



# Surveys on Financial Literacy and Digital Financial Skills in Italy: Adults

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## Introduction<sup>1</sup>

The Bank of Italy has been conducting a triennial survey on the financial literacy in Italy (IACOFI) since 2017. The survey is based on a methodology developed by the International Network on Financial Education (INFE) of the OECD<sup>2</sup>. In the 2023 edition, questions assessing the digital financial skills of respondents, measured using the OECD methodology, were introduced for the first time.

The survey for 2023 involved a sample of just under 5,000 individuals aged 18 to 79 and based in Italy. The data collection took place in (the months of) February and March using Computer-Assisted Telephone Interviewing (CATI). The survey units are subject to post-stratification, where the weighting coefficients of the units are adjusted to make the composition of the sample comparable to that of the population, according to socio-demographic parameters including geographic area, municipality size, gender, age and education.

## 1. Financial Literacy

Financial literacy is measured by a comprehensive indicator that aggregates three dimensions: knowledge, behaviour, and attitudes.

Knowledge assesses familiarity with the following concepts: inflation, interest rate, the difference between simple and compound interest rates, and risk diversification. Behaviour refers to the management of financial resources in the short and long term, including setting financial goals, resource planning, punctuality in payments, and savings in recent months. Questions about attitudes capture individuals' propensity to save, particularly for precautionary purposes, in a long-term perspective, as well as care in spending money.

In the 2023 survey, the overall financial literacy indicator was found to be 10.7 on a scale of 0 to 20.

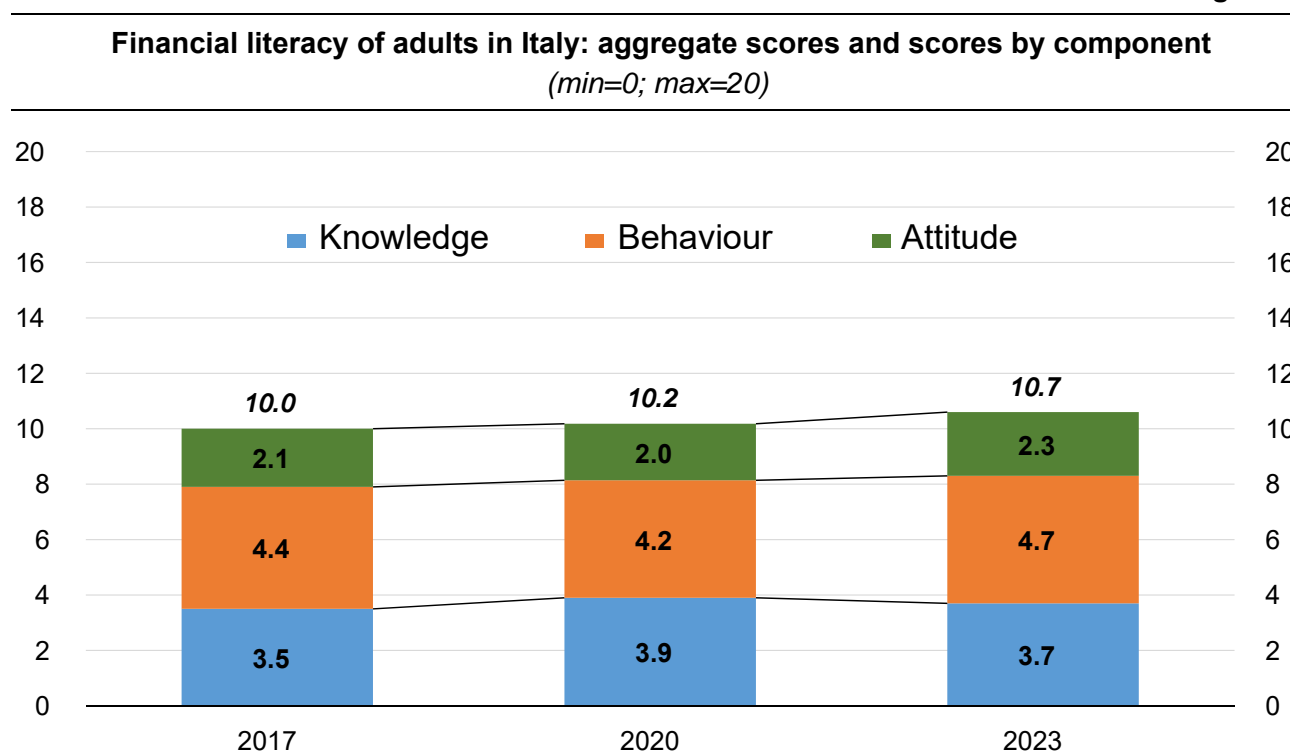
<sup>1</sup> By Sara Lamboglia, Marco Marinucci, Massimiliano Stacchini and Pietro Vassallo. The authors were responsible for designing the survey and defining the sample weights through post-stratification, for processing the data and for drafting the text. We would like to thank the individuals who agreed to take part in the survey.

<sup>2</sup> See OECD (2022), OECD/INFE [Toolkit for Measuring Financial Literacy and Financial Inclusion 2022](#).

The level of financial literacy varies depending on certain characteristics of individuals. Financial literacy appears to increase with educational attainment: individuals with a lower secondary school education or lower have an average score of 9.6 points, while upper secondary school or university graduates score 11.1 and 12.0 points, respectively. The score is lower among young adults aged 18 to 34 (10.0) and the population over 64 years old (10.4). There is a gender gap, with women scoring 10.5, 0.4 points less than men.

Compared with 2020<sup>3</sup>, the overall financial literacy score has slightly increased (from 10.2 in 2020 to 10.7 in 2023, as shown in Figure 1)<sup>4</sup>. This improvement can be attributed to the behaviour component (from 4.2 to 4.7) and the attitude component (from 2.0 to 2.3). Conversely, the knowledge component has decreased slightly (from 3.9 to 3.7).

**Figure 1**



Source: Based on data from IACOFI, Bank of Italy (2017, 2020, and 2023 editions). For the definition of variables, please refer to the OECD/INFE [Toolkit for Measuring Financial Literacy and Financial Inclusion 2022](#). Any differences between aggregate scores and the sum of individual component scores are due to rounding.

<sup>3</sup> In the 2020 survey, interviews were conducted in person at the respondents' residences with the assistance of computers (Computer-Assisted Personal Interviewing). For the results of the 2020 survey, please refer to D'Alessio, De Bonis, Neri and Rampazzi, 'Financial literacy in Italy: the results of the Bank of Italy's 2020 survey', Banca d'Italia, [Questioni di Economia e Finanza](#), 588, 2020.

<sup>4</sup> In the 2023 survey, there was a change to the metric used to measure attitudes, compared with previous editions. The range of values for the attitudes component was set at 0 - 4 (with a value of 0 for those who did not answer any question correctly). In the 2017 and 2020 surveys, the range was 1 - 5 (with a value of 1 for those who did not answer any question correctly). For the purpose of historical comparison, the scores for the attitudes component for the 2017 and 2020 editions were adjusted downwards by one point. As a result, the range of values for the aggregated financial literacy scores is 0 - 20 for all three survey editions.

## 2. Digital Financial Skills

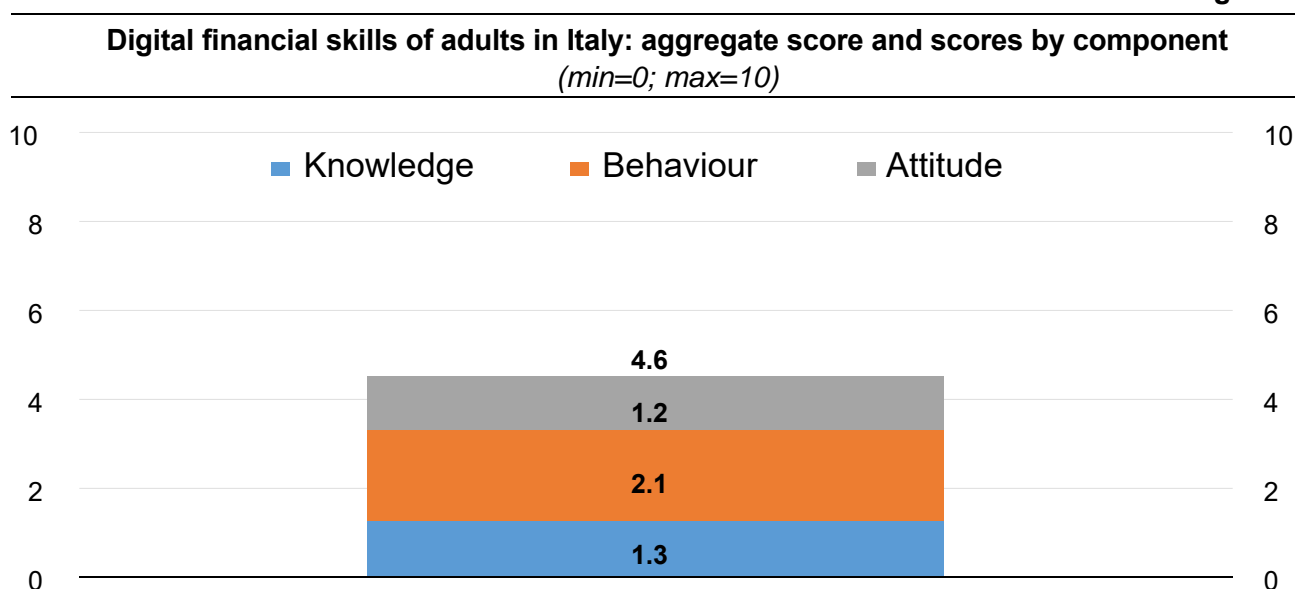
The 2023 edition of the survey assesses digital financial skills in Italy for the first time<sup>5</sup>.

Digital financial skills are measured by an overall indicator that aggregates three dimensions: knowledge, behaviour, and attitudes in the area of digital finance.

The questions regarding knowledge assess whether the respondent is aware of the difference between crypto-assets and money, is familiar with contracts executed using digital signatures, and is conscious that the online dissemination of personal data can be used for commercial profiling purposes. The behaviour-related questions investigate habits such as regularly changing passwords used for managing personal finances and online purchases, caution in sharing passwords for accessing deposit accounts, and making sure the providers of digital financial services are subject to national regulations. The questions on attitudes aim to ascertain whether the respondent is aware of the risks associated with making online purchases on public Wi-Fi networks, and pays attention to website security and the terms and conditions of sales agreements when making online purchases.

The overall digital finance indicator is 4.6 on a scale of 0 to 10 (Figure 2). The scores vary depending on certain characteristics of individuals: they are higher among those with higher levels of education, in the northern regions and among adults aged 35 and over. There is a gender gap in the overall digital finance score (with women scoring 4.5 points compared with 4.7 for men), and this gender gap is lower than the gender gap in financial literacy, in percentage terms.

**Figure 2**



Source: Based on data from IACOFI, Bank of Italy (2023 edition). For the definition of variables, please refer to the OECD/INFE [Toolkit for Measuring Financial Literacy and Financial Inclusion 2022](#). Any differences between aggregate scores and the sum of individual component scores are due to rounding.

<sup>5</sup> Digital financial skills are defined as ‘...a combination of knowledge, skills, attitudes and behaviour necessary for individuals to be aware of and safely use digital financial services and digital technologies with a view to contributing to their financial well-being’ (OECD (2022), OECD/INFE [Guidance on digital delivery of financial education](#)).

The indicator for knowledge in digital finance is 1.3 on a scale of 0 to 3. Among the most interesting aspects, it is worth noting that around two-thirds of the respondents believed that crypto-assets had the same legal status as traditional money, and 61 per cent thought that digitally signed contracts did not have legal value. Around half of the respondents were not aware that the online dissemination of personal information could be used to profile individual preferences and create tailored ads.

The indicator for behaviour in digital finance is 2.1 on a scale of 0 to 4. Among the findings, it is worth highlighting that 20 per cent of the respondents declared sharing their deposit account passwords with friends and 23 per cent declared disseminating information about their financial situation online. 30 per cent reported regularly changing their passwords. Lastly, 20 per cent said they made sure the providers of online financial services were regulated entities.

The indicator for attitudes in digital finance is 1.2 on a scale of 0 to 3. Only half of the respondents reported paying attention to website security before making transactions, and only 32 per cent were aware that online purchases on public Wi-Fi networks might not be secure. 58 per cent said they did not read contractual conditions carefully when making online purchases.

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