

VISION

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FEATURE STORY

FINANCIAL LITERACY

Everything you need to know

The topic of this edition is the outcome of the strategic partnership between the Hellenic Financial Literacy Institute (HFLI) and European Reliance General Insurance Co. S.A.



The Hellenic Financial Literacy Institute was founded in 2016 by Dr. Nikolaos Philippas, Professor of Finance at the University of Piraeus, and is the first civil non-profit organization in Greece that aims to spread financial knowledge and combat financial illiteracy.

European Reliance and the Hellenic Financial Literacy Institute are participating with this special issue in "Global Money Week 2022", an international campaign to raise financial awareness which is being organized for the 10th consecutive year, with over 150 participating countries around the world.



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The Hellenic Financial Literacy Institute on social media



Dear Insured,

European Reliance has been developing over the past 45 years with respect to Greek society and Greek citizens. Challenges are rapidly overcome and success is achieved, based on the unweathering principle of **staying close to our fellow humans**, with politeness, willingness, and a smile! This principle has led us to operate as a **Responsible Corporate Citizen**, adopting ideas such as sustainable development, which is based on the assumption that development must respond to daily needs, without putting the prosperity of future generations in danger.

In previous years, we have placed special emphasis on the protection and restoration of the environment with the campaign #SkepsouAllios and we have focused on the new generation, awarding excellence and the systematic effort devoted to life-long learning, with actions such as granting scholarships to the National and Kapodistrian University of Athens.

In 2022, we unite our forces with the **Hellenic Financial Literacy Institute**, for the **dissemination of financial knowledge** and the **combat against financial illiteracy**. The Hellenic Financial Literacy Institute, through various initiatives, addresses all social classes, with a special emphasis on children and teenagers, and aims to create a new generation of informed and financially responsible citizens, that will be able to make the best possible decisions at every phase of their lives for the effective management of their money and the security of their families.

The co-operation of European Reliance with the Institute includes various actions that highlight the importance of saving and insurance, one of which is the special edition of VISION magazine dedicated to financial literacy that you are currently holding in your hands.

All actions have been designed and are implemented in co-operation with Dr. **Nikolaos Philippas**, Professor of Finance at the University of Piraeus and Founder and Chairman of the Hellenic Financial Literacy Institute.

We believe that this strategic partnership will help to raise financial awareness, and it is worth noting that the present, innovative at an international level special edition of VISION will be included in the official actions of the OECD/INFE, of which the Institute is a proud member!

Moreover, it is worth noting that at a special event, the main subject of which was financial literacy, the Governor of the Bank of Greece, Mr. Yannis Stournaras, highlighted the key role that financial literacy will play for citizens, and more specifically, in matters such as the mitigation of risk and the consequences of future financial crises, using concepts, such as: “desires, choices, saving for future financial goals, well-being during retirement, and diversification of risk”, which are described and analyzed in detail in this special edition of VISION!

Enjoy your reading!

#staysafe

George Gkotsageorgis

Director of Marketing and Sales Network Support

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VISION

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**EUROPEAN
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FINANCIAL LITERACY

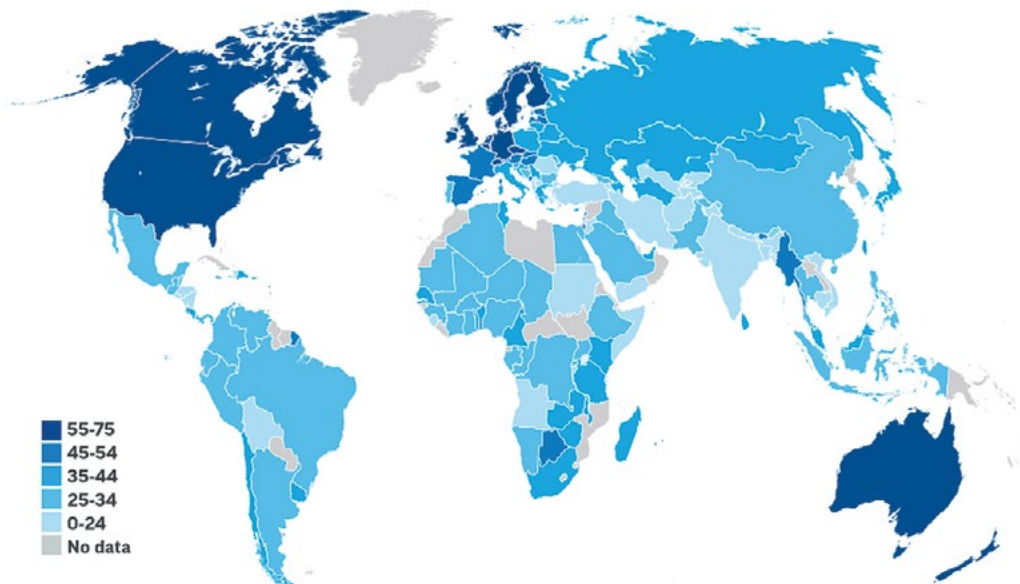
A necessary skill for citizens in the 21st century

Billions of citizens throughout the world are unprepared to manage the developments of an unstable, complicated, and constantly changing financial environment. This realization gives prominence to the significance of financial literacy, which, according to the Organization for Economic Co-operation and Development (OECD), is “the combination of awareness, knowledge, skills, attitudes, and behaviors necessary to make sound financial decisions and ultimately achieve individual financial well-being” (OECD - Atkinson and Messy, 2012). The results of the only global survey on financial literacy to date reveal that two out of three

citizens at an international level are characterized as financially illiterate, since they are unable to answer simple questions correctly, regarding terms such as compound interest, inflation, numeracy, and risk diversification.

The survey was conducted in 2014 by Standard & Poor's on a group of 150,000 citizens from 140 countries, who were called to answer simple questions on financial knowledge through interviews. According to this survey, one out of two Greek citizens is characterized as financially illiterate. The following graph depicts the financial literacy rate per country, ultimately illustrating the world map of financial literacy.

WORLD MAP OF FINANCIAL LITERACY



Source: Standard & Poor's Ratings Services Global Financial Literacy Survey (2015)

The consequences of financial awareness and financial ignorance on our personal life

FINANCIAL AWARENESS	FINANCIAL IGNORANCE
Effective management of income and financial prosperity	Increased possibility of poverty, financial and social exclusion
Prudent management and responsible repayment of debt	Increased risk of over-indebtedness and bankruptcy
Regular saving and implementation of the principles of financial planning	Limited or zero saving for the coverage of unexpected events or long-term needs
Effective management of our portfolio based on the principles of international and time diversification of risk	Loss of income and wealth due to erroneous investment decisions
Selection of appropriate and personalized investment products and proper planning for the future	Inability to effectively manage personal and family wealth, behavioral biases and ineffective management of real estate property
Understanding of the financial environment, realization of the necessity of reforms and subsequent adjustment thereof	Lack of trust, confidence, and control of one's life
Financial peace	Financial stress

The steps that lead to our personal financial independence and freedom

STEP 1	Create various sources of income.
STEP 2	Free yourselves from possible debt and avoid, where possible, any new financial liability.
STEP 3	Save systematically and create an emergency fund.
STEP 4	Start investing, while following the successful strategy of international and time diversification.
STEP 5	Make sure that the income from your investments is higher than the income that you receive from your employment or your pension, if possible.

THE CIRCLE OF MONEY

The 7 Pillars of Financial Literacy



Earning

For most people, **income** is determined by the remuneration of their profession, based on their performance, the labor market, and the national

institutional framework, which varies from country to country. People can increase their income, climb up the corporate hierarchy and claim better-paid jobs by expanding their knowledge and **skills**. Income can also be earned through personal entrepreneurial activity. Moreover, income can be gained through an endowment, personal savings, or even profitable investments, such as land, real estate, shares, mutual funds, etc.

Consuming

Individuals consume goods and services to satisfy their needs and desires. Since their disposable income is limited, most people are not able to buy all the goods and services they desire and thus must choose which ones they will buy and which ones they will “reject”. People can improve their financial well-being by increasing their knowledge so as to make the right decisions, acting as **smart consumers**: this requires short- and long-term **financial planning**, information gathering, analysis, differentiation and prioritization of their needs and desires, as well as preparation of the appropriate budget. Maslow’s Hierarchy of Needs Theory can function as a guide for developing **healthy consumption patterns**.



Saving

Savings represent the portion of disposable income that is not consumed at the present moment but is kept for the future.

People need to save money to ensure their financial security, to

deal with various unexpected events that may occur in the future, and to be able to take advantage of potential investment and other opportunities. Our income, our goals, the duration of saving over the course of our life, the height of interest rates and inflation, financial and political stability, as well as behavioral factors, such as self-control, discipline, responsibility, self-respect, and respect for our children, are some of the factors that affect the level of our savings.

It is estimated that the optimum level of saving should range between **10-15%** of our income.



Getting insured

Nowadays, people have different options to choose from, to protect themselves from various potential risks that may result in serious financial and psychological consequences for themselves and their families.

Loss of income due to illness or an accident, loss, or damage of property as a result of theft, an earthquake, or a fire, are events that can happen to anyone. Therefore, it is paramount that everyone understands the **importance of insurance** in order to



protect their property, along with the fact that if they choose not to insure themselves, they are undertaking risk and therefore may have to bear the consequences of their choice.

Insurance coverage is an **act of conscious** responsibility, that allows individuals to secure themselves against future potential risks by regularly paying a small amount of money to insurance companies, and therefore transferring the risk and the consequences to the latter. The decision on the amount and type of insurance coverage is influenced by the individual's income, consumption patterns and the level of development of the society in which the individual belongs.



Investing

There is a part of our total disposable income which we choose to invest, in order to increase our income or wealth in the future. Building an efficient

investment portfolio requires a holistic approach that reflects both the risk an individual is willing to undertake as well as the investment strategy they choose to follow, and of course, their financial objectives. A wise investment strategy requires both **international and time diversification**, which translates into investments in different countries and markets, in order to significantly decrease the risk of the portfolio. The main characteristics of an investment are its maturity, the level of certainty about its performance (risk), its ability to be liquidated and its level of taxation. It should be noted that, in principle, **investments with higher expected returns entail higher risk**.

Borrowing

Borrowing is a process that allows people to buy and use goods and services at the present moment, that they would not be able to use otherwise due



to lack of money, by paying for the goods and services in the future with an additional cost (interest). Important issues regarding borrowing are the purpose

and the reasons for which people borrow, which should always be well-considered, the capital that is borrowed, and the ability of the borrower to repay the amount. On the other hand, lenders (usually banks) must approve or reject the loan application forms, based on the borrower's credit rating, the purpose of the loan, and the possibility of repayment in the future. Typically, borrowers characterized by a "higher risk" are charged with higher interest rates. At this point, it is important to highlight the fact that **excessive borrowing poses significant risks and increases the possibilities of total or partial bankruptcy of individuals, organizations, or states**.

Donating

Acts of solidarity that address temporary or permanent predicaments of our fellow citizens, give prominence to values, such as solidarity and



humanism. These acts come from different sources and take various forms. Some people prefer to donate money, others to offer their time and work as volunteers, and others to offer food, clothes or other goods. Greece was in the fortunate position to have significant **national benefactors** who contributed to the development of Greek society and the Greek economy, with significant projects and donations, in difficult times. However, the act of donating is not just for those who have lots of money. **It is something we should all do** and something that we should teach our children from an early age, by setting an example for them.

SOCIAL GROUPS OF INTEREST

for Financial Literacy

CHILDREN



Creating a new generation of financially educated and responsible citizens and ensuring their future prosperity should be a priority of both the education system and of every individual. Children need to gradually understand basic concepts such as needs, desires, money, work, entrepreneurship, lending, budget, charity, saving etc.

TEENAGERS

The preparation of teenagers for a successful and happy adult life has to do with their becoming aware of their potential and building the right skills and knowledge in order for them to protect themselves from financial and other mistakes, such as over-indebtedness, wrong investment choices, etc. In this endeavor, certain factors play an important role, such as proper professional orientation, quality education and continuous targeting towards a higher level of financial literacy, so that teenagers may become familiar from an early age with topics such as entrepreneurship, saving, investment, lending, insurance coverage and charity. Therefore, teenagers should develop the appropriate skills to properly manage the various important decisions in their lives.



WOMEN



According to international studies that took place in both developing and developed countries, women have the lowest level of financial literacy skills. This may be due to social patterns and gender inequalities regarding their access to education, employment and entrepreneurship, and due to the formal financial system. At the same time, women have a longer life expectancy than men and longer pauses in their careers due to pregnancy and child rearing, with a negative impact on their saving potential and the accumulation of adequate capital for retirement.

IMMIGRANTS



Immigrants are called to live, work, and raise their families in a new country, with another language, customs, way of life, and a more sophisticated and complex financial system. Daily, they face many obstacles and objective difficulties: not having the necessary documents or credit history, not understanding the native language, stereotypes, different legislation, falling victim of fraud, etc.

YOUNG PARENTS

Young parents and those that plan to start a family should be able to make correct and responsible decisions. Since the cost of raising a child has significantly increased, parents need to redefine their financial objectives and create a family budget, based on their new circumstances, therefore avoiding financial mistakes, such as over-indebtedness, lack of insurance coverage and savings.



RETIREES



Since life expectancy is gradually increasing and people tend to live longer, they need to secure, early on, sufficient income for the third phase of their lives through systematic, long-term saving and appropriate investments. In the future, social insurance coverage will offer less protection and assurance to citizens and, therefore, they will have to make some decisions about their quality of life in future years. It is imperative that all citizens create supplementary sources of income in order to be able to financially ensure their retirement period and to cover any potential health problem that may occur in the future.



Financial literacy as a protection shield for citizens in periods of intense turmoil

? Dr. Philippas, you have repeatedly highlighted the importance of financial literacy as a key skill for citizens in the 21st century. What has led you to this opinion?

There is a series of reasons that contribute to the idea that financial literacy is a necessary skill for citizens of all ages in the 21st century, but especially for young people. Firstly, the complexity of the global financial system and the introduction of new technologies, such as fintech, are creating new challenges and serious understanding issues for citizens who are experiencing this new reality.

A second important reason is over-indebtedness, which is prevalent all over the world. Global debt is approaching the amount of \$300 tln., the highest ever noted in the history of mankind. A third reason is citizens' increased stress levels, since it is the first time in the history of humanity that they are faced with so much uncertainty about the future.

? What is financial literacy?

There are different definitions of financial literacy, which are constantly renewed, depending on the developments of the times and the field. Naturally, the definition is differentiated with regard to the citizens' various age groups. A comprehensive definition for

adult citizens is the one that the leaders of the G20 have adopted from the then senior researchers of the OECD, Atkinson and Messy (2012), that is summarized as "a combination of awareness, knowledge, skills, attitudes and behaviors necessary to make sound financial decisions and ultimately achieve individual financial well-being".

To put it simply, financial literacy is the main term that covers the daily aspects of the sound management of our money, with a special emphasis on saving, reduction of possible debt and effective investments.

? In your opinion, which are the most important financial challenges faced by Greek households nowadays? And what are the most common mistakes observed in financial management?

Our country has experienced very difficult times and there has not been a public dialogue, for citizens to understand the reasons behind this long-term crisis. Drawing on past experiences, I would say that we need to promote the concepts of saving, insurance coverage and retirement planning. Especially, the matter of the healthy habit of saving must be enhanced early on amongst our children and youth. One of the most promising objectives of the Institute is to revive National Savings Day.

Interview with **Dr. Nikolaos D. Philippas**
*Professor of Finance at the University of Piraeus and Founder and Chairman
of the Hellenic Financial Literacy Institute*

? Given the current low interest rates, which do you think are the wisest choices for a family man or someone who wants to set up a long-term investment plan?

Investing in mutual funds would be the most appropriate solution for every family man. Interested parties should apply the principles of international diversification and time diversification of risk, through the investment of an amount of money on a regular basis, for example every month, in international mutual funds. I believe that the strategy of paying regular amounts of money, which is called dollar-cost averaging method in the U.S.A., reduces the risk of loss of a portfolio and is a successful investment strategy.

? Do you believe that the developments in our national economy would be different if we had high levels of financial and insurance literacy?

Yes, I do believe that. We are financially vulnerable as a country and as citizens and the only solution is to change our productive model, to increase our country's GDP through productive investments, to wisely manage our limited resources and to increase saving at a national level.

The lack of financial culture in Greeks makes them vulnerable to wrong choices and acts as a hindrance to their personal well-being.

The dramatic fall of the prices of shares in the Athens Stock Exchange in 1999, the housing bubble, the over-indebtedness of households and businesses, the non-performing loans, and the catastrophic management of the property of insurance funds over time, are just a few of the characteristic examples of financial ignorance and financial "abuse" endured by Greek citizens with intertemporal consequences on their wealth and prosperity. These findings must be carefully studied by economic and educational policy makers, to the degree that they relate directly or indirectly to most citizens, that make significant decisions concerning consumption, saving, investing and planning for retirement.

? According to international studies, what are the factors that cause financial illiteracy?

Factors that cause financial illiteracy vary from country to country and include, among others, low income, inability to access education and more specifically financial education, gender, the risk undertaken, age, lack of knowledge and experience of how financial, banking, insurance, and retirement plans function, as well as a lack of basic knowledge and skills, such as reading (literacy) and application of simple mathematics and statistics (numeracy). In addition to these factors, we should also consider the lack of knowledge of the English language, since in many countries around the world there is no knowledge and actions concerning financial literacy available in their native languages. Finally, we must take into account additional social, psychological and cognitive factors, such as the illusion of knowledge, myopic and herd behavior, and the cognitive ability of the individual.

? If you wanted to give some basic financial advice, what would that be?

The big picture is our personal and our family's well-being. Therefore, our income must in general be higher than our expenses, to ensure sufficient saving. The second step is to lower our possible debt and our financial stress. The third necessary step is the creation of an emergency fund to effectively deal with future potential unpleasant financial situations.

Over time, we should also ensure alternative sources of income, in order to be able to enjoy life. Changing consumption and other long-established habits is not an easy task but it is feasible, as is reducing and cutting back on unnecessary expenses. We should also note that, according to official data from the Ministry of Finance, in 2021, Greek citizens spent €18,7 bln. on gambling. What do you think about that? Couldn't we make better use of this amount of money, in whole or in part, with a view to protecting ourselves, our family and our assets?

FINANCIAL STRESS

is directly related to financial illiteracy

Financial stress is defined as a state that is the result of certain economic or financial events that create worries, stress or even a sense of deficiency that comes with emotional tension.

Our inability to respond to immediate financial obligations, such as the payment of our bills, possible installments for our credit cards or other loans, as well as our obligations to the tax office has been related to serious physical and psychosomatic illnesses. New findings from the USA highlight the significance of the problem of financial stress, that, according to the replies of the participants, existed before the appearance of the pandemic. The survey was conducted by the Global Financial Literacy

Excellence Center of the University of George Washington and the FINRA Investor Education Foundation (2021).

According to the findings of the survey, 60% of the participants stated that they feel anxious when thinking about their personal finances, whereas 50% of the participants reported feeling exceptionally stressed when discussing their personal finances with other people. Women exhibit higher levels of financial stress than men (65% vs. 54%).

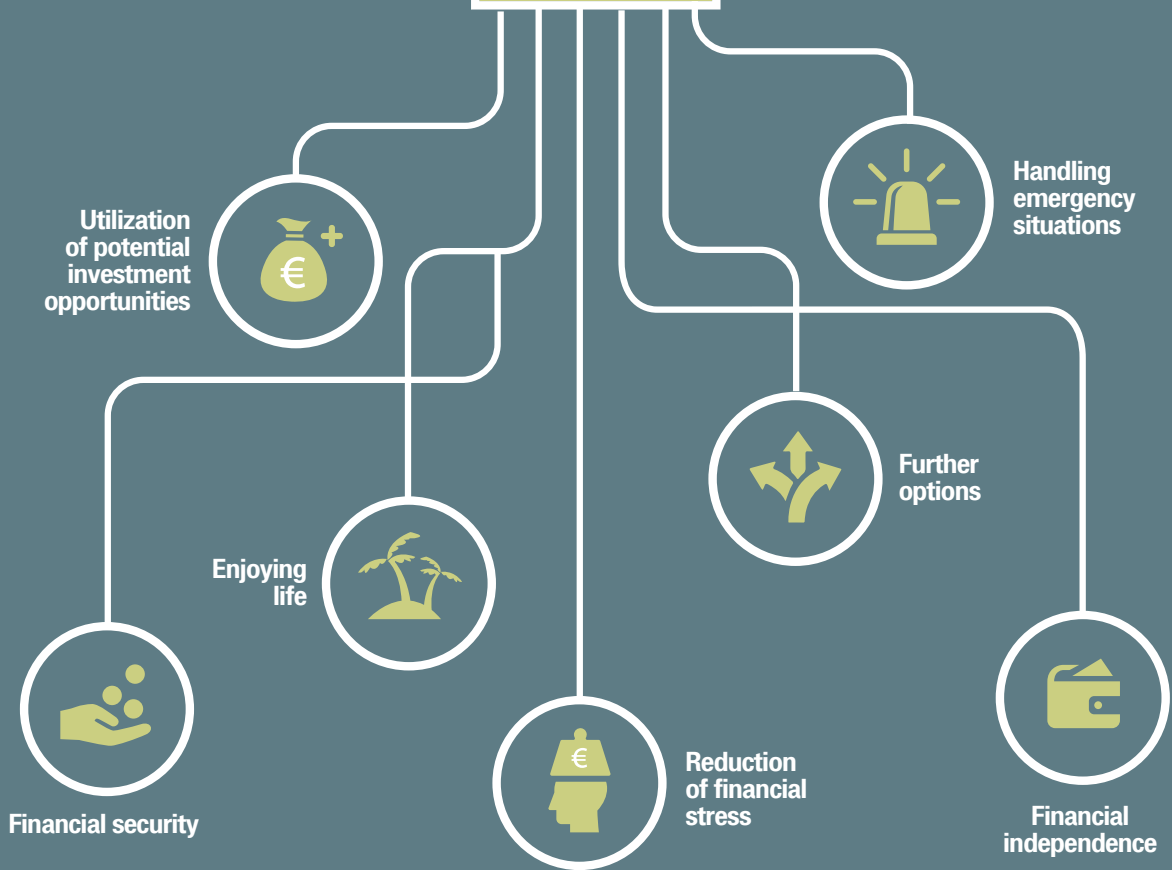
The main factors that contribute to higher levels of financial stress are a lack of assets, inadequate income, increased debt, inability to effectively manage money, as well as low levels of financial literacy.

Women, young adults, people with a high number of financially dependent children, as well as those with a low level of income, or people who are unmarried or unemployed, exhibited the highest level of financial stress.

The study indicates a direct connection between financial stress and financial illiteracy and concludes with policy proposals for the financial education of citizens and the emerging importance of the role of saving in our life.



The benefits of saving



Delayed Gratification

Self-control, self-discipline and consistency are necessary elements for the achievement of our long-term objectives.

Over time, certain consumer habits have been shaped, that offer us instant gratification through our neurons, thus hindering achievement of our long-term objectives. Experts in this field recommend the change of our consumption patterns and behaviors, while “sacrificing short-term gratification”. This procedure is referred to in international literature as “delayed gratification”. This change in our behavior is certainly not an easy task but is worth it!

“The ability to discipline yourself to delay gratification in the short term in order to enjoy greater rewards in the long-term is the indispensable prerequisite for success.”

Brian Tracy
Author, Motivational Public Speaker



The benefits of delayed gratification

Delayed gratification, in other words resisting the temptation of immediate satisfaction of our desires in favor of greater long-term rewards contribute to the following:

Strengthening of our control over impulsive consumption

Improvement of our ability to save money

Acknowledgement of the benefits of patience, dedication to our objectives and hard work for their achievement

Becoming more appreciative of our possessions

Making healthy financial decisions

Liberating ourselves from feelings of guilt and regret that come with making swift, impulsive, and possibly wrong decisions.

The characteristics of delayed gratification



A person that is patient and postpones gratification in the present moment

- Does not make impulse purchases
- Does not demand direct satisfaction of their needs
- Prioritizes work over entertainment
- Stays focused on their objectives
- Is patient when required to wait in long queues
- Does not get angry when they do not receive what they want
- Does not complain when plans change unexpectedly
- Chooses to save



A person that seeks immediate gratification in the present moment

- Is a compulsive buyer
- Aims at the direct satisfaction of their desires
- Prioritizes entertainment over work
- Chooses to focus on their entertainment rather on their objectives
- Loses their patience in long queues
- Gets frustrated when they do not receive what they want
- Strongly complains when plans change unexpectedly
- Chooses spending over saving

What should you teach your children about money

...based on their age

3 to 5 years old



- ✓ The concept of delayed gratification.
- ✓ The difference between needs and desires.
- ✓ Sharing and the importance of donating.

6 to 10 years old



- ✓ The concept of earning.
- ✓ The concepts of saving and spending.

10 to 14 years old



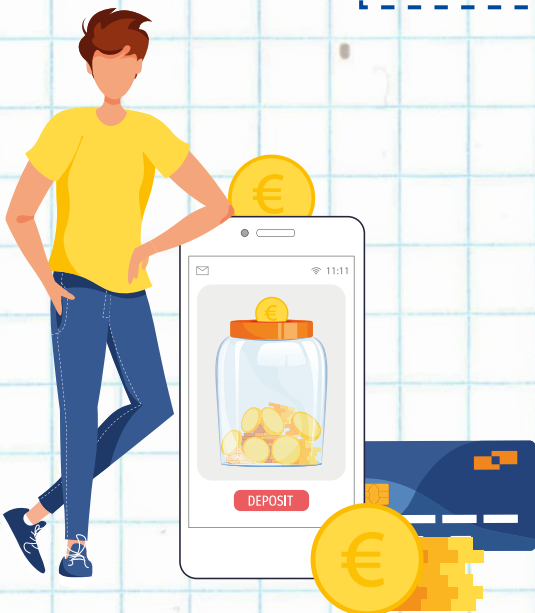
- ✓ The various financial issues a family has to deal with.
- ✓ Long-term financial objectives.

14 to 18 years old



- ✓ The role of employment.
- ✓ The need for creating a personal budget.

16 to 18 years old



- ✓ The concepts of credit and debt.
- ✓ The concepts of investments and compound interest.



QUIZ

FINANCIAL KNOWLEDGE FOR CHILDREN

Answer the following 14 questions and discover the level of your financial awareness.

1 In older times, people used to exchange goods at street fairs. This is called:

- a** Bartering
- b** Purchasing of products
- c** Monetary economy
- d** Purchasing of services

2 The first form money appeared in was:

- a** Rare shells
- b** Coins
- c** Rocks
- d** Cattle

3 The first metal coin was introduced in:

- a** Mesopotamia in 4000 B.C.
- b** Lydia around 600 B.C.
- c** China in 2200 B.C.
- d** Egypt in 1500 B.C.

4 The first banknote was introduced in:

- a** China in 1100 A.D.
- b** Venice in 1000 A.D.
- c** England in 1400 A.D.
- d** France in 1200 A.D.

5 The first currency of modern Greece was:

- a** the Greek Drachma
- b** the Phoenix
- c** the four-Drachma Athenian coin
- d** the two-Drachma coin (Didrachm)

6 In which year did Greece transition to the Euro?

- a** in 1999
- b** in 2000
- c** in 2002
- d** in 1992

7 When Greece replaced the Drachma with the Euro, every Euro was equivalent to ... Drachmas.

- a** 542,71
- b** 105,35
- c** 340,75
- d** 25

8 Which of the following is not a characteristic of money?

- a** Its ability to be divided into smaller units
- b** Its credibility
- c** Its acceptability
- d** Its invisibility

9 Which of the following are goods?

- a** Oranges
- b** Trips
- c** Books
- d** Holidays
- e** a and c

10 Which of the following is a service?

- a** A football
- b** A trip
- c** A film
- d** A vacation
- e** b, c and d

11 If a tablet costs €180 and every day you put aside €1, how many months will it take you to save for the tablet (given that a month has an average of 30 days)?

- a** 12 months
- b** 3 months
- c** 6 months
- d** 48 months

12 If you want to buy a board game in 5 weeks that costs €75, how much money should you save every week?

- a** €10
- b** €15
- c** €17
- d** €25

13 If you save €7 every week, how much money will you have saved in total in a year (given that a year has 52 weeks)?

- a** €364
- b** €412
- c** €288
- d** €416

14 Which of the following is not a form of electronic money?

- a** A credit card
- b** A debit card
- c** Banknotes
- d** Digital currencies

Grading of the answers

1	2	3	4	5	6	7	8	9	10	11	12	13	14
a 2	a 0	a 0	a 2	a 0	a 0	a 0	a 0	a 1	a 0	a 0	a 0	a 2	a 0
b 0	b 0	b 2	b 0	b 2	b 0	b 0	b 0	b 0	b 1	b 0	b 2	b 0	b 0
c 0	c 0	c 0	c 0	c 0	c 2	c 2	c 0	c 1	c 1	c 2	c 0	c 0	c 2
d 0	d 2	d 0	d 0	d 0	d 0	d 0	d 2	d 0	d 1	d 0	d 0	d 0	d 0
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Total score

Below **12** points

You are very good! However, there is considerable scope for improvement. You may also visit the microsite of the @xia program, which is dedicated to financial knowledge and financial empowerment, to study more about financial concepts, with your parents or by yourself.

Between **13** and **21** points

You are very good! Bravo!

Between **22** and **28** points

Congratulations! You already know so many things for your age! Keep up the good work!



QUIZ

FINANCIAL BEHAVIORS FOR CHILDREN

Answer the following 10 questions and discover more about your relationship with money.

1 In life we will be called to face both pleasant and unpleasant financial situations. Which of the following do you think is the best way to deal with potential future unpleasant situations?

- a** The support of our parents.
- b** Systematic saving that will prepare us appropriately.
- c** I have many friends, who will support me financially.
- d** a and c

2 When my family's finances do not go well:

- a** I respond that this is not my problem and that my parents are responsible for it.
- b** I discuss with my parents to understand the reasons why this is happening.
- c** I quickly adjust to the new reality and say that things will change quickly.
- d** b and c

3 Certain things must be bought because they are necessary, whereas others are bought because we simply want them. Therefore, for this reason, we must:

- a** Buy the things that we want immediately. This is the right thing to do.

- b** Firstly buy the things that are absolutely necessary and then the things that we desire.
- c** Realize that balance is key in every decision, however small.
- d** b and c

4 In your opinion, why do people need money?

- a** To ensure an easier, more creative, and higher-quality life.
- b** To buy what they want when they want it.
- c** To become financially independent and help out people who are in need.
- d** a and c

5 Saving is very important because it fills us with:

- a** Optimism
- b** A feeling of security.
- c** Stress. I do not think that I need to save.
- d** Self-respect
- e** a, b and d

6 Your parents offer you the following two options: to give you €10 today or €30 in two months, provided that you also save €30 in the meantime. Which of the two options would you choose?

- a** I will take the €10 now. Why should I wait two months?
- b** It is worth waiting for. Not only will I get triple the money, but I will also learn to save by reducing unnecessary expenses.

7 In your opinion, where should you keep your money?

- a** In my money box/piggy bank.
- b** Under my mattress.
- c** In a joint account with my parents, in order to learn how banks operate.
- d** Some in my money box and the rest in a joint bank account with my parents.

8 What is your opinion on money?

- a** Money doesn't buy happiness. Personally, money does not interest me at all.
- b** Money is necessary for our happiness. Without money, we cannot live and be happy.
- c** Money doesn't buy happiness, but lack of money certainly brings unhappiness.
- d** Money is my purpose in life.

9 Many things in life are free and can make us happy, such as:

- a** A good relationship with our parents, genuine friends, a healthy diet and exercise.
- b** Nature, books, and hobbies.
- c** Only money brings happiness.
- d** a and b

10 As you may know, the state provides free textbooks to children that go to public schools. After the end of the school year:

- a** We can make good use of the textbooks by giving them to a library or passing them on to younger children to read them, provided that we have kept them in a good state.
- b** If our parents have paid for the books, we can do whatever we want with them. We can even burn them.
- c** We can recycle them.
- d** a and c

Grading of the answers

1	2	3	4	5	6	7	8	9	10
a 0	a 0	a 0	a 1	a 1	a 0	a 1	a 0	a 1	a 1
b 2	b 1	b 1	b 0	b 1	b 2	b 0	b 0	b 1	b 0
c 0	c 1	c 1	c 1	c 0		c 1	c 2	c 0	c 1
d 0	d 2	d 2	d 2	d 1		d 2	d 0	d 2	d 2
				e 2					

Total score

Below 10 points

There are other things more important than money and the present moment. You should try and set long-term goals, while being patient and persistent. You will surely gain from it!

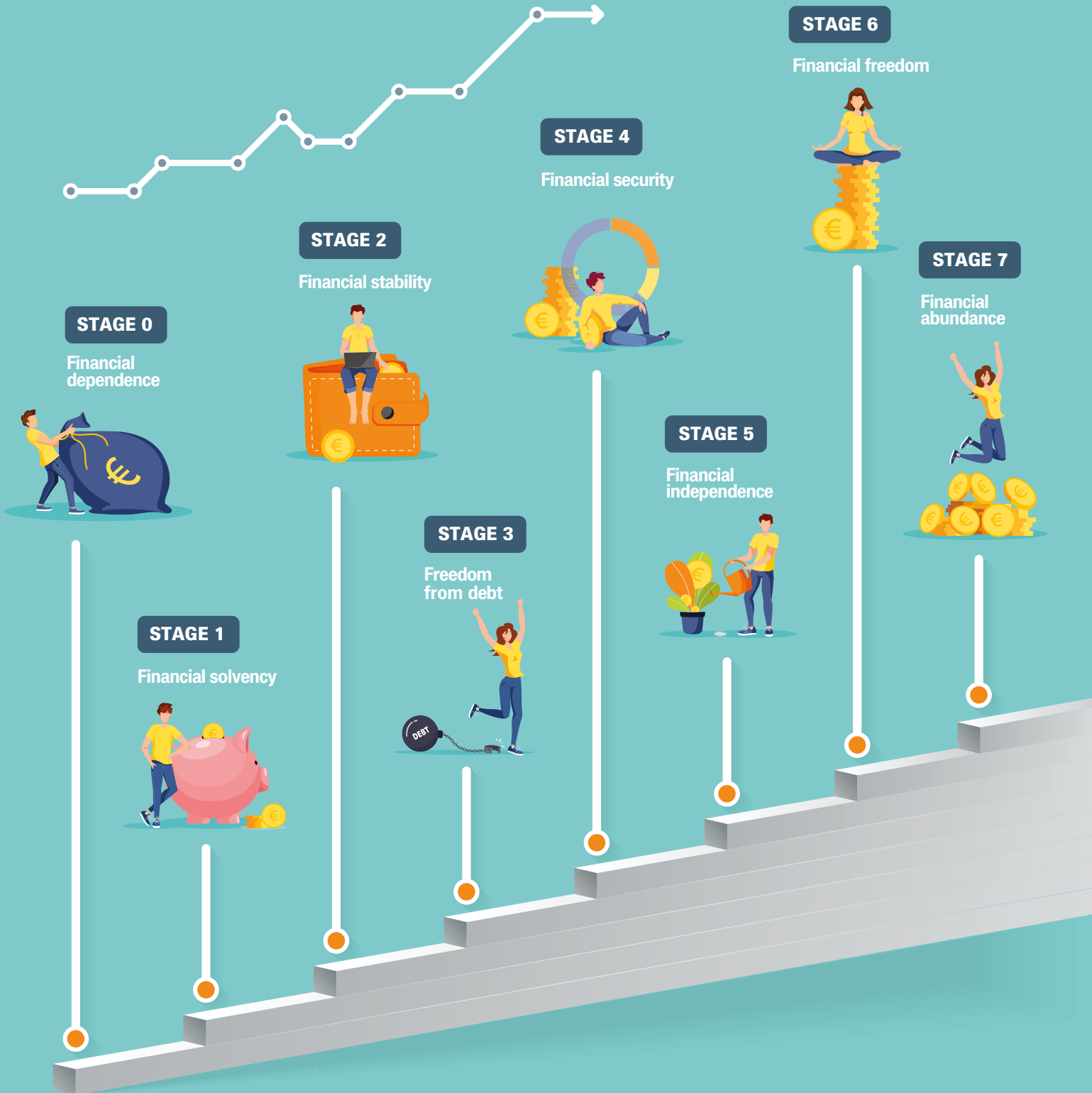
Between 11 and 15 points

You are on the right path! You successfully balance things between the present and the future. Set a goal to buy something important to you and I am certain that you will achieve it! Keep up the good work!

Between 16 and 20 points

Congratulations! You can accurately evaluate money and use it with clarity and wisdom that is unprecedented for your age! Well done!

THE STAGES OF OUR FINANCIAL LIFE





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