

*OECD/INFE Survey Instrument to  
Measure the Financial Literacy of MSMEs*

*2020 version*



This document presents a survey instrument for measuring financial literacy among owners of micro, small and medium enterprises (MSMEs). It was developed by the OECD International Network on Financial Education (INFE) through an iterative process, which included a pilot test in seven volunteering countries in 2018-2019.

This version takes into account the implications of the COVID-19 pandemic on businesses, and is to be used under the current circumstances of limited physical contact. It was approved at the 14<sup>th</sup> meeting of the OECD/INFE Technical Committee, held online on 7-8 October 2020.

This survey instrument is shared on the OECD website for institutions and researchers wishing to use it autonomously. The Secretariat will seek opportunities to organise a coordinated international measurement exercise in the future.

Institutions and researchers planning to use this questionnaire should inform the OECD/INFE Secretariat at [SecretariatINFE@oecd.org](mailto:SecretariatINFE@oecd.org).

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## Introduction

### Background

Micro, small and medium enterprises (MSMEs) make up the majority of enterprises in the world, providing employment and contributing significantly to national incomes. They can play an important role in sustainable, inclusive economic growth and development and improved financial stability given appropriate conditions and timely support. Successful development and growth of MSMEs depends on supply- and demand-side factors, including the possession of adequate financial knowledge and skills (OECD, 2015<sup>[1]</sup>; OECD, 2017<sup>[2]</sup>).

The importance of financial skills for MSMEs is recognised by the G20/OECD High-Level Principles on SME financing developed in 2015, which recall the need to "Enhance SME financial skills and strategic vision" in Principle 7 (G20/OECD, 2015<sup>[3]</sup>).

The OECD report on "Financial Education for MSMEs and Potential Entrepreneurs" (Atkinson, 2017<sup>[4]</sup>) notes that one of the first steps for policy makers seeking to improve the level of financial literacy among MSMEs is to identify what financial competencies MSMEs and potential entrepreneurs need and collect evidence on the levels of financial literacy among MSMEs.

The OECD and its INFE have developed significant expertise in measuring the financial literacy of consumers. Since 2010, the OECD/INFE developed and revised a toolkit to measure financial literacy and financial inclusion among adults (OECD, 2018<sup>[5]</sup>) and published internationally comparable results (OECD, 2016<sup>[6]</sup>; OECD, 2017<sup>[7]</sup>).

Since 2015, the OECD/INFE, through its working group on Financial Education for MSMEs, decided to create a survey instrument to measure financial literacy among micro and small business owners. The questionnaire was developed building upon the OECD/INFE financial literacy core competency framework for MSMEs (OECD, 2018<sup>[8]</sup>) and previous similar surveys (see the Annex for a list of relevant studies).

The questionnaire was discussed and refined through an iterative process during various OECD/INFE meetings (May 2017 in Paris, France; November 2017 in New Delhi, India; May 2018 in Paris, France and October 2018 in Moscow, Russian Federation). It was then piloted in 2018-2019 in seven volunteering countries. The OECD/INFE Secretariat used the results of the pilot test to revise the questionnaire and analysis plan (see Box 1).

The questionnaire was further revised in 2020 to take into account the implications of the COVID-19 crisis on businesses, and to be used under circumstances of limited physical contacts (e.g., in case of telephone or online interviews). The revised version was approved during the OECD/INFE meetings in October 2020. It is expected to be used in an international survey in 2021, to be conducted under Italy's G20 Presidency.

### Box 1. Refining the survey instrument through a pilot test

Between July 2018 and January 2019, seven countries volunteered to pilot the survey instrument (Brazil, Chile, Italy, Lebanon, Portugal, Russian Federation and South Africa).

Countries participating in the pilot reported that most respondents found the questionnaire interesting and appropriate, and that most questions were easy to translate and unambiguous. Some specific questions were perceived as unclear or sensitive and were either revised or dropped. Most financial knowledge questions generated sufficient variation in the responses to undertake meaningful analyses. Most countries felt that 50 employees was a relevant cut-off to identify the target population.

The Secretariat conducted preliminary statistical analysis of the pilot data. Due to the very small number of observations (120 observations across five countries) results should be taken with caution. In any case, it is not possible to establish causal links with data collected through this questionnaire.

Based on the preliminary analysis, financial literacy appeared to be correlated with the experience of entrepreneurs and their families; gender; participation in training; business turnover; and whether the business experienced lack of cash in the last 12 months. However, pilot data did not show a correlation between financial literacy and other characteristics, such as business size, the level or type of education of the business owner, and other measures of business performance.

The OECD/INFE Secretariat used feedback from piloting institutions and statistical analysis to select the most relevant questions, revise some of the remaining questions, significantly shorten the questionnaire, and refine the analysis plan.

## Aim and scope

The survey aims at measuring financial literacy in accordance with the definition and competencies laid out in the OECD/INFE Financial literacy core competency framework for MSMEs and potential entrepreneurs (OECD, 2018<sup>[81]</sup>). The working definition of financial literacy of owners and managers of MSMEs and of potential entrepreneurs is:

*"the combination of awareness, knowledge, skills, attitudes and behaviour that a potential entrepreneur or an owner or manager of a micro, small or medium sized enterprise should have in order to make effective financial decisions to start a business, run a business, and ultimately ensure its sustainability and growth".*

This definition stresses that:

- The subject displaying a certain level of financial literacy is an individual, be it an entrepreneur-to-be or owner/manager of an MSME, and not the MSME as a whole (even if it is considered to be a legal person);
- The financial literacy being described is specific to business issues rather than personal ones (i.e. it is not the personal financial literacy of an entrepreneur).

In order to limit the heterogeneity of the population under study, this survey focuses on micro and small enterprises, defined for the purpose of this study as employing less than 50 people. This is consistent with the OECD/INFE work on financial education for MSMEs.

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## Content of this document

This document presents a survey instrument for measuring financial literacy among owners of MSMEs. It includes:

- A questionnaire designed to capture information about financial behaviour, attitudes and knowledge of MSMEs' owners, in order to assess their level of financial literacy and gain insights about the financial inclusion of their businesses. Questions cover:
  - financial products used for the business, managing and planning business finances, financial knowledge and a range of attitudes and behaviours that are related to financial literacy,
  - characteristics of the business, such as size, sector, and turnover,
  - demographic and socio-economic characteristics of the respondent,
  - sustainability and environmental, sustainability and governance (ESG) factors,
  - digital financial literacy,
  - impact of the COVID-19 crisis on the business
- Instructions for institutions wishing to use this survey instrument and potentially submitting data to the OECD/INFE Secretariat for comparative analysis.
- An analysis plan to create financial literacy scores.
- Methodological notes and a list of relevant previous studies, in the Annex.

It is accompanied by:

- A data template (in MS Excel) to guide data collection, which will be made available to institutions using the questionnaire
- A checklist to provide information about the data collection process, available in Table 2.

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## OECD/INFE survey instrument to measure the financial literacy of MSMEs [version: October 2020]

### Target population

The survey should be representative of the following target population:

- *Owners.* The survey aims at interviewing the business owner (or one of them in case of multiple owners) as long as s/he is involved in taking financial decisions for the business.

***Business size.* The survey covers owners of MSMEs, including self-employed people and one-person businesses, employing fewer than 50 people (including owners, managers, all types of part-time and full-time employees regardless of their job contract, but excluding unpaid family members).** If the survey is used in an existing SME panel or survey, or if the national definition of MSMEs covers firms employing more than 50 employees, these firms may be kept in the sample but it should be possible to identify precisely the number of people working in the firm, for international comparability.

Countries and authorities wanting to expand the survey to larger firms may do so, but should keep in mind that some questions may not be adapted to larger business sizes. In the framework of a coordinated measurement exercise within the OECD/INFE, countries are encouraged to discuss their choice with the Secretariat.

- *For-profit businesses.* The survey focuses on businesses for profit and excludes not-for-profit organisations.
- *Formal/informal businesses.* Based on the national context, countries may decide whether and to what extent they would like to cover informal (non-registered) businesses. Countries wanting to cover the informal sector should use question QC9 (which is marked as optional). Countries and authorities wanting to cover informal businesses should keep in mind that covering informal business would imply additional requirement on the sampling methodology and (such as for instance, a booster sample taken from the general adult population to capture individuals who may run a small business even if this is not registered).

### How to read the questionnaire

- The questionnaire includes a broad set of questions in order to capture a wide range of aspects of the financial literacy of micro and small business owners. Nevertheless some questions are considered more important than others. The questionnaire distinguishes among three levels of importance of questions, ranging from “core” to “optional”. Section “Using the questionnaire” on page 33 provides more explanations.
- The right-hand column of each question indicates the variable name and label that should be used in the dataset to facilitate international comparison (in line with the data template). If an additional question is asked or the wording of a question is

changed, alternative question number and labels should be used. Please do not change the number/label of existing questions to avoid confusion.

- Some questions have been revised to make it easier to conduct the survey over the phone or online.

## National adaptations

Some questions should be adapted to the national context in order to be fully relevant to respondents. Table 1 lists questions where adaptations are requested or encouraged. Countries wishing to introduce other national adaptations may do so but are encouraged to discuss them with the Secretariat before conducting the survey, in order to ensure comparability.

**Table 1. National adaptations**

Variable	Label	Action
QC9	Turnover	In some countries the term 'revenues' is more widely used than 'turnover'. It is possible to use turnover, revenues or other term that is well understood in the country, as long as it maintains the same meaning.
QC9	Turnover	If the country is outside of the Euro Area, please create new categories and use the local currency to cover the typical business turnover range for MSMEs.
QP1	Accounts	Do not ask questions QP1_2 or QP1_3 if online financial institutions without physical branches, or mobile accounts, respectively, do not exist in the country.
QP3 and QP4	Heard of / Used for the business	The list of product types used in the national questionnaire should be adapted to the country context, and should cover at least some forms of debt and equity, possibly including some traditional and alternative products and services. Products or services that are different from the ones in the existing list or are new should be identified with a different variable name (e.g., "_add1" etc.)
QM9_9	Behavioural statements: credit score	This statement should be used only in countries where it is relevant
QM7	Retirement plans	National example of pension plans can be added between <> signs
QK1	Self-rated knowledge	Add country name between <> signs
QK3	Simple interest	Adapt to local currency. Add "no fee, tax free" if necessary given the country context
QK4	Compound interest	Adapt to local currency. Do not change categories
QK7	True/ false: Credit rating	This statement should be used only in countries where it is relevant
QK5	Balance sheet	In some countries, other terms are used to designate a balance sheet, intended as a financial snapshot, taken at a point in time, of the firm's assets and liabilities (e.g. in South Africa it is called 'statement of financial position'). It is possible to use a term different from 'balance sheet' that would be better understood in the country, as long as it maintains the same meaning.
QX4 and QX5	Sales of products or services through a shared online platform (e.g. Amazon) as a percentage of total sales	Use examples of online platforms relevant to the national context between <> signs
QX4 and QX5	Use of social media (e.g. <facebook>, <other national example>, etc.) for business activity such as advertising or networking	Use examples of social media relevant to the national context between <> signs
QX12 and QX13	Government measures	The list of main government policy measures implemented to support firms' financial conditions should be adapted to the country context



## Screening

[CORE] ASK ALL QC1) How would you characterise your business, is it ...?

		Variable name: QC1
	READ IF NECESSARY	Label: Business type
An autonomous profit-oriented business, making independent financial decisions	In the sense of making independent management decisions; this includes partnerships and cooperatives	1
A branch of another business	Branches are controlled by a parent company and are not separate legal entities	2
A subsidiary of another business	A separate, distinct legal entity that is part of a profit-oriented business	3
A non-profit business	Foundation, association, semi-government	4
<i>Don't know</i>		-97
<i>Refused</i>		-99

IF QC1 = 2 (BRANCH) or = 4 (NON-PROFIT) → STOP INTERVIEW

IF QC1 = 3 (SUBSIDIARY) → MAKE THE FOLLOWING REQUEST: **In your replies to all the following questions, please respond on behalf of the subsidiary and not of the larger business.**

[CORE] ASK ALL QC2) Do you own this business (alone or with others)?

	Variable name: QC2
	Label: Owner
Yes (alone or with others)	1
No	0
<i>Don't know</i>	-97
<i>Refused</i>	-99

IF QC2 = 0 (RESPONDENT IS NOT AN OWNER) OR -97 OR -99 → STOP INTERVIEW

[CORE] ASK ALL QC3) Are you involved in taking financial decisions for this business?

NOTE TO INTERVIEWER: 'financial decisions for the business' may include decisions around taking a loan for the business, looking for sources of funding, paying taxes, deciding how to solve cash flow issues, etc.

	Variable name: QC3
	Label: Owner takes financial decisions
Yes	1
No	0
<i>Don't know</i>	-97
<i>Not applicable (previous question =0)</i>	-98
<i>Refused</i>	-99

IF QC3 = 0 or -97 or -99 (RESPONDENT NOT INVOLVED IN FINANCIAL DECISIONS / DOES NOT KNOW / REFUSES TO ANSWER) → STOP INTERVIEW

[FULL] ASK ALL QC4) **Could you tell me how many full-time equivalent people are working in this business, including yourself?**

NOTE TO INTERVIEWER: please clarify that the respondent can include owners, managers, all types of part-time and full-time employees, and seasonal workers, but excluding unpaid family members. “Full-time equivalent” means that, for instance, two people working half of the time count as one full-time equivalent person.

	Variable name: QC4
	Label: Number staff
Number (including yourself)	
<i>Don't know</i>	-97
<i>Not applicable (already provided an answer in previous question)</i>	-98
<i>Refused</i>	-99

IF QC4 LARGER THAN 50 → STOP INTERVIEW

[CORE] IF QC4 = -97 or -99 (DK OR REFUSED) QC5) **In which of these categories does the number of full-time equivalent people working in this business (including yourself) fit?**

NOTES TO AGENCY: existing categories can be broken down further to match the classification of MSMEs in the country, but please do not collapse existing categories.

NOTE TO INTERVIEWER: please clarify that the respondent can include owners, managers, all types of part-time and full-time employees, and seasonal workers, but excluding unpaid family members. Full-time equivalent means that, for instance, two people working half of the time count as one full-time equivalent person.

READ OUT	Variable name: QC5
	Label: Category staff
1 person (self-employed respondent)	1
From 2 to 4 people	2
From 5 to 9 people	3
From 10 to 19 people	4
From 20 to 49 people	5
50 people or more	6
<i>Don't know</i>	-97
<i>Not applicable (already provided an answer in previous question)</i>	-98
<i>Refused</i>	-99

IF QC5 LARGER THAN 50 → STOP INTERVIEW

IF both QC4 = -97 or -99 and QC5 = -97 or -99 (IT IS NOT POSSIBLE TO HAVE AN ESTIMATE OF THE NUMBER OF PEOPLE IN EITHER OF THE QUESTIONS) → STOP INTERVIEW

## Characteristics of the business

### [FULL] ASK ALL QC6) In which year did your business begin operations?

NOTE FOR INTERVIEWER: “beginning of operations” means practically starting business activities, such as opening a shop, or setting up an office. It does not include starting thinking about the business idea. The beginning of operations can be before the official registration of the business for tax purposes.

	Variable name: QC6
	Label: Start year
Year business began operations	____ (Four digits)
<i>Don't know</i>	-97
<i>Refused</i>	-99

### [OPTIONAL] ASK ALL QC7) Is this business registered for tax purposes?

	Variable name: QC7
	Label: Registration
Yes	1
No	0
<i>Don't know</i>	-97
<i>Refused</i>	-99

### [CORE] ASK ALL QC8) What is the main activity of your business?

NOTES TO AGENCY: Categories can be expanded, combined or edited depending on national priorities. It may be appropriate to create a scorecard for this question if interviews are conducted face-to-face.

INTERVIEWER TO PROMPT AND MARK ONE	Variable name: QC8
	Label: Sector
Agriculture, forestry and fishing	1
Manufacturing	2
Construction and real estate	3
Wholesale and retail trade	4
Transportation, shipping, storage	5
Accommodation, food and beverage services	6
Other personal services such as education, beauty, repairs, laundry	7
Information and communication	8
Business services such as legal, accounting, advertising, cleaning	9
Other	10
<i>Don't know</i>	-97
<i>Refused</i>	-99

[*CORE*] IF QC8= 10 (OTHER) QC8\_O) Please specify:

	Variable name: QC8_O
	Label: Sector – other
Other sector	_____
Not applicable (QC8 different from 10)	-98

**INTERVIEWER TO READ OUT: this question is asked only for research purposes and we will not share any data.**

[*CORE*] ASK ALL QC9) What was the approximate annual turnover of this business in the previous fiscal year? [READ IF NECESSARY: Please include all locations of your enterprises] IF BEGAN OPERATIONS LESS THAN ONE YEAR AGO READ OUT: What do you expect to be the annual turnover of this business this fiscal year?

NOTES TO AGENCY:

- In some countries the term ‘revenues’ is more widely used than ‘turnover’. It is possible to use turnover, revenues or other term that is well understood in the country, as long as it maintains the same meaning
- If the country is outside of the Euro Area, please create new categories and use the local currency to cover the typical business turnover range for MSMEs
- It may be appropriate to create a scorecard for this question if interviews are conducted face-to-face

READ OUT	Variable name: QC9
	Label: Turnover
Up to €10,000	1
More than €10,000 and up to €50,000	2
More than €50,000 and up to €100,000	3
More than €100,000 and up to €500,000	4
More than €500,000 and up to €1 million	5
More than €1 million and up to €2 million	6
More than €2 million and up to €10 million	7
More than €10 million and up to €50 million	8
More than €50 million	9
<i>Don't know</i>	-97
<i>Refused</i>	-99

[*OPTIONAL*] ASK ALL QC10) Does this business export products or offer services abroad?

	Variable name: QC10
	Label: Exports
Yes	1
No	0
<i>Don't know</i>	-97
<i>Not applicable (e.g. retail )</i>	-98
<i>Refused</i>	-99

## Financial products

**INTERVIEWER READ OUT:** The following set of questions is about financial products and services. We will not ask you about the balance of any accounts you hold, we are just interested in whether you have heard of them or used them for your business. Please keep in mind that we are interested in products that you use for your business, not for personal/household purposes.

[CORE] ASK ALL QP1) Do you have any of the following accounts for your business?

NOTES TO AGENCY: do not ask question QP1\_2 if “online financial institutions that does not have a physical branch” do not exist in the country. Do not ask question QP1\_3 if “Current or savings account that can be operated only on a mobile” do not exist in the country.

	Variable name: QP1
	Label: Accounts: X
	These are multi-coded. Create a single variable for each response. Record responses as: 1=Yes, 0=No, -97=Don't know, -99=Refused.
Current or savings account at a bank, post office, credit union or other traditional financial institution with a physical branch	_1
Current or savings account at an online bank or other online financial institution that does not have a physical branch [to be used in countries where relevant]	_2
Current or savings account that you can operate only on your mobile [to be used in countries where relevant]	_3

[CORE] IF QP1\_1 = 1 or QP1\_2 = 1 or QP1\_3 = 1 (HAS A CURRENT ACCOUNT) QP2) You mentioned that you have a current or savings account for your business. Can you tell me which of these statements best represents your situation?

	Variable name: QP2
READ OUT	Label: Separation account
I use the same account for both my household and business finances	1
I have separate accounts for my household and for my business, but I find it quite difficult to manage household and business finances separately	2
I manage strictly separate accounts for my household and for my business	3
Don't know	-97
Not applicable (does not have an account)	-98
Refused	-99

[CORE] ASK ALL QP3\_X) Please can you tell me whether you have heard of this type of financial product or service in the context of your business [Read list below]?

[CORE] IF QP3\_X = 1 (IS AWARE OF PRODUCT X) QP4\_X) ...and can you tell me whether you currently use or have used it for your business in the last 24 months [or since business creation if the business existed for less than 24 months]? [read relevant parts of list below]

## NOTES TO AGENCY/INTERVIEWER:

- Questions QP3 and QP4 are intended to provide information about the financial awareness and inclusion of MSME business owners, not about the capital structure of the firm.
- Please remind respondents to answer in relation to business finances, not their personal or household finances
- The list of product types used in the national questionnaire should be adapted to the country, and should cover at least some forms of debt and equity, possibly including some traditional and alternative products and service. If necessary, read examples after asking about awareness (QP4).
- Products or services that are different from the ones in the existing list or are new should be identified with a different variable name (e.g., “\_add1” etc.)
- QP3 and QP4 should be read horizontally: QP3\_X) Please can you tell me whether you have heard of product X? and if yes, QP4\_X) can you tell me whether you have used it for the business?

Variable names:	QP3	QP4	
Labels:	Heard of: X	Used: X	
INTERVIEWER READ OUT RELEVANT PRODUCT TYPES EACH TIME. MARK ALL THAT APPLY.	<b>These are multi-coded. Create a single variable for each response. Record responses as: 1=Yes, 0=No, -97=Don't know, -99=Refused.</b>		<b>FIRST ASK QP3 WITHOUT READING THE EXPLANATIONS IN THIS COLUMN. EXPLANATIONS MAY BE READ AFTER RECORDING ANSWER TO QP3 AND QP4 FOR THE INTEREST OF THE RESPONDENT BUT <u>SHOULD NOT</u> BE USED AS A HINT.</b>
Bank overdraft or credit line (for the business)	_1	_1	A bank overdraft is the negative balance on a bank account with or without specific penalties. A credit line is a pre-arranged loan that can be used, in full or in part, at discretion and with limited advance warning
Business loan from a bank	_2	_2	
Invoice discounting	_3	_3	
Corporate bonds or commercial papers	_4	_4	Debt issued by the business
Micro-credit (for the business)	_5	_5	The extension of very small loans to borrowers who typically lack collateral. Often disbursed in the form of group loans.
Trade credit	_6	_6	This means paying your suppliers at the later agreed date, usually 30, 60 or 90 days after the delivery of the purchased goods or services
Venture capital	_7	_7	Venture capitalists are generally well-off investors, investment banks or other financial institutions providing capital or know-how to enterprises.
Angel investment/ Business angels	_8	_8	A business angel is an affluent individual who provides capital for a business start-up, usually in exchange for convertible debt or ownership equity.
Public equity	_9	_9	Selling shares of a company to institutional and/or retail investors through a public exchange.
Crowdfunding/ peer-to-peer lending	_10	_10	Crowdfunding and peer-to-peer lending refer to raising money from unrelated individuals or businesses without a traditional financial intermediary, usually via dedicated online portals. Crowdfunding may take the form of equity, debt, donations or hybrid forms.

Initial coin offering (ICO)	_11	_11	An (often unregulated) means of crowdfunding based on cryptocurrencies
Mezzanine finance	_12	_12	Mezzanine financing is a hybrid of debt and equity financing that gives the lender the rights to convert to an ownership or equity interest in the company in case of default, after venture capital companies and other senior lenders are paid.
Leasing or hire purchase	_13	_13	Obtaining the use of a fixed asset (for example, cars or machinery) in exchange for regular payments, but without the immediate ownership of the asset
Factoring	_14	_14	Selling your invoices to a factoring company; this company gets your invoices or receivables and has to collect it; it will make a profit by paying you less cash than the face value of the invoice
Derivatives (such as options, futures, swaps and others)	_15	_15	Financial instruments used to hedge against various types of risk (default on a loan, interest rates rise, etc.)
Property insurance	_16	_16	Insures buildings, equipment, inventory, furniture, etc. in the event of damage or theft
Third-party liability insurance	_17	_17	Insures against damages caused by the owner, employees or products to a third party
Business interruption insurance (or business income insurance, or profit losses insurance)	_18	_18	Compensates a business for its lost income during events that cause a disruption to the normal course of business
Life insurance for the owner	_19	_19	Insures against the death of the owner
Sustainable (social or green) bonds or loans	_20	_20	Debt issued by the business or a loan that finances sustainable projects
[other products]	_add1	_add1	
[other products]	_add2	_add2	
[other products]	_add3	_add3	
<i>Don't know response given to the question as a whole</i>	_97	_97	
<i>None</i>	_98	_98	
<i>Refused to respond to the question as a whole</i>	_99	_99	

[CORE] ASK ALL THOSE WHO USED ONE OR MORE PRODUCTS IN QP4 QP5  
**Which of the following statements best describes how you made your most recent choice about a financial product or service for the business (e.g. current account, business loan, insurance policy, etc.)?**

	Variable name: QP5
INTERVIEWER: READ OUT OPTIONS 1-4; RECORD ONLY THE ONE THAT BEST DESCRIBES	Label: Shopping around
I considered several options from different financial providers before making my decision	1
I considered the various options from one financial provider	2
I didn't consider any other options at all	3
I looked around but there were no other options to consider	4
<i>Don't know</i>	-97
<i>Not applicable (no product indicated in QP5)</i>	-98
<i>Refused</i>	-99

## Managing and planning business finances

**INTERVIEWER READ OUT:** The next set of questions will help us to understand how people think about, and plan business finances. There are no right and wrong answers to these questions, and your answers will be kept entirely confidential, so please do answer as honestly as you can.

[FULL] ASK ALL QM1) In the past 24 months [or since business creation if the business existed for less than 24 months], has any of these people helped you in taking financial decisions for the business?

NOTE TO INTERVIEWER: “help” may include any form of formal or informal advice from family, friends, accountants or other professional advisors. “Financial decisions” may be related to taking out a loan for the business, paying taxes, keeping track of expenses, accounting, or managing cash flow.

MARK ALL THAT APPLY	Variable name: QM1 Label: Who helps: X
	These are multi-coded. Create a single variable for each response. Record responses as: 1=Yes, 0=No, -97 =Don't know, -98 =Not applicable, -99 =Refused.
A business partner	_1
A book-keeper or accountant external to the business	_2
A business financial advisor external to the business	_3
A financial intermediary (e.g. bank)	_4
A public agency or institution	_5
Family or friends	_6
Someone else	_7

[FULL] IF QM1\_7 = 1 (OTHER) QM1\_O) Please specify:

	Variable name: QM1_O Label: Who helps - Other
Who is the other person who helps with financial decisions	_____
Not applicable (question QM2_8 different from 1)	-98



**[FULL] ASK ALL QM2) In the past 24 months [or since business creation if the business existed for less than 24 months], have you asked for help about any the following matters?**

NOTE TO INTERVIEWER: “help” may include any form of formal or informal advice from family, friends, accountants or other professional advisors. “Financial decisions” may be related to taking out a loan for the business, paying taxes, keeping track of expenses, accounting, or managing cash flow.

MARK ALL THAT APPLY	Variable name: QM2 Label: Help for: X
	These are multi-coded. Create a single variable for each response. Record responses as: 1=Yes, 0=No, -97=Don't know, -98 Not applicable, -99=Refused.
Managing cash flow and/or liquidity needs	_1
Accessing external financing	_2
Evaluating the financial performance of the business	_3
Any type of taxes	_4
Book-keeping and/or accounting	_5
Assessing the business' exposure to any type of risk	_6

**[CORE] [COMPULSORY QUESTION FOR BUSINESSES WITH UP TO 9 EMPLOYEES; OPTIONAL FOR BUSINESSES WITH 10 EMPLOYEES OR MORE] ASK ALL QM3) How do you keep track of the financial records of the business?**

READ OUT. MARK ONE	Variable name: QM3 Label: Keeping track of financial records
In electronic format (e.g. MS Excel or dedicated software)	1
In paper form (e.g. noting them in a notebook; keeping receipts and invoices)	2
I keep track of financial records in my head	3
Someone else does it for me (e.g. an accountant)	4
In another way	5
I do not usually keep track	6
<i>Don't know</i>	-97
<i>Refused</i>	-99

[CORE] ASK ALL QM4) **Have you thought about how you will fund your own retirement or maintain yourself when you will no longer work due to old age?**

	Variable name: QM4
	Labels: Thought about retirement
Yes	1
No / Not yet	0
<i>Don't know</i>	-97
<i>Refused</i>	-99

[OPTIONAL] IF QM4 = 1 (RESPONDENT HAS THOUGHT ABOUT RETIREMENT)  
**QM5) Which one of these options do you expect will be the most important income source to fund your own retirement?**

NOTE TO AGENCY: National example of pension schemes can be added between <> signs. It may be appropriate to create a scorecard for this question if interviews are conducted face-to-face.

	Variable name: QM5
READ OUT. MARK ONE.	Labels: Retirement plans
A government pension/ old-age benefit (e.g. <national examples>)	1
A private pension plan (e.g. <national examples>)	2
Selling financial assets (such as stocks, bonds or mutual funds)	3
Selling non-financial assets (such as a car, property, art, jewels, or antiques)	4
Income generated by financial or non-financial assets (such as dividends or rental income)	5
Personal savings	6
Continuing to run a business (the current one or a new one)	7
The revenues of a business (the current one or a new one)	8
Selling the business	9
Relying on my family (spouse, partner, children or other family member) to support me	10
Something else: specify	12
<i>Don't know</i>	-97
<i>Not applicable (not thought about funding retirement)</i>	-98
<i>Refused</i>	-99

[OPTIONAL] IF QM5 = 12 (OTHER) **QM5\_O) Please specify:**

MARK ALL THAT APPLY.	Variable name: QM5_O
	Label: Retirement plans - other
Other option to fund retirement	_____
<i>Not applicable (QM5 different from 12)</i>	-98

[CORE] ASK ALL QM6) Imagine that tomorrow you discover that most of the equipment that you need to operate the business has been stolen (it could be computers, vehicles or other equipment). Which one of these statements best represents what you would do?

NOTE TO AGENCY: It may be appropriate to create a scorecard for this question if interviews are conducted face-to-face.

READ OUT. MARK ONE	Variable name: QM6
	Label: Strategies theft
I would use money that my business has set aside for emergencies	1
I would claim insurance on all or part of the equipment	2
I would take a loan to buy new equipment	3
I would use some personal or household funds	4
I would ask family members or friends to lend me money or equipment	5
I would stop my business temporarily or for good	6
I don't know, I have never thought about how I would cope	7
Other: specify [register what]	8
<i>Don't know</i>	-97
<i>Refused</i>	-99

[CORE] IF QM6 = 8 (OTHER) QM6\_O Please specify:

	Variable name: QM6_O
	Label: Strategies theft – other
Other strategy to cope with theft	_____
<i>Not applicable (QM6 different from 8)</i>	-98

[CORE] ASK ALL QM7) Thinking about your business, would you agree or disagree with the following statements?

Please use a scale of 1 to 4, where:

- 1 tells me that you strongly disagree that the statement describes you, and
- 4 shows that you strongly agree

[NOTE TO AGENCY: record responses with values 1, 2, 3, 4, or don't know=-97, refused=-99 as relevant]

INTERVIEWER: repeat the scale as many times as necessary. If respondent answers (dis)agree: check 'Would you say you strongly (dis)agree'?

	Variable names: QM7
<b>Rotate list</b>	<b>Label: Behavioural statement: X</b>
INTERVIEWER: READ OUT EACH STATEMENT AND WAIT FOR RESPONSE.	<b>Create a single variable for each statement. Record responses as:</b> 1 = strongly disagree 2 = disagree 3 = agree 4 = strongly agree -97 = Don't know, or -99 = Refused.
[CORE] I keep secure data and information about the business	_1
[CORE] I compare the cost of different sources of finance for the business	_2
[CORE] I forecast the profitability of the business regularly	_3
[CORE] I adjust my planning according to the changes in economic factors	_4
[CORE] When I make an investment for the business, I take into account its environmental impact	_5
[CORE] When I make an investment for the business, I take into account its social impact	_6
[CORE] I involve my providers in implementing actions with low environmental impact	_7
[OPTIONAL] I decide whether to make an investment on the basis of the financial data of the business	_8
[OPTIONAL] I regularly check the tax rules that apply to my business	_9
[OPTIONAL] I know how to raise funds if my business needs them	_10
[OPTIONAL] I use my book-keeping to monitor the financial position of the business	_11
[OPTIONAL] I regularly check my credit score <i>[to be used only in countries where relevant]</i>	_12
[OPTIONAL] It is easy to access the money I need for my business	_13
[OPTIONAL] I know how to access government financial support for my business	_14

## Financial knowledge and attitudes

[OPTIONAL] ASK ALL QK1) **Could you tell me how you would rate your overall knowledge about financial matters compared with other adults in <COUNTRY NAME>?**

	Variable name: QK1
INTERVIEWER: READ OUT Would you say it was... [INTERVIEWER PROBE LEVEL IF NOT CLEAR FROM FIRST RESPONSE]	<b>Label: Self-rated knowledge</b>
Very low	1
Quite low	2
About average	3
Quite high	4
Very high	5
<i>Don't know</i>	-97
<i>Refused</i>	-99

**[CORE] ASK ALL QK2) Still thinking about your business... would you agree or disagree with the following statements?**

Please use a scale of 1 to 4, where:

- 1 tells me that you strongly disagree that the statement describes you, and
- 4 shows that you strongly agree

[Note to agency: record responses with values 1, 2, 3, 4, or don't know=-97, refused=-99 as relevant]

INTERVIEWER: repeat the scale as many times as necessary. If respondent answers (dis)agree: check 'Would you say you strongly (dis)agree'?

	Variable names: QK2
<b>Rotate list</b>	<b>Label: Attitudinal statement: X</b>
INTERVIEWER: READ OUT EACH STATEMENT AND WAIT FOR RESPONSE.	<b>Create a single variable for each statement. Record responses as:</b> 1 = strongly disagree 2 = disagree 3 = agree 4 = strongly agree -97=Don't know, or -99=Refused.
[CORE] I set long term financial goals for the business and strive to achieve them	_1
[CORE] I am confident to approach banks and external investors to obtain business finance	_2
[CORE] I prefer high-risk and high-yield projects rather than low-risk and low-yield projects	_3
[CORE] I prefer to follow my instinct rather than to make detailed financial plans for my business	_4
[OPTIONAL] I try to influence the state of my business finances in the future with my day to day behaviour	_5
[OPTIONAL] I am prepared to persevere if business success does not materialise immediately	_6
[OPTIONAL] I find it stressful to work for myself	_7
[OPTIONAL] I prefer to use financial companies that have a strong ethical stance	_8
[OPTIONAL] I like to work for myself and be my own boss	_9
[OPTIONAL] I have a business because I could not find a job as an employee	_10
[OPTIONAL] The business allows me to turn my ideas into practice	_11
[OPTIONAL] I started a business because it allows me to combine work and family in a flexible way	_12
[OPTIONAL] Starting a business was my only option to earn some income	_13

**INTERVIEWER READ OUT: The following section of the questionnaire is more like a quiz [translation note: a quiz is a fun activity – a game - and should not be translated to 'test'. If in doubt leave this sentence out]. The responses will be used to improve policies for MSMEs, and not to assess the ability of each respondent. The questions are not designed to catch you out, so if you think you have the right answer, you probably do. If you don't know the answer, just say so.**

[*OPTIONAL*] ASK ALL **QK3**) **Imagine that someone puts €100 into a <no fee, tax free> savings account with a guaranteed interest rate of 2% per year. They don't make any further payments into this account and they don't withdraw any money. How much would be in the account at the end of the first year, once the interest payment is made?**

NOTE TO AGENCY: adapt to local currency. Do not change the percentage rate. If savings accounts incur fees in your country, please include a phrase to reflect the wording in < and provide a note to this effect for international comparisons. Code -999 should only be used if the interviewer is absolutely convinced that the response does not fit within the normal boundaries of the question. The interviewer should not provide hints about the type of response expected, but may ask the respondent to repeat themselves. For face-to-face interviews this can be put onto a showcard. Do not include 'refused' on a showcard

	Question: QK3
INTERVIEWER: READ QUESTION AGAIN IF ASKED	Label: Simple interest
Record Response [Minimum value=0]	—
<i>Don't know</i>	-97
<i>Refused</i>	-99
<i>Irrelevant answer</i>	-999

[*OPTIONAL*] ASK ALL **QK4**) **...and how much would be in the account at the end of five years [add if necessary: remembering there are no fees or tax deductions]? Would it be:**

NOTE TO AGENCY: adapt to local currency. Note that this question is intended to indicate whether the respondent knows about compound interest, and so the amount in each of the options must be exactly equal to the total interest without compounding. Code -999 should only be used if the interviewer is absolutely convinced that the response does not fit within the normal boundaries of the question. The interviewer should not provide hints about the type of response expected, but may ask the respondent to repeat themselves. For face-to-face interviews this can be put onto a showcard and the respondent can give the corresponding number. Do not include 'refused' on a showcard

	Question: QK4
INTERVIEWER: READ OPTION LIST FROM 1 TO 4	Label: Compound interest
More than €110	1
Exactly €110	2
Less than €110; <i>or is it</i>	3
Impossible to tell from the information given	4
<i>Don't know</i>	-97
<i>Refused</i>	-99
<i>Irrelevant answer</i>	-999

**[OPTIONAL] ASK ALL QK5) Could you tell me which of these best describes a balance sheet?**

NOTE TO AGENCY: In some countries, other terms are used to designate a balance sheet, intended as a financial snapshot, taken at a point in time, of the firm's assets and liabilities. It is possible to use a term different from 'balance sheet' that would be better understood in the country, as long as it maintains the same meaning. For face-to-face interviews this can be put onto a showcard and the respondent can give the corresponding number.

	Variable name: QK5
	Label: Balance sheet
A financial snapshot, taken at a point in time, of the firm's assets and liabilities	1
A record of profits and losses of the firm in a certain period of time	2
A record of the flow of financial resources over time	3
None of those	4
<i>Don't know</i>	-97
<i>Refused</i>	-99

**[OPTIONAL] ASK ALL QK6) Could you tell me which of these best describes the Return-on-Assets ratio (ROA)?**

NOTE TO AGENCY: For face-to-face interviews this can be put onto a showcard and the respondent can give the corresponding number.

	Variable name: QK6
	Label: ROA
An indicator of the firm's capital structure	1
An indicator of the firm's liquidity	2
An indicator of the firm's performance	3
None of those	4
<i>Don't know</i>	-97
<i>Refused</i>	-99

**ASK ALL QK7) I would like to know whether you think the following statements are true or false:**

	Variable names: QK7
<b>Rotate list</b>	Label: True false: X
INTERVIEWER: READ OUT EACH STATEMENT AND WAIT FOR RESPONSE.	Create a single variable for each statement. Record responses as: 1=True, 0=False, -97=Don't know, -99=Refused
[CORE] Dividends are part of what a business pays to a bank to repay a loan	_1
[CORE] When a company obtains equity from an investor it gives the investor part of the ownership of the company	_2
[CORE] If a financial investment offers the chance to make a lot of money it is likely that there is also a chance to lose a lot of money	_3

[CORE] High inflation means that the cost of living is increasing rapidly	_4
[CORE] A 15-year loan typically requires higher monthly payments than a 30-year loan of the same amount, but the total interest paid over the life of the loan will be less	_5
[OPTIONAL] Credit rating is an evaluation of the ability of a prospective borrower to pay back their debt <i>[to be used only in countries where credit rating is relevant]</i>	_6
[OPTIONAL] If a farmer grows several types of fruit and vegetables each year, she has a lower risk of losing all her crops to disease	_7

## Financial education and protection

[FULL] ASK ALL QF1) **Have you ever received training on how to manage business finances?**

NOTE TO INTERVIEWER: if necessary, add ‘this could be a dedicated course or other activity on managing business finances and dealing with financial accounts, or part of a broader training on business skills or entrepreneurship’

	Variable name: QF1
	Label: Business finance course
Yes	1
No	0
<i>Don't know</i>	-97
<i>Refused</i>	-99

[OPTIONAL] ASK ALL QF2) **Have you ever received training on personal money management?**

NOTE TO AGENCY: if necessary, add ‘this could be a course on making a budget, finding ways to save money, or managing your bills, for example’

	Variable name: QF2
	Label: Personal finance course
Yes	1
No	0
<i>Don't know</i>	-97
<i>Refused</i>	-99



[*OPTIONAL*] ASK ALL **QF3**) I would like to know whether you agree or disagree with the following statements

Please use a scale of 1 to 4, where:

- 1 tells me that you strongly disagree that the statement describes you, and
- 4 shows that you strongly agree

NOTE TO AGENCY: record responses with values 1, 2, 3, 4, or don't know=-97, refused=-99 as relevant

NOTE TO INTERVIEWER: repeat the scale as many times as necessary. If respondent answers (dis)agree: check 'Would you say you strongly (dis)agree'?

	<b>Variable names: QF3</b>
<b>Rotate list</b>	<b>Label: FE FCP statement: X</b>
INTERVIEWER: READ OUT EACH STATEMENT AND WAIT FOR RESPONSE.	<b>Create a single variable for each statement. Record responses as:</b> 1 = strongly disagree 2 = disagree 3 = agree 4 = strongly agree -97=Don't know, or -99=Refused.
[ <i>OPTIONAL</i> ] I know how to place a complaint if I think I am treated unfairly by a financial provider	_1
[ <i>OPTIONAL</i> ] I train myself when I want to learn more about dealing with business finances	_2

## Demographics of the respondent

[*CORE*] RECORD OR ASK ALL **QD1**) Interviewer to record **gender**.

	<b>Variable name: QD1</b>
	<b>Label: Gender</b>
Male	1
Female	0

[*FULL*] ASK ALL **QD2**) Please could you tell me how old you are, currently?

	<b>Variable name: QD2</b>
	<b>Label: Age</b>
Age:	—
Refused	-99

**[CORE] IF QD2 = -99 (REFUSED TO PROVIDE AGE IN PREVIOUS QUESTION)  
QD3) Would you {instead} tell me which of these age bands you fall into?**

NOTE TO AGENCY: For face-to-face interviews this can be put onto a showcard and the respondent can give the corresponding letter. Do not include 'refused' on a showcard.

	Variable name: QD3
INTERVIEWER: READ OUT:	Label: Age bands
Younger than 18	1
18-19	2
20-29	3
30-39	4
40-49	5
50-59	6
60-69	7
70-79	8
80 or older	9
<i>Refused</i>	-99
<i>Not applicable (valid response to previous question)</i>	-98

**[CORE] ASK ALL QD4) What is the highest educational level that you have completed?**

NOTE TO AGENCY: the interviewers may need some indication as to which professional qualifications are equivalent to these academic levels of education. Reverse the order of the levels if more appropriate in your country –but make sure values remain as shown (e.g. post-graduate should still be recorded as 1). If the categories are impossible to apply please create a variable with a different name and capture alternative data (and please provide an indication of how these categories can be best mapped into the categories of variable QD9). For face-to-face interviews this can be put onto a showcard and the respondent can give the corresponding number. Do not include 'refused' on a showcard. If respondent is still studying, record current level.

	Variable name: QD4
INTERVIEWER: READ OUT THE LIST, STOP AND MARK THE FIRST THAT APPLIES	Label: Educational level
Post-graduate education or equivalent (e.g. master's degree, PhD or advanced professional training)	1
University-level education (e.g. degree or higher-level vocational training)	2
Upper secondary school or high school	3
Lower secondary school or middle school (where relevant)	4
Primary school	5
No formal education	6
<i>Refused</i>	-99

[FULL] IF QD4 = 1 OR 2 OR 3 (AT LEAST UPPER SECONDARY EDUCATION) **QD5)**  
**Have you received education in subjects related to business, economics or finance as part of your school or university education?**

	Variable name: QD5
	Label: Education economics
Yes	1
No	0
<i>Don't know</i>	-97
<i>Not applicable (QD4 different from 1, 2 or 3)</i>	-98
<i>Refused</i>	-99

[CORE] ASK ALL **QD6) For how long have you been a business owner, also including any previous businesses?**

	Variable name: QD6
	Label: Entrepreneurial experience
Less than one year	1
Between 1 and up to 2 years	2
Between 2 and up to 5 years	3
Between 5 and up to 10 years	4
More than 10 years	5
<i>Don't know</i>	-97
<i>Refused</i>	-99

[FULL] ASK ALL **QD7) Could you tell me whether any of your parents currently own a business, or owned a business in the past?**

NOTE TO INTERVIEWER: business owners may include one-man businesses and self-employed people. This question is meant to capture whether the respondent may have acquired business skills in the family; it does not aim at understanding if the respondent has a family business.

	Variable name: QD7
	Label: Parents
Yes – at least one of my parents is or was a business owner	1
No	0
<i>Don't know</i>	-97
<i>Refused</i>	-99

## Impact of the COVID-19 crisis on the business

**INTERVIEWER READ OUT: The next set of questions will help us to understand the impact of the COVID-19 pandemic on your business. Your answers will be kept entirely confidential, so please do answer as honestly as you can.**

NOTE TO INTERVIEWER: please make it clear to the respondent that this section aims to measure the impact of the pandemic on business activity and the level of firm digitalisation. As for pre-crisis situation, questions refer to 2019 or shortly before the outbreak of the pandemic; as for the impact of the crisis, the respondent should take in account the entire period from the outbreak of the pandemic until the time of the interview.

**[CORE] ASK ALL QX1) Thinking about your business, how would you evaluate the level of the following items at the end of 2019?**

	Variable name: QX1
	Label: Pre performance: X
	These are multi-coded. Create a single variable for each response. Record responses as: 1= too low; 2= quite low; 3= adequate; 4= quite high; 5= too high. -97=Don't know, -99=Refused.
[CORE] Liquidity (e.g., cash, very liquid financial instruments, committed credit lines)	_1
[CORE] Short-term financial debt	_2
[CORE] Long-term financial debt	_3
[CORE] Owner(s)/Shareholder(s)' funds	_4
[OPTIONAL] Interest expenses	_5
[OPTIONAL] Account payables	_6
[OPTIONAL] Account receivables	_7

[CORE] ASK ALL QX2) Thinking about the period before the COVID-19 pandemic, at the end of 2019, did you have or did you do any of the following things?

[CORE] ASK ALL QX3) ... and thinking about now, do you have, or have recently done, any of the following things?

	Variable name: QX2	Variable name: QX3
	Label: Pre digital: X	Label: Post digital: X
	These are multi-coded. Create a single variable for each response. Record responses as: 1=Yes, 0=No, -97=Don't know 98= Not applicable 99=Refused.	These are multi-coded. Create a single variable for each response. Record responses as: 1=Yes, 0=No, -97=Don't know 98= Not applicable 99=Refused.
[CORE] Have a dedicated website to showcase the products or services of the business	_1	_1
[CORE] Have a dedicated website to sell the products or services of the business	_2	_2
[CORE] Have opened a bank account completely online	_3	_3
[CORE] Have signed a financing contract (e.g. a bank loan) completely online	_4	_4
[CORE] Have signed an insurance contract completely online	_5	_5
[OPTIONAL] Use open banking services or applications to manage business finances and payments	_6	_6

[CORE] ASK ALL QX4) Thinking about the period before the COVID-19 pandemic, at the end of 2019, please indicate how large the following digital activities were for your business.

[CORE] ASK ALL QX5) ... and what about now? Please indicate how large the following digital activities are for your business now.

NOTE TO AGENCY: please use national example between <> signs.

	Variable name: QX4	Variable name: QX5
	Label: Pre digital: X	Label: Post digital: X
	These are multi-coded. Create a single variable for each response. Record responses as: 1=Very small 2=Quite small 3=Quite large 4=Very large; 97=Don't know 98= Not applicable 99=Refused.	These are multi-coded. Create a single variable for each response. Record responses as: 1=Very small 2=Quite small 3=Quite large 4=Very large; 97=Don't know 98= Not applicable 99=Refused.
Sales of products or services through your business' website as a percentage of total sales	_1	_1
Sales of products or services through a shared online platform (e.g. <Amazon>) as a percentage of total sales	_2	_2
<u>Online</u> payments from customers as a percentage of total payments from customers	_3	_3
<u>Online</u> payments to suppliers as a percentage of total payments to suppliers	_4	_4
Use of social media (e.g. <facebook>, <other national example>, etc.) for business activity such as advertising or networking	_5	_5
Number of operations on current account conducted <u>online</u> , as a percentage of total operations on the current account	_6	_6

[CORE] ASK ALL QX6) How would you describe the impact of the COVID-19 crisis on the following items related to your business?

NOTE TO AGENCY: In some countries use the term ‘revenues’ is more widely used than ‘turnover’. It is possible to use revenues, turnover or other term that is well understood in the country, as long as it maintains the same meaning.

	Variable name: QX6
	Label: Impact crisis: X
	These are multi-coded. Create a single variable for each response. Record responses as: 1=Large decrease, 2=Decrease; 3=Quite unchanged, 4=Increase; 5=Large increase, -97=Don't know, -99=Refused.
Overall impact	_1
Turnover	_2
Profits	_3
Number of employees	_4
Debt	_5
Liquidity (e.g., cash, very liquid financial instruments, committed credit lines)	_6

[CORE] ASK ALL QX7) Since the start of the COVID-19 pandemic, has the business been confronted with situations where cash inflows were insufficient to cover cash outflows or to pay for expected expenses of the business (such as paying suppliers, paying taxes, repaying debt...)?

	Variable name: QX7
	Label: Lack of cash
Yes	1
No	0
<i>Don't know</i>	-97
<i>Refused</i>	-99

[CORE] ASK IF QX7 = 1 (EXPERIENCED SHORTAGE OF FUNDS) QX8) **When this happened, what were the main strategies that you put in place to cover immediate cash needs? You can indicate up to three.**

NOTE TO AGENCY: It may be appropriate to create a scorecard for this question if interviews are conducted face-to-face.

	Variable name: QX8
	Label: Strategy lack of cash: X
	Record responses as: 1=Yes, 0=No, -97=Don't know, -99=Refused. <b>Maximum number of Yes: 3</b>
Reduced the salary for the owner(s)	_1
Reduced costs of operating the business	_2
Claimed insurance (such as business income insurance)	_3
Used available liquidity (i.e. cash, liquid financial instruments, committed credit lines)	_4
Took new debt for the business	_5
Asked advance from clients or solicited them to pay amounts due	_6
Asked credit, payment dilations from suppliers	_7
Paid staff, taxes or loan repayments late	_8
Suspended the business temporarily or for good	_9
Used owner(s)' personal/household funds or credit	_10
Asked funds to family/friends	_11
Asked funds to new partners	_12
Other	_13

[CORE] ASK ALL QX9) **Since the start of the COVID-19 pandemic, have you applied for a new loan for the business?**

	Variable name: QX9
	Label: Loan application
Yes	1
No	0
<i>Don't know</i>	-97
<i>Refused</i>	-99

[CORE] ASK IF QX9 = 1 (APPLIED FOR A LOAN) QX10) **What was the outcome of the application?**

	Variable name: QX10
	Label: Outcome loan application
The loan has been fully obtained	1
The loan has been only partially obtained	2
The application has been rejected	3



The loan has been obtained but I refused the proposal (not adequate conditions, i.e. high costs or collateral)	4
<i>Don't know</i>	-97
<i>Refused</i>	-99

[*CORE*] ASK IF QX9= 0 (NOT APPLIED FOR A LOAN) **QX11) Why didn't you apply for a loan?**

	Variable name: QX11
	Label: Why not applied
New financing was not needed	1
Application procedure was too complex	2
Did not think the loan would be approved	3
<i>Don't know</i>	-97
<i>Refused</i>	-99

[*FULL*] ASK ALL **QX12) Please can you tell me whether you have used the following government measures introduced during the COVID-19 crisis to support your firms' financial conditions?**

[*FULL*] ASK IF QX12\_X = 0 (NOT USED A GIVEN GOVERNMENT MEASURE) **QX13) Could you tell me the main reason for not using this government measure?**

NOTE TO AGENCY: The list of measures used in the national questionnaire should be adapted to the country. They may cover cash transfers, public guarantee schemes, debt moratoriums, short time work programmes, or others, as relevant.

	Variable name: QX12	Variable name: QX13
	Label: Gov measures: X	Label: Not used measures: X
	Record responses as: 1=Used, 0=Not used, -97=Don't know, -99=Refused.	[IF NOT USED] Why not used: 1 = not aware of the measure 2 = not needed/ not convenient 3 = not eligible -97 = Don't know -98 = Not applicable (used gov. measure) -99 = Refused
[Cash transfers]	_1	_1
[Public guarantee schemes]	_2	_2
[Debt moratoriums]	_3	_3
[Short time work programmes]	_4	_4
[Other measures]	_5	_5

**NOTE TO INTERVIEWER:** please inform the respondent that they have come to the end of the survey, thank them, ask if they have any questions and then politely close the interview, reminding the respondent that their data will remain confidential and providing contact details in case they have any follow-up questions.

## Using the questionnaire

The interviews should preferably be undertaken by telephone or face-to-face, in order to overcome issues related to low levels of literacy. However, in the context of limited physical contacts due to the COVID-19 pandemic, in countries with very high levels of literacy and high levels of internet penetration, online questionnaires may be used, and have been shown to be effective. If the questionnaire is used in a self-administered online survey, notes to agency and interviews may need to be adapted. See the methodological annex for more details.

### Core questions

As financial literacy is a multifaceted concept, the questionnaire includes a broad set of questions in order to capture a wide range of aspects of the financial literacy of micro and small business owners. However, implementing the entire questionnaire may be onerous for some organisations. For this reasons, the questionnaire distinguishes among three levels of importance of questions, ranging from “core” to “optional”:

- **A restricted number of questions is marked as “CORE”.** These are the most important questions and any institution using the questionnaire should at a minimum use the set of core questions. This includes questions necessary to compute the financial literacy scores, some questions about screening and demographics that are necessary to analyse the data, some questions on awareness and use of financial products, and some questions about the impact of the COVID-19 pandemic on the business.
- **Some questions are marked as “FULL”.** Institutions looking to implement the full set of questions developed to capture financial literacy in a broad sense should use FULL+CORE questions.
- **Remaining questions are marked as “OPTIONAL”.** These questions cover aspects related to financial literacy of MSMEs; some of them may be relevant only in some countries. these questions can be used at country discretion and will not be used by the Secretariat to compute financial literacy scores. They will be analysed by the Secretariat only if a sufficiently large number of countries has used them.

### Adapting the questionnaire and submitting data

Institutions and researchers using this survey instrument are encouraged to:

- Inform the OECD/INFE Secretariat of their intention to use the questionnaire, at [SecretariatINFE@oecd.org](mailto:SecretariatINFE@oecd.org).
- Carefully consider the national adaptations to the questionnaire listed in Table 1 and contact the Secretariat in case of doubts about translating some of the questions.
- Share the raw data with the OECD/INFE Secretariat using the data template provided by the Secretariat (this will be provided to institutions and researchers indicating that they would like to use the questionnaire).

- Fill in the checklist in Table 2.
- Consider the analysis plan at page 35 to create financial literacy scores if they analyse the data autonomously, and contact the Secretariat if they would like to suggest departures from the plan.

**Table 2. Checklist for sharing data with the OECD/INFE Secretariat**

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**If you agree with sharing data with the OECD/INFE Secretariat, please provide answers to the following questions. please also provide supporting materials, such as questionnaires, where relevant.**

Which authority or body commissioned the research? (with contact details)

Which survey agency undertook the research?

What were the dates of fieldwork?

What sample size has been achieved?

Have any groups of the population been over-sampled?  
If so, which?

How was the sample drawn? (e.g. random digit dialing, stratified sampling)

What was the data collection method? (e.g. face-to-face)

How were weights created?  
How should they be applied (if relevant)?

Which languages has the questionnaire been used in/translated into?  
Can the OECD share the translated questionnaire with researchers/the public?

The OECD/INFE Secretariat may use the data collected through this exercise to develop international comparative analysis and publish the results. **If you DO NOT agree that data from your country is analysed by the OECD and its results published as part of an international report**, please let us know.

The data shared with OECD/INFE Secretariat will be made available for researchers and the public in the form of an international dataset (accessed via the OECD website). All data will be anonymised to ensure that individuals cannot be identified. **If you DO NOT agree to the inclusion of data from your country in this international dataset**, or if you prefer that certain variables (e.g. region) are not shared, please let us know.

Does the commissioning body plan to analyse these data and publish the results (independently of any comparative analysis done by the OECD/INFE Secretariat)?  
Can the link to the final report be added to the OECD/INFE member's portal?

Have any of the (non-optional) questions been changed or dropped? Please provide a detailed description of any changes with respect to the current questionnaire.  
If yes, what were the reasons for doing so? [Please note that this is strongly discouraged for countries wishing to participate in an international comparison]

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## Analysis plan

This section presents a plan for analysing the data collected with this questionnaire and creating financial literacy scores. It may be further revised once data collected on full representative samples will become available.

Financial literacy scores are created simply by summing the number of correct responses to financial knowledge questions or summing the number of financially literate behaviours and attitudes. They will be expressed in percentage of the maximum possible score. This approach offers the advantage of being:

- **Transparent** as to which aspects of knowledge, attitudes and behaviours are considered to indicate higher financial literacy and which weight is given to each component in the final score.
- **Easy to replicate** for organisations and countries wishing to use the questionnaire autonomously.
- **Able to provide comparable results** for data collection exercises taking place at different points in time.

### Financial awareness and financial inclusion

Indicators of financial awareness will be based on question QP3. Responses to QP3 will be used to investigate to what extent MSMEs are aware of traditional and alternative financing options, and whether they have heard of the main types of insurance for business available in the country.

Indicators of financial inclusion will be based on questions QP1, QP4, and QX9-QX11. Responses to QP1 will give an overview of the extent to which MSMEs use traditional and digital formal accounts. Responses to QP4 will give more insights on the types of financial products and services used by MSMEs. Responses to questions QX9-QX11 will provide insights on access to credit.

### Financial literacy score

As for the OECD/INFE financial literacy survey of adults, the overall financial literacy score will be computed as the sum of the financial knowledge, financial attitudes and financial behaviour scores.

#### *Financial knowledge score*

The knowledge score is expected to be computed as the number of correct responses to the financial knowledge questions, according to Table 3, which include a mix of questions specifically about business finance (dividends, meaning of equity) and more general financial knowledge (inflation, risk and return, understanding of interest on loans). The sum of points will range between 0 and 5.

Some questions about general financial knowledge in this questionnaire (inflation, and risk and return) replicate exactly or very closely financial knowledge questions included in the OECD/INFE survey of adult's financial literacy (OECD, 2016<sub>[6]</sub>). In countries undertaking

both surveys, this will offer the possibility to compare the financial knowledge of MSMEs owners with that of all adults in the same country on these topics.

**Table 3. Financial knowledge score**

Question number	Label	Core competency area	Value towards final score
QK7_1	Dividends are part of what a business pays to a bank to repay a loan	Financing the business	1 for correct response [false]. 0 in all other cases.
QK7_2	When a company obtains equity from an investor it gives the investor part of the ownership of the company	Financing the business	1 for correct response [true]. 0 in all other cases.
QK7_3	If a financial investment offers the chance to make a lot of money it is likely that there is also a chance to lose a lot of money	Risk and insurance [similar to adults' survey]	1 for correct response [true]. 0 in all other cases.
QK7_4	High inflation means that the cost of living is increasing rapidly	External influences [same as adults' survey]	1 for correct response [true]. 0 in all other cases.
QK7_5	A 15-year loan typically requires higher monthly payments than a 30-year loan, but the total interest paid over the life of the loan will be less	Planning beyond the short term	1 for correct response [true]. 0 in all other cases.

### *Financial behaviour score*

The behaviour score is expected to be computed as the count of "financially savvy" behaviours, according to Table 4. The sum of points will range between 0 and 9. Other non-optional variables will be analysed to obtain insights into the financial behaviour of the business owner (e.g. QM1-QM2 about seeking help and advice), but they are not included in the score because they do not lend themselves to a clear distinction between financially savvy and non-savvy behaviour.

**Table 4. Financial behaviour score**

Question number	Label	Core competency area	Value towards final score
QP2	Separation account	Basic payment and deposit services	1 for separate account [3]. 0 in all other cases.
QP5	Shopping around	Basic payment and deposit services	1 for shopping around [1 or 4]. 0 in all other cases.
QM3	Keeping track of financial records	Keeping records and accounting	1 for keeping track formally [1, 2, 4, 5]. 0 in all other cases. The question is optional for businesses with 10 or more employee; in this cases one point will be awarded.
QM4	Thought about retirement	Risk and insurance	1 if thought about how to fund retirement [1]. 0 in all other cases.
QM6	Strategies to cope with theft	Risk and insurance	1 for thinking ahead of a way of insuring the equipment [1 or 2]. 0 in all other cases.
QM7_1	I keep secure data and information about the business	Financial protection for MSMEs	1 for agreeing [3 or 4]. 0 in all other cases.
QM7_2	I compare the cost of different sources of finance for the business	Financing the business	1 for agreeing [3 or 4]. 0 in all other cases.
QM7_3	I forecast the profitability of the business regularly	Planning beyond the short term	1 for agreeing [3 or 4]. 0 in all other cases.
QM7_4	I adjust my planning according to the changes in economic factors	External influences	1 for agreeing [3 or 4]. 0 in all other cases.

### *Financial attitudes score*

The attitudes score is expected to be computed as the count of "financially savvy" attitudes, according to Table 5. The sum of points will range between 0 and 3.

One question in this questionnaire (long-term financial goals) is very similar to a questions included in the OECD/INFE survey of adult's financial literacy (OECD, 2016<sup>[6]</sup>). In countries undertaking both surveys, this will offer the possibility to compare replies of micro business owners with those of all adults.

**Table 5. Financial attitudes score**

Question number	Label	Core competency area	Value towards final score
QK2_1	I set long term financial goals for the business and strive to achieve them	Planning beyond the short term [similar to adults' survey]	1 for long-term attitude [4 or 5]. 0 in all other cases.
QK2_2	I am confident to approach banks and external investors to obtain business finance	Financing the business	1 for confident attitude [4 or 5]. 0 in all other cases.
QK2_4	I prefer to follow my instinct rather than to make detailed financial plans for my business	Risk and insurance	1 for prudent attitude [1 or 2]. 0 in all other cases.

### *Summary of competencies and overall score*

Table 6 summarises how the questions used to compute financial literacy scores and its sub-components (knowledge, attitudes and behaviour) cover the core competency framework (OECD, 2018<sup>[8]</sup>). In particular, the table reports the number of questions in each core competency sub-topic. Financing the business, Planning beyond the short term and Risk and insurance are the most important areas in the overall financial literacy score. As mentioned before, each question is associated to the core competency areas that it best represents, even though in practice a question may capture more than one competence or competencies in different areas.

**Table 6. Summary of questions and competencies**

Number of questions covering each core competency

Competencies	Knowledge	Attitudes	Behaviour	Total
Basic payment and deposit services			X X	2
Financing the business	X X	X	X	4
Registration, taxes and other legal requirements				
Keeping records and accounting			X	1
Short-term financial management				
Planning beyond the short term	X	X	X	3
Risk and insurance	X	X	X X	4
External influences	X		X	2
Financial protection for MSMEs			X	1
Financial information, education and advice				
<i>Total</i>	5	3	9	17

The overall financial literacy score will be based on the sum of the knowledge, attitude and behaviour scores. The sum of the three components is expected to range from 0 to 17 points, and the overall financial literacy score will be expressed in percentage of the maximum possible score (e.g. a sum of 17 points will be rescaled to give an overall financial literacy score of 100%). Financial behaviour will count for almost half of the total score (with 9 maximum points out of 17), financial knowledge will weight for about one third (5 maximum points out of 17) and financial attitudes for about one fifth (3 out of 17).

## References

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- OECD (2018), *OECD/INFE Core Competencies Framework on Financial Literacy for MSMEs*, OECD, <http://www.oecd.org/finance/financial-education/OECD-INFE-core-competencies-framework-on-financial-literacy-for-MSMEs.pdf>. [8]
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## Annex

### Methodology

This questionnaire is designed to collect relevant information about the financial literacy of MSME owners within a country and to compare levels of financial literacy across countries.

The data collection process should be as similar as possible in every country in order to collect internationally comparable data. In particular:

- The interviews should preferably be undertaken by telephone or face-to-face, in order to overcome issues related to low levels of literacy. However, given the context of limited physical interactions due to the COVID-19 pandemic, in countries with very high levels of literacy and high levels of internet penetration, online questionnaires may be used, and have been shown to be effective. If the questionnaire is used in a self-administered online survey, notes to agency and interviews may need to be adapted. Some countries may wish to consider using a combination of methods. In this case, the methods used can be identified in the dataset and taken into account during analyses.
- The descriptive power of a sample size does not depend on the size of the population. A **minimum achieved** sample size of 1,000 participants per country should be collected for international comparisons and in order to analyse the national data by key characteristics of the business and the owner. In order to interview 1,000 participants, survey agencies should have an original sample of at least 1,700 valid contact details from which to draw participants.<sup>1</sup> With an achieved sample of 1,000 participants, this will give a 95% confidence interval on a finding of 50% of around 47% to 53% (assuming a random sample). Countries should be aware that if they intend to undertake detailed analyses of differences within differences (such as financial literacy by gender within regions), or if they wish to increase the precision of the estimates, they will require larger sample sizes.<sup>2</sup>
- The survey agency should be responsible for providing appropriate weights<sup>3</sup> for the analysis, taking into account the probability of selection and making sure that the data are representative of the target population. It is important for international comparisons that the weights are labelled appropriately, and that documentation is created describing how they were established, and their purpose, with clear instructions for use.

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<sup>1</sup> It is important to strive for a good response rate. However, recent statistics suggest that it is becoming increasingly difficult to encourage participation in surveys, and so it may be necessary to adjust the original sample accordingly in order to interview 1000 respondents.

<sup>2</sup> There are many tools developed to help with sample size determination. See for example <https://www.surveysystem.com/sscalc.htm>.

<sup>3</sup> Weighting is designed to adjust samples when certain groups are over, or under-represented in the sample.

## Mapping of relevant studies

The development of the OECD/INFE survey instrument to measure financial literacy among owners of MSMEs was informed to the extent possible by existing studies. Table 7 summarises relevant resources, gathered through desk research and feedback from OECD/INFE members.

**Table 7. Financial literacy surveys of MSMEs**

Category	Country / Author	Resources
<i>General SME surveys</i>	European Commission and European Central Bank	<a href="#">Survey on the access to finance of enterprises</a>
	World Bank	<a href="#">Enterprise Surveys</a>
<i>Financial literacy surveys of adults (consumers)</i>	OECD/INFE	<a href="#">OECD/INFE toolkit to measure financial literacy and financial inclusion</a> (2018 version)
<i>Financial literacy surveys of MSMEs</i>	Canada – BDC Research and Market Intelligence and Telfer School of Business at the University of Ottawa.	<a href="#">Financial literacy among Canadian entrepreneurs and business owners</a>
	Netherlands - Chamber of Commerce	<a href="#">In control of the company: Entrepreneurs on their financial literacy</a>
	India – Reserve Bank	Study on financial literacy of MSMEs (not available online)
	Russian Federation – NAFI	The level of financial literacy and the need for financial education of small and medium-sized enterprises in Russia (not available online)
	Spain – Prof. Marco Trombetta, IE Business School	<a href="#">Accounting and finance literacy and self-employment: an exploratory study</a>
	Ukraine – OECD	<a href="#">Survey to Measure SME Financial Literacy in Agribusiness Sector in Ukraine</a>