way for information and knowledge on finance to be provided through the Internet? (Choose up to three answers.)

- | | |
|--|-------------|
| 1. To list information by each category of finance so that users can access that site according to their needs. | 74.2 |
| 2. To list questions on financial knowledge for Internet users to answer (e.g., quizzes, role-playing games). | 28.9 |
| 3. To list questions on financial knowledge for Internet users to provide answers and for the information provider to correct them (in a similar format to education by correspondence). | 24.4 |
| 4. Group discussion (chat room). | 3.4 |
| 5. To comprehensively provide users with pieces of financial information offered by various bodies and organizations on their websites. | 47.3 |
| 6. Other.
() | 1.7 |
| 7. Have no idea. | 8.9 |

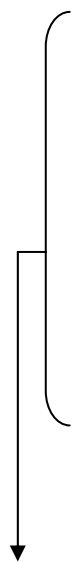
Questions about Financial Troubles Experienced in the Past

Questions to all respondents

Question 10

(1) Have you ever had any of the following experiences when purchasing a financial product or in other cases? (Choose all that apply.)

- | | |
|--|-------------|
| 1. Bought a financial product offered by a financial institution without receiving a sufficient explanation about the product's particular features, such as the risk of the product's capital loss, or without fully understanding such features. | 7.1 |
| 2. Bought a financial product that was recommended by someone who approached me on the street or visited me at home, and regretted the purchase later. | 4.6 |
| 3. Bought a financial product in a non-face-to-face manner, such as telephone sales, direct mail, or online sales, and regretted the purchase later. | 2.7 |
| 4. Repeatedly borrowed from other financial institutions to meet payments on an existing loan. | 3.1 |
| 5. Had no particular experience. -----▶ Proceed to Question 11. | 78.7 |



Question to those who have chosen 1 through 4 in Question 10 (1)

(2) What actions did you take after such an experience? (Choose all that apply, corresponding to each experience.)

1. Sought advice from or complained to the financial institution or others that had sold the product.
2. Sought advice from consultation services counters of the administration, industry, bar association, or others.
3. Consulted with relatives, friends, or others.
4. Did not take any actions, as did not know how to handle the situation.
5. Did not take any actions, as it was too troublesome.
6. Other. ()

▼

Response rates to Question (2) of those who have chosen 1 through 4 of Question (1) are shown below.

1. What actions did you take after experiencing the case of “Bought a financial product offered by a financial institution without receiving a sufficient explanation about the product’s particular features, such as the risk of the product’s capital loss, or without fully understanding such features”? (Choose all that apply.)

- | | |
|---|-------------|
| 1. Sought advice from or complained to the financial institution or others that had sold the product. | 44.6 |
| 2. Sought advice from consultation services counters of the administration, industry, bar association, or others. | 4.3 |
| 3. Consulted with relatives, friends, or others. | 16.1 |
| 4. Did not take any actions, as did not know how to handle the situation. | 15.6 |
| 5. Did not take any actions, as it was too troublesome. | 20.4 |
| 6. Other.
() | 8.6 |

2. What actions did you take after experiencing the case of “Bought a financial product that was recommended by someone who approached me on the street or visited me at home, and regretted the purchase later”? (Choose all that apply.)

- | | |
|---|-------------|
| 1. Sought advice from or complained to the financial institution or others that had sold the product. | 17.2 |
| 2. Sought advice from consultation services counters of the administration, industry, bar association, or others. | 4.1 |
| 3. Consulted with relatives, friends, or others. | 19.7 |
| 4. Did not take any actions, as did not know how to handle the situation. | 29.5 |
| 5. Did not take any actions, as it was too troublesome. | 24.6 |
| 6. Other.
() | 4.9 |

3. What actions did you take after experiencing the case of “Bought a financial product in a non-face-to-face manner, such as telephone sales, direct mail, or online sales, and regretted the purchase later”? (Choose all that apply.)

- | | |
|---|-------------|
| 1. Sought advice from or complained to the financial institution or others that had sold the product. | 14.1 |
| 2. Sought advice from consultation services counters of the administration, industry, bar association, or others. | 7.0 |
| 3. Consulted with relatives, friends, or others. | 18.3 |
| 4. Did not take any actions, as did not know how to handle the situation. | 26.8 |
| 5. Did not take any actions, as it was too troublesome. | 28.2 |
| 6. Other. () | 8.5 |

4. What actions did you take after experiencing the case of “Repeatedly borrowed from other financial institutions to meet payments on an existing loan”? (Choose all that apply.)

- | | |
|---|-------------|
| 1. Sought advice from or complained to the financial institution or others that had sold the product. | 16.0 |
| 2. Sought advice from consultation services counters of the administration, industry, bar association, or others. | 17.3 |
| 3. Consulted with relatives, friends, or others. | 40.7 |
| 4. Did not take any actions, as did not know how to handle the situation. | 19.8 |
| 5. Did not take any actions, as it was too troublesome. | 12.3 |
| 6. Other. () | 3.7 |

Questions about Financial Education at Schools

Questions to all respondents

Question 11

(1) Did you have lessons on finance during your primary, secondary, or high school days? (Choose one answer.)

1.	2.	3.
Yes.	Think so, but do not remember clearly.	Seemingly almost none.
4.4	27.0	68.5
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		Proceed to Question 12.

Questions to those who have chosen 1 or 2 in Question 11 (1)

(2) Have those lessons been useful? (Choose one answer.)

1.	2.	3.
Yes.	Somewhat.	Almost of no use.
5.7	37.8	56.3
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Proceed to Question 12.		

Questions to those who have chosen 2 or 3 in Question 11 (2)

(3) In case those lessons have not been useful, what have been the main sources of information you used to close the gap? (Choose up to three answers.)

1. Family members.	37.0
2. Friends.	28.2
3. Banks, securities firms, insurance firms, or business associations of these industries.	35.0
4. Central or local government, consumer bodies on financial education, or other groups.	5.9
5. Media such as TV, newspapers, related books, and the Internet.	56.7
6. Learning opportunities at universities, junior colleges, technical schools, or other places.	4.9
7. Did not take any specific actions to get informed.	15.4

Questions to all respondents

Question 12

In retrospect, do you think that your financial education at schools was insufficient with regard to any of the following areas? (Choose up to three answers.)

- | | |
|--|------|
| 1. Understanding the value and importance of money. | 21.1 |
| 2. Understanding how to use money in a purposeful manner. | 23.0 |
| 3. Understanding the basic mechanisms of the economy and finance. | 48.3 |
| 4. Knowledge of cards and related tips for their use. | 16.8 |
| 5. Becoming equipped with the ability to select an appropriate financial product based on understanding the different types of products available and their particular schemes and features. | 26.2 |
| 6. Understanding investment risks. | 11.5 |
| 7. How to manage household economy and asset investments well. | 13.2 |
| 8. Planning for economic life in old age, including nursing care insurance and pensions. | 24.0 |
| 9. Importance of awareness of self-responsibility in asset management. | 12.2 |
| 10. Other.
() | 2.5 |
| 11. Do not think it was insufficient. | 13.7 |

Question 13

What do you think about financial education in today's schools? (Choose one answer.)

- | | |
|--|------|
| 1. It needs to be addressed more actively. | 57.9 |
| 2. It is sufficient. | 31.2 |
| 3. No need to address it more actively than it is currently. | 4.7 |
| 4. It is better not to conduct financial education at schools. | 3.6 |

Question 14

What aspects of finance do you think should be taught at schools in the future? Please provide answers for primary, secondary, and high school levels, respectively. (Choose up to three answers for each.)

		Primary school	Secondary school	High school
(a)	Understanding the value and importance of money.	93.0	29.4	15.7
(b)	Understanding how to use money in a purposeful manner.	61.0	50.8	16.7
(c)	Understanding the basic mechanisms of the economy and finance.	13.8	51.0	34.4
(d)	Knowledge of cards and related tips for their use.	5.5	32.5	46.4
(e)	Becoming equipped with the ability to select an appropriate financial product based on understanding the different types of products available and their particular schemes and features.	1.2	12.1	35.1
(f)	Understanding investment risks.	1.4	6.9	25.7
(g)	How to manage household economy and asset investments well.	2.6	10.7	23.3
(h)	Planning for economic life in old age, including nursing care insurance and pensions.	3.9	14.6	32.5
(i)	Importance of awareness of self-responsibility in asset management.	1.9	6.1	29.6
(j)	Other. (Primary school:) (Secondary school:) (High school:)	0.5	0.4	0.6

Question 15

How do you think roles for financial education should be shared between schools and other places such as households? Please choose the answer that is closest to your views. (Choose one answer.)

1. Mainly by schools. 30.2
2. Mainly by households. 32.7
3. Mainly by bodies or organizations other than schools and households. 9.6
4. Have no idea. 27.0

Question about the Central Council for Financial Services Information

Question 16

The Central Council for Financial Services Information has as its members representatives from bankers associations, business associations, mass media, bodies such as women's groups, and academia. It conducts activities such as providing the general public, from a neutral and fair standpoint, with information and knowledge on those aspects of finance closely related to their everyday lives. The Public Relations Department of the Bank of Japan serves as its secretariat.

What roles do you expect the Central Council to play? (Choose up to three answers.)

- | | |
|--|-------------|
| 1. Role as a public body for consumer education on finance through its neutral and fair standpoint. | 45.2 |
| 2. Role as a body providing cross-industry financial information and knowledge about banking, securities, insurance, and other areas, as a result of its member composition that covers various private and public sectors. | 33.2 |
| 3. Role as a coordinator and facilitator for private and public bodies related to consumer education on finance, including business circles, consumer groups, local governments, and related ministries and government agencies. | 20.6 |
| 4. Role as a body designed to protect consumers against a variety of financial troubles. | 53.9 |
| 5. Other.
() | 1.2 |
| 6. Have no idea. | 24.2 |
-

To conclude, please provide us with some personal information.

(a) Gender

1. Male	2. Female
49.7	50.3

(b) Age

1. 20s	2. 30s	3. 40s	4. 50s	5. 60s	6. 70 or older
13.1	16.6	17.3	21.9	19.3	11.7

(c) Annual gross income of yourself (and of your spouse) over the past year

1. No income	2. Less than ¥5,000,000	3. ¥5,000,000 - 9,999,999	4. ¥10,000,000 - ¥14,999,999	5. ¥15,000,000 or more
7.4	53.2	29.7	5.0	1.8