

# Research on Financial Literacy Survey of 10,000 Individuals

Age and gender differences in financial literacy and characteristics of their investment-related activities 【Young generation of 30s or younger】

**September 2018**

**MUFG Financial Education Institute**

# Survey Overview

- (1) Name: Financial Literacy Survey on 10,000 Individuals
- (2) Method: Web-based questionnaire by a research company
- (3) Period: December 1, 2017 (Fri) – December 4, 2017 (Mon)
- (4) Respondent: Company employee (of company with 300 or more employees) : 8,500  
Public official:1,000  
Female/male homemaker: 500  
Total:10,000

\* The age group ratio (30s or younger, 40s, 50s or older) and the gender ratio of company employees (8,500) were decided based on corresponding distribution figures in regular employees of companies with 300 employees or more of “Employment Status Survey” by Ministry of Internal Affairs and Communications (2012)

(5) Number of questions asked : 38

## <Company employees>

	Male		Female		Total	
<b>30s or younger</b>	2,984	35.1%	1,134	13.3%	4,118	48.4%
<b>40s</b>	2,077	24.4%	417	4.9%	2,494	29.3%
<b>50s or older</b>	1,630	19.2%	258	3.0%	1,888	22.2%
<b>Total</b>	6,691	78.7%	1,809	21.3%	8,500	100.0%

## <Breakdown of 30s or younger>

	Male		Female		Total	
<b>29 or younger</b>	356	8.6%	314	7.6%	670	16.3%
<b>30–34</b>	912	22.1%	422	10.2%	1,334	32.4%
<b>35–39</b>	1,716	41.7%	398	9.7%	2,114	51.3%
<b>Total</b>	2,984	72.5%	1,134	27.5%	4,118	100.0%

## Analysis on young male and female financial literacy and characteristics of their investment-related activities

- Needless to say, it is more desirable and effective to take measures tailored to each person depending on their financial literacy level when we intend to increase the number of investors who routinely invest as part of their household asset diversification.
- When the number of target potential investors is small, we can understand their individual literacy level to devise a measure. However, when we deal with many, we need to categorize them into some groups and devise measures catering to features of each group.
- There are many attributes such as income and asset with which the target people are categorized. We should choose explicit and easy-to-understand attributes to understand their features.
- As such attributes, the research uses “**gender**” and “**age**” to categorize the company employee survey respondents (8,500) and this paper analyzes **features of young (30s or younger) males and females**.
- The analysis suggests that interest of the young males in investment is higher compared with the older generation males but that they tend to make investments to obtain short-term benefits. The study also indicates that the young females are also interested in investment but are not confident about their financial knowledge, for which they tend to value information provided by others.
- Major features of each category are learned from the analysis (although it does not identify specific features belonging to all respondents in one category), which can be useful information when providing financial education to potential investors as a marketing tool.

# Generation Background

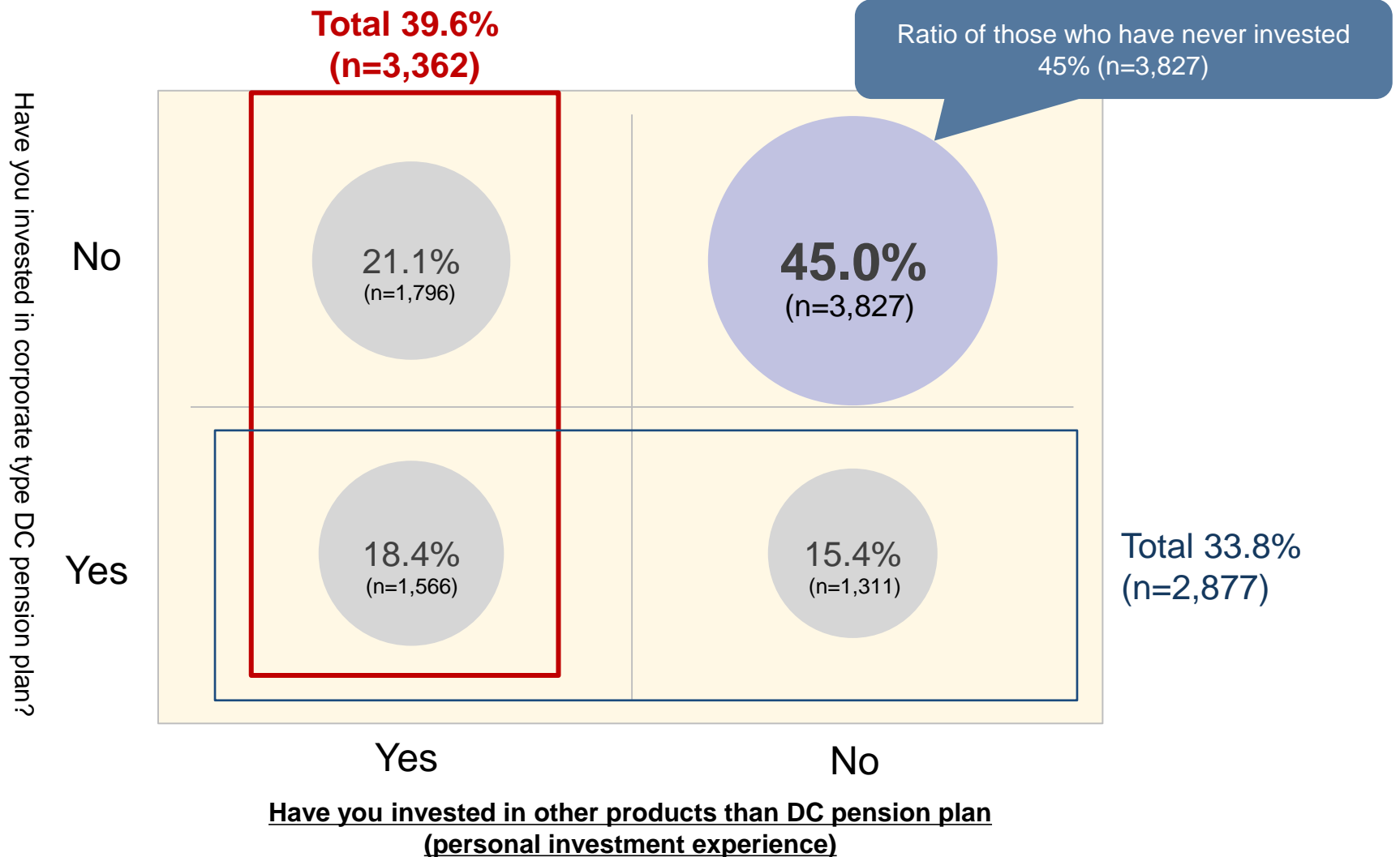
The time period when the young generation (30s or younger company employees) grew up

	<b>“Post Baby Boomer Junior Generation”</b>	<b>“Yutori (education free from pressure) Generation”</b>
Generation Background	<p>Born between 1979 and 1983 <u>Late 30s (Last generation born in <i>Showa</i> Era)</u></p> <ul style="list-style-type: none"><li>■ From the rapid economic growth to the burst of bubble economy</li><li>■ The 1st Job-hunting <i>Hyogaki</i> (ice age, tight job hunting market for youth) generation</li><li>■ A family size of 2 children became a norm</li><li>■ Increase of non-regular employees</li></ul>	<p>Born between 1987 and 1994 <u>Early 20s–Early 30s</u></p> <ul style="list-style-type: none"><li>■ Global recession triggered by 2008 Financial Crisis</li><li>■ Declining birth rate became apparent and <i>Yutori</i> education system was introduced</li><li>■ The 2nd Job-hunting <i>Hyogaki</i> generation</li><li>■ Increases of never married percentage and the number of single-person household</li></ul>
Features	<ul style="list-style-type: none"><li>■ Have played video games since childhood and saw the widespread use of the Internet when they were senior high school/university students</li><li>■ Have a strong rivalry since they have more same age peers than other generations</li></ul>	<ul style="list-style-type: none"><li>■ Saw the widespread use of mobile phone when they were junior/senior high school students</li><li>■ Being bombarded with a massive amount of information, they have become reluctant to spend money (on car, drinking, overseas trip) due to difficulty in selection</li></ul>
Tendency	<p>Since they saw the burst of bubble economy and struggling parents with unstable income when they were young, they tend to take a down-to-earth attitude toward their life</p>	<p>Since they underwent the 2nd Job-hunting <i>Hyogaki</i> following the 2008 Financial Crisis, they tend to be too pessimistic about potential risks in the future. They highly value financially secured life and prioritize saving for their future</p>

# Investment Experience Matrix

## Details of investment experience (of 8,500 company employees)

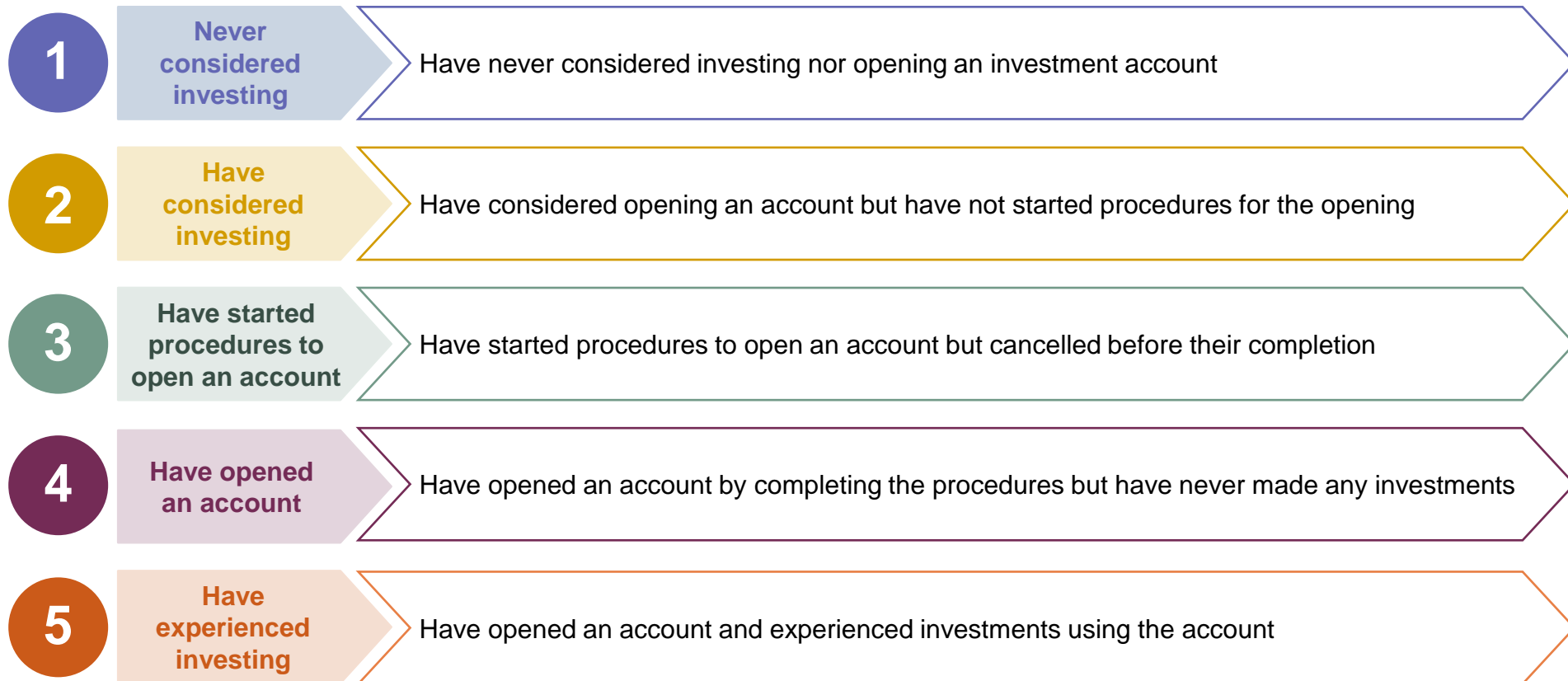
- The survey identifies investment experience through corporate DC pension plan and personal investment experience separately.
- The analysis is conducted only on the “personal investment experience”.



# 5 Steps for Starting Investing

## Respondent categorization based on 5 steps for starting investing

- The research classifies survey respondents into 5 categories according to which of the 5 steps they have taken and a ratio of those who have reached each step is defined as “**Retention Ratio**” of each step. Some of the analyses are conducted on specific category respondents using the 5 step category



\* The following slides use the above numbers ( 1 to 5 ).

Ex) If respondents are 2 3 4 5 , survey results are given by 2 (Have considered investing), 3 (Have started procedures to open an account), 4 (Have opened an account) and 5 (Have experienced investing).

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# 1. Summary of The Research



# Age and gender differences in financial literacy and characteristics of their investment-related activities

	Male Features	Female Features
Financial literacy/ Investment-related activity	Relatively high	Relatively low
Investment status	<ul style="list-style-type: none"> <li>Nearly 70% of them “considered investment” and <b>over 40% of them “actually made investment”</b></li> <li><b>Majority of them started investing with Japanese equity</b></li> </ul>	<ul style="list-style-type: none"> <li>Nearly 60% of them “considered investment” and <b>30% of them “actually made investment”</b></li> <li>Following Japanese equity, <b>ratio of those who started investing with “Investment trust” is the second highest</b></li> </ul>
Understanding/ Interest	Tend to be <b>overconfident about their understanding level of investment</b>	Tend to be <b>realistic about their understanding level</b>
Information Collection	Following websites, <b>print media is valued by them</b>	Following websites, <b>information provided by others is valued by them</b>
Features of the young generation (compared with the other generations)	<ul style="list-style-type: none"> <li><b>Ratios of those who have actually experienced investment is high</b></li> <li><b>Level of understanding of and level of interest in/willingness of learning about financial product/economic theory are high</b></li> <li>Major investment objectives are <b>“obtaining short-term benefits”, “tax saving” and “learning about economy and society”</b></li> <li>Their usage rate of the Internet and smartphone apps is high and <b>they are active in information collection</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Ratios of those who have actually experienced investment is low</b></li> <li>While their level of interest in/willingness of learning about financial product/economic theory is high, majority of them <b>are not confident about their level of financial knowledge</b></li> <li>Tend to value <b>“information provided by others”</b></li> <li>Their usage rate of the Internet and <b>apps for their everyday needs</b> is high</li> </ul>

## 2. “Gender differences” in financial literacy and features of their financial activity in 30s or younger company employees

# Key Takeaways

## “Gender differences” in financial literacy and features of their financial activity in 30s or younger company employees

### Financial Literacy/ Investment- related activity

- Financial literacy and investment-related activity levels of males are higher than those of females

### Investment Status

- Ratio of males who reaches the step of “Have considered investing” is nearly 14% higher than that of females
- Ratio of those who started investing with “Japanese equity (specific individual stock)” is high both in males and females but especially in men with the ratio of as high as nearly 60%. Ratio of those who started investing with “Investment trust” is the second highest in females.

### Understanding/ Interest

- Self-assessment of their NISA understanding level shows that females tend to be realistic about their level, while males tend to be overconfident

### Information Collection

- When considering investing in financial product, website information is valued most by both males and females, followed by text media information including magazines, books and newspapers by males and information provided by others by females

# Gender Difference in Financial Literacy

## Financial literacy in males is relatively high in all age groups

- Financial literacy in males is relatively high in all age groups
- Female financial literacy increases as they grow older



### Note

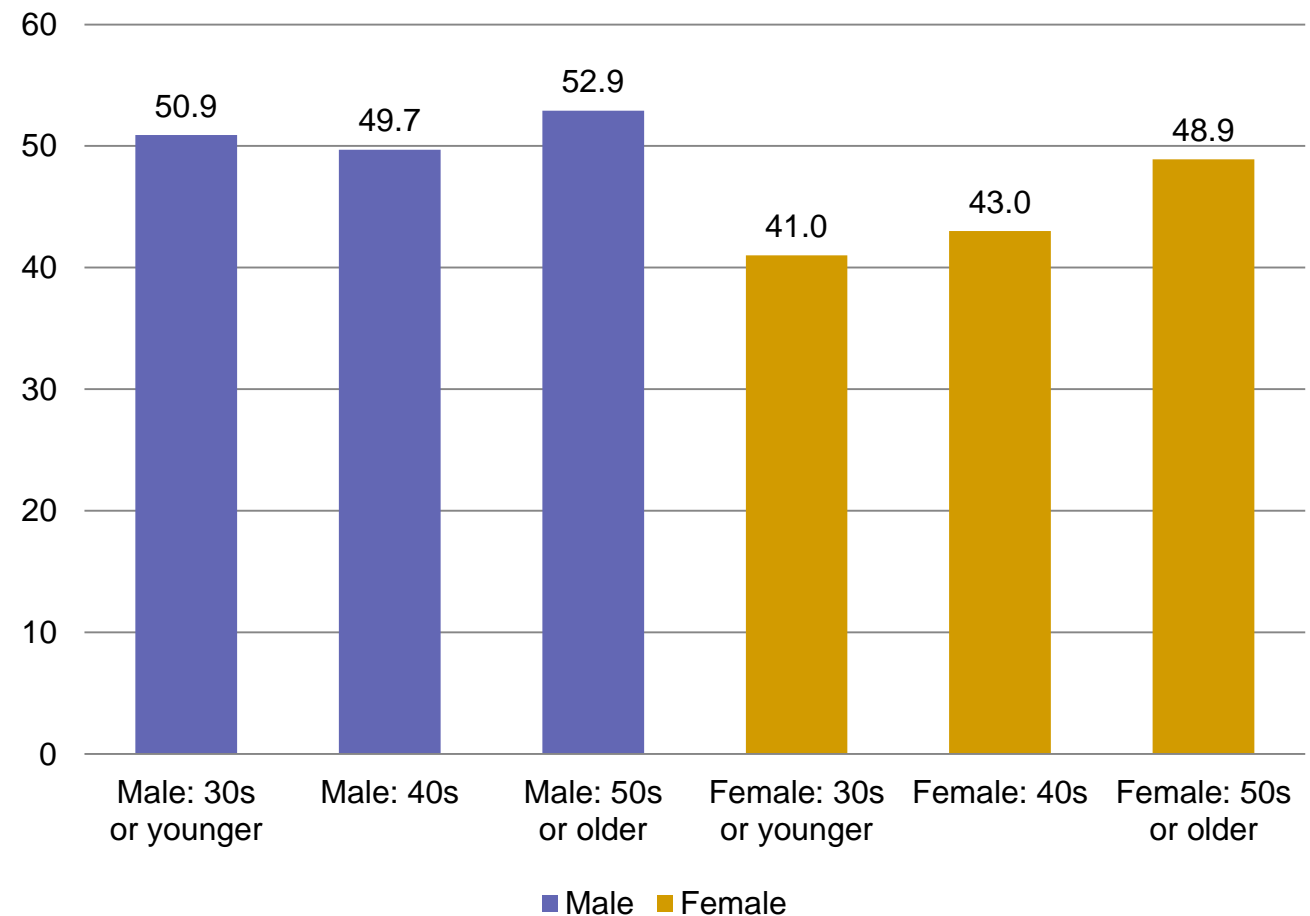
#### What is Financial Literacy Index Point?

“Financial Literacy” is defined in this research as financial /economic knowledge and activity/behavior etc. taken for their life designing and is used to indirectly measure level of their financial activity. Financial Literacy Index Point is calculated based on grading of their “understanding of economic theory”, “financial knowledge” and “life designing”.

## Financial Literacy Index Point

(Respondent) Company employees

(n=8,500)



# Gender Difference in Investment-related Activity

## Male financial activity point is relatively high in all age groups

- As seen in financial literacy, male financial activity point is also relatively high in all age groups
- There is no significant age differences in both male/female points



### Note

#### What is Financial Activity Point?

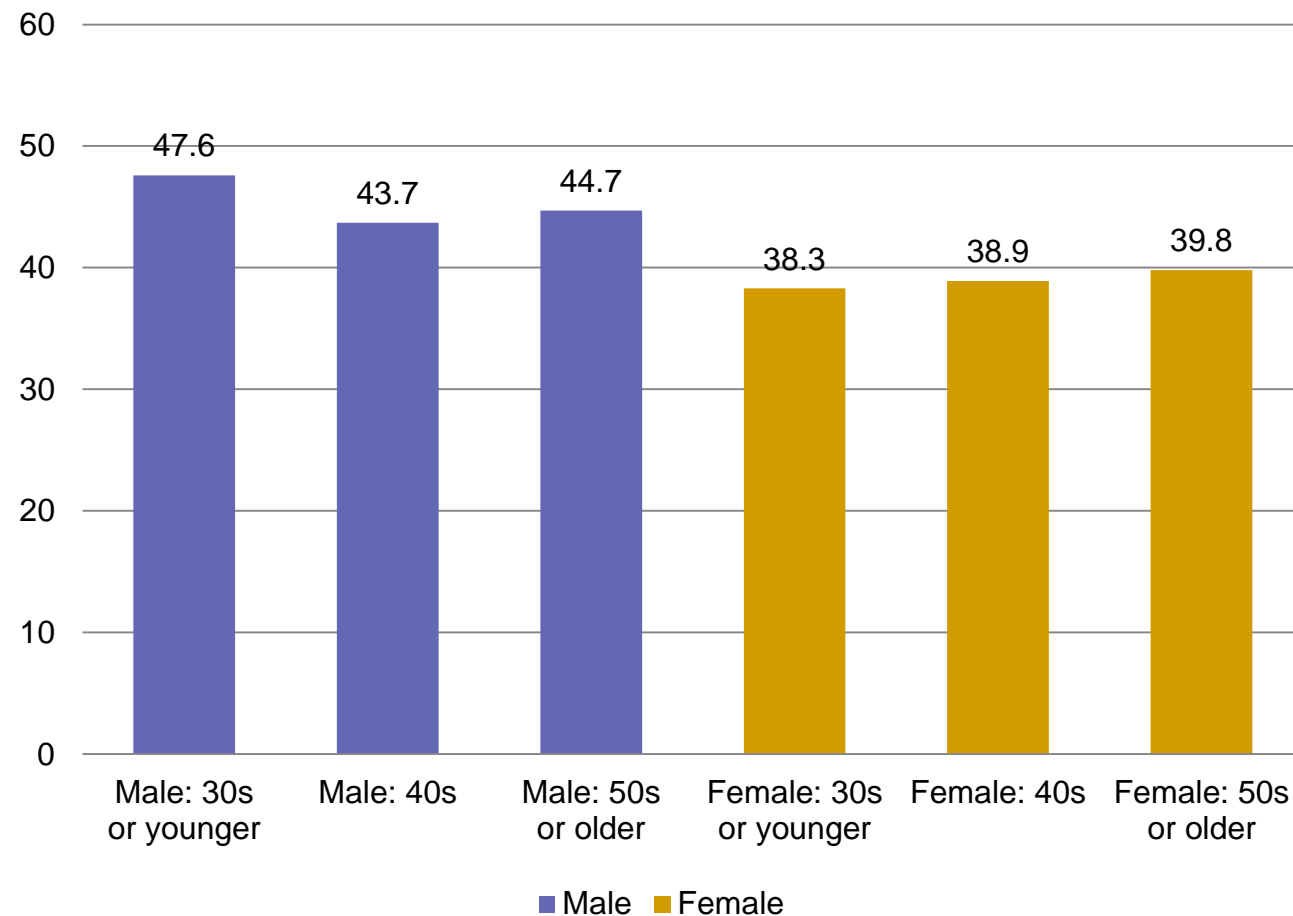
“Financial(Investment-related) Activity” is defined in this research as activity made by their own judgement (without being influenced by information given by others) based on actively collected information on financial product and their own financial asset/life plan regardless of actual investment experience.

Financial Activity Point is a 100-point grading scale (100=“Appropriate Financial Activity”) to measure financial activity level.

### Financial Activity Point

(Respondent) Company employees

(n=8,500)



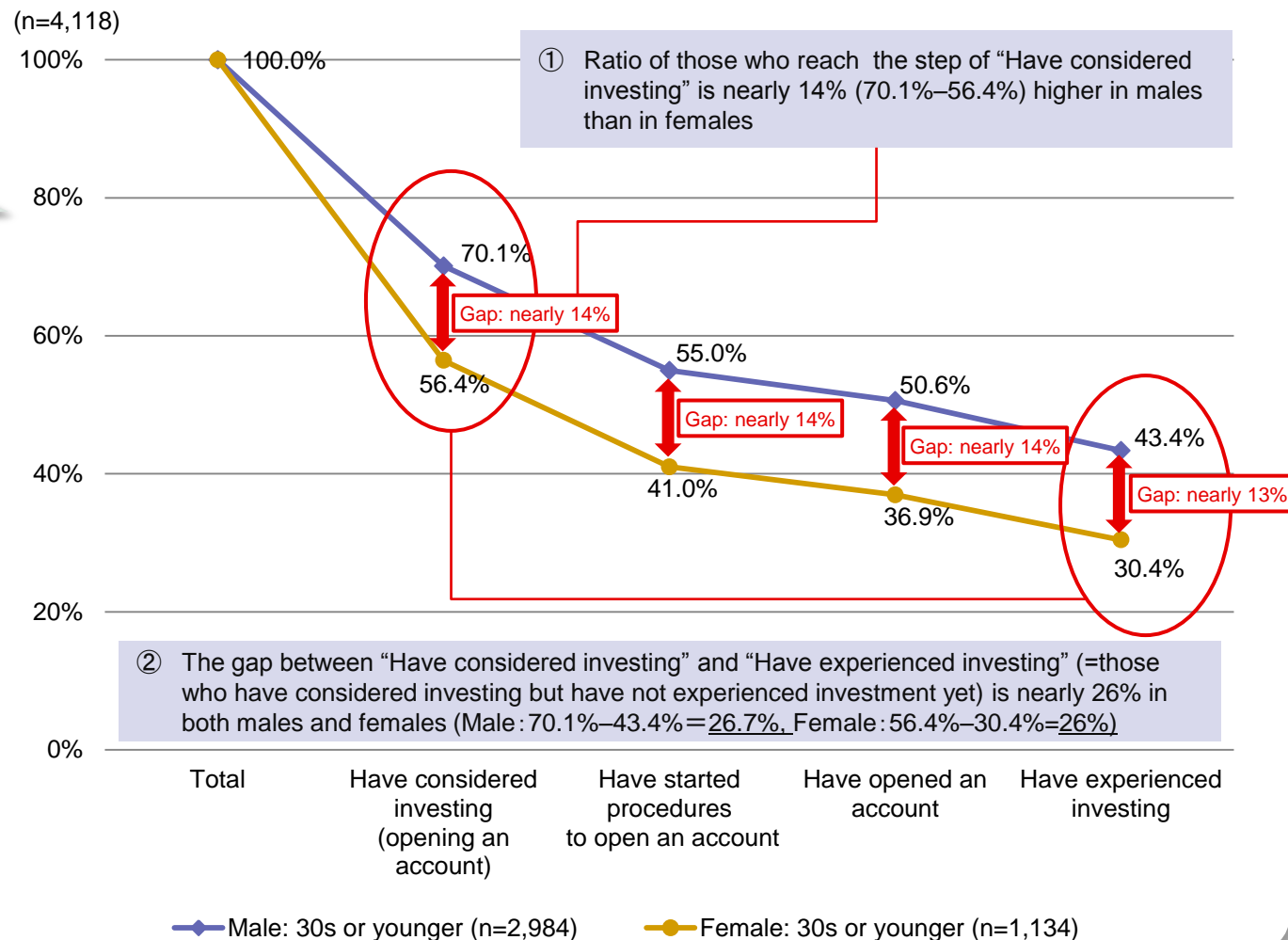
# Investment Status①

—Retention Ratio of Each Step of the 5 Steps for Starting Investing

Ratio of males who reach the step of “Have considered investing” is nearly 14% higher than that of females

## Retention Ratio of Each Step of the 5 Steps for Starting Investing<sup>1</sup>

(Respondent) Company employees of 30s or younger group



- ① Ratio of males who reaches the step of “Have considered investing” is nearly 14% higher than that of females and the gap remains the same at every later step
- ② Nearly 26% of both males and females have considered investing but have not started investment yet

### Takeaway

- Ratio of those who have not reached “Have considered investing” is higher in females than in males, suggesting active attitude of males and passive attitude of females toward investment
- The gender gap in retention ratio at the step of “Have considered investing” remains almost the same at every later step, indicating that raising the female retention ratio at the step could increase the female ratio of “Have experienced investing”

(Notes) 1. Ratio of those who reach each step of the “5 Steps for Starting Investing” in each gender group

# Investment Status②

—Reason for Not Reaching the Step of “Have considered investing”

Over 70% of female respondents have not reached the step because of “Lack of knowledge”

- ① The ratio of respondents who chose “Lack of knowledge” was higher at over 70% in female respondents than the figure in male respondents at below 60%
- ② In addition, the ratios of respondents who chose “Worry about losing money”, “Seems difficult” and “Don’t know where to start” were also higher in females than in males

## Takeaway

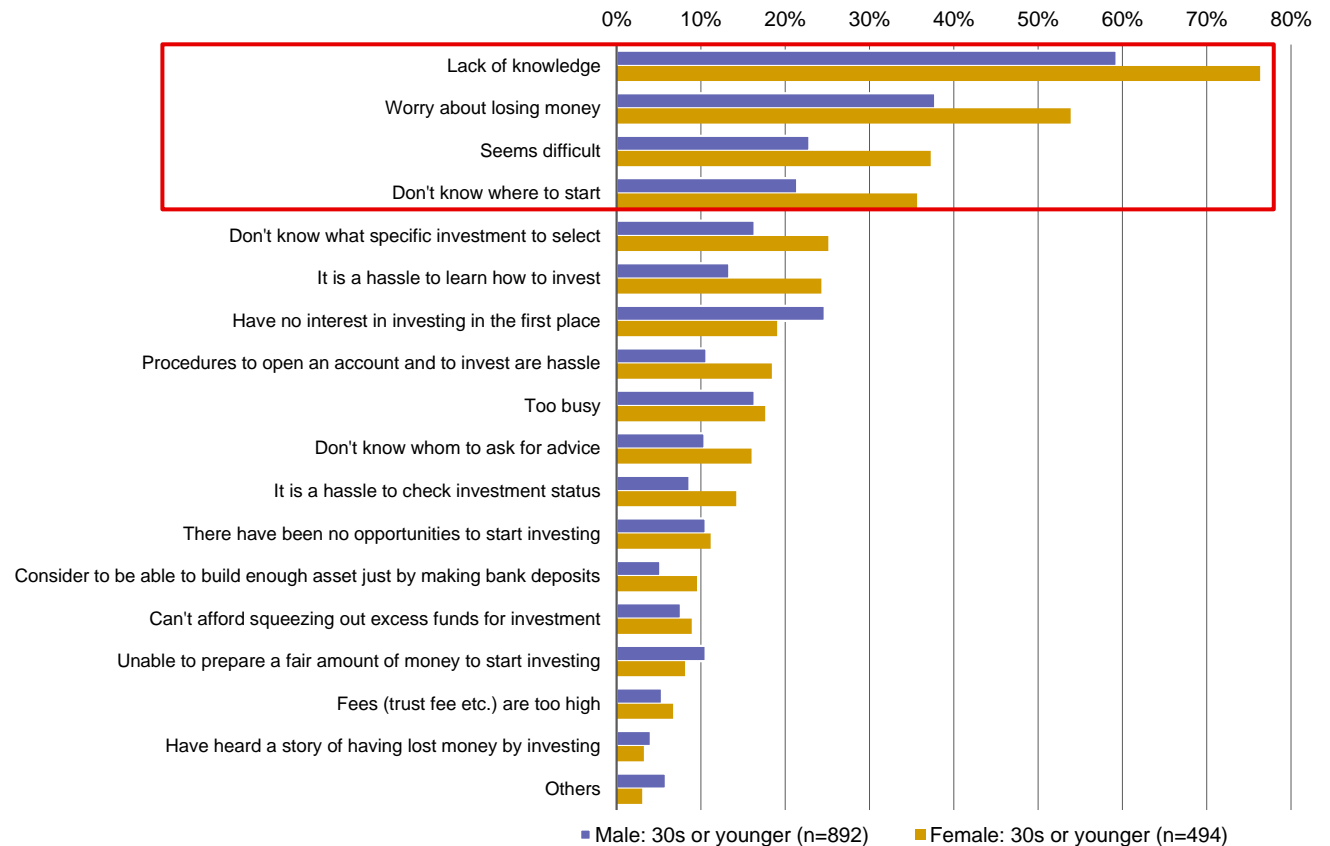
- Of those who have not reached the “Have considered investing” step, over 70% cited “Lack of knowledge” as their reason
- The survey results suggest that women are less confident in their knowledge about investment

## Reason for Not Reaching the Step of “Have considered investing (opening an account)”

(Respondent) Of company employee respondents who chose “Have never considered investing (opening an account)” for their personal investment experience<sup>1</sup> (3,182), respondents in their 30s or younger

1

(n=1,386)



(Notes) 1. Excluding investment experience through corporate DC pension plan

# Investment Status ③

—First Investment Made by Respondents with Investment Experience

Ratio of those who started investment with “Japanese equity” is high both in males and females

- ① Ratio of those who started investing with “Japanese equity” is high both in males and females and “Japanese equity” accounts for nearly 60% in males
- ② Ratio of those who started investing with “Investment trust” is higher in females than in males

## Takeaway

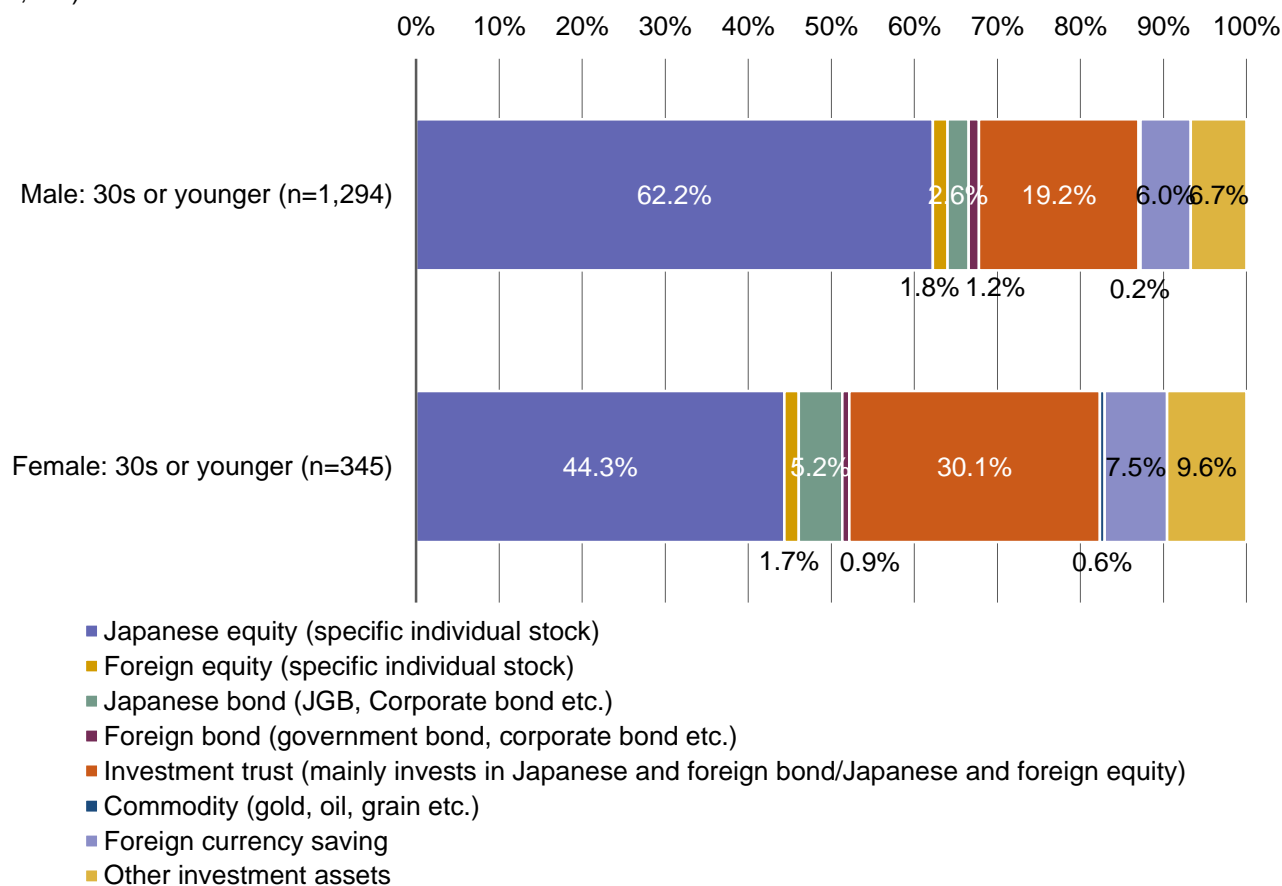
The result suggests that Japanese equity features of “easy to understand” and “easy to relate to their everyday life” might be appreciated by 1st-time investors

## First Investment Made by Respondents with Investment Experience

(Respondent) Of company employee respondents who chose “Have opened an account and experienced investments using the account<sup>1</sup> (3,362), respondents in their 30s or younger

5

(n=1,639)



(Notes) 1. Excluding investment experience through corporate DC pension plan



# Understanding/Interest

—Difference in Level of Understanding of NISA Between Self-Assessment and Objective Assessment by Test

Males tend to be overconfident and females tend to be realistic about their understanding level of investment

- ① In self-assessment of understanding level of NISA (Japan's tax exemption scheme for investment by individuals), over 50% of males and slightly below 40% of females chose "Understand NISA"
- ② However, correct ratios in males and in females were slightly over 40% and below 40% respectively, showing no significant gender difference

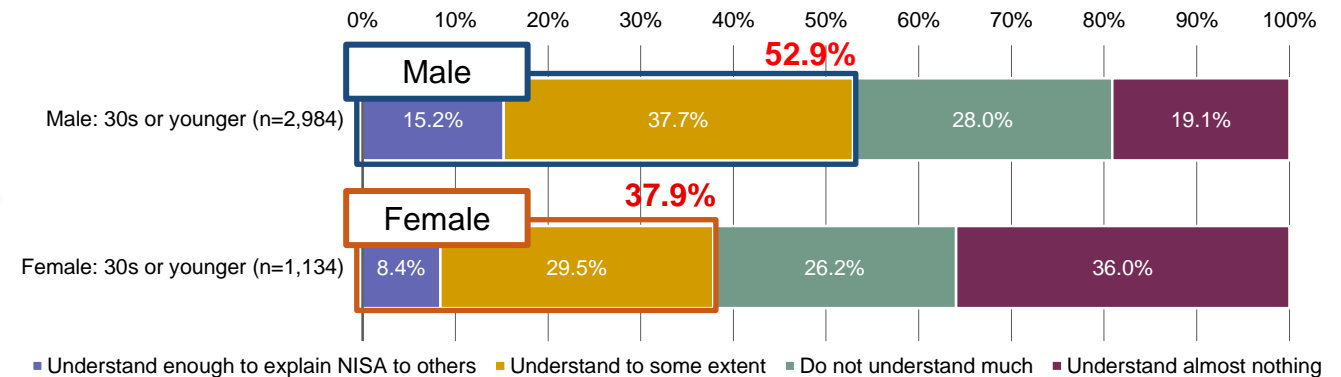
## Takeaway

Although these are responses about their understanding level of only NISA, we assume that the difference between the self-assessments and the correct ratios shows an overconfident tendency in males and a cautious tendency in females toward understanding level of investment as a whole

## Understanding Level of NISA (Self-Assessment)

(Respondent) Company employees of 30s or younger group

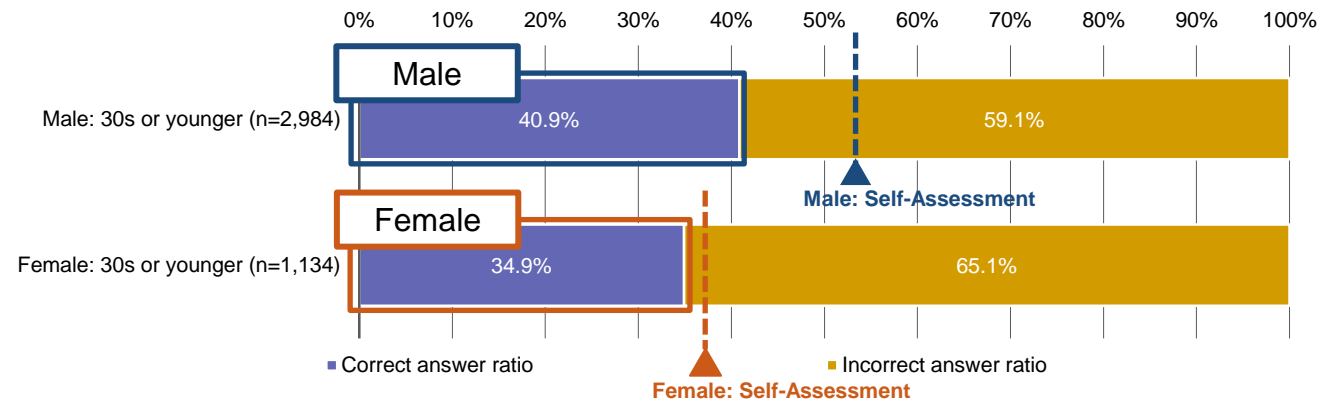
(n=4,118)



## Correct/Incorrect Ratio in Test to Measure Understanding Level of NISA<sup>1</sup>

(Respondent) Company employees of 30s or younger group

(n=4,118)



(Notes) 1. 【Question/Form of Test】 Test with multiple choice questions in which a test-taker is to choose 1 correct answer from 5 choices of explanation about NISA

# Information Collection

—Information Valued When Investing in Financial Product

Website information is valued most by both genders, followed by text media information by males and information provided by others by females

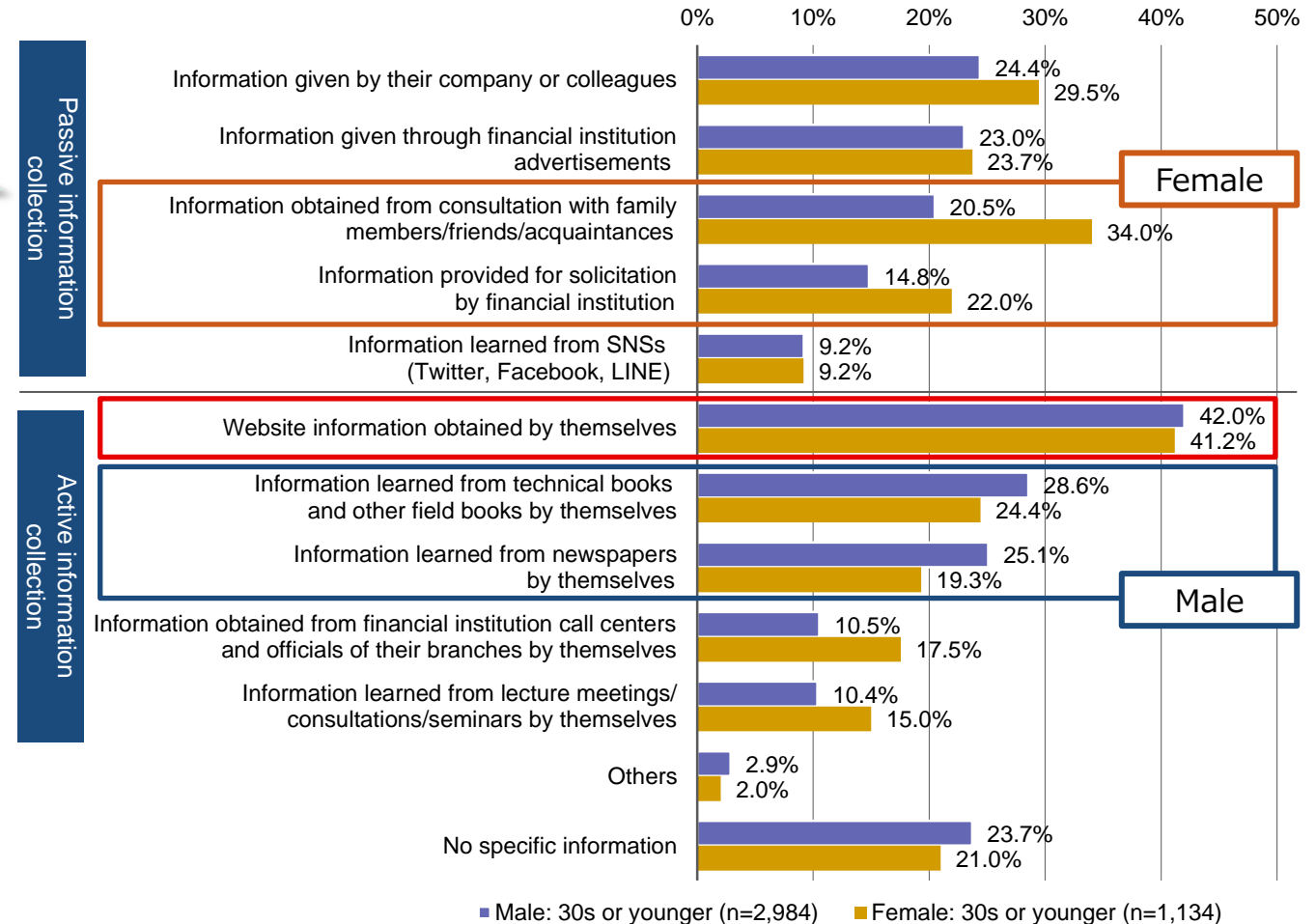
Website information is valued most by both males and females, followed by text media information including newspapers and books by males and information provided by others including friends, acquaintances and financial institution officials by females

## Takeaway

We assume that males tend to value information obtained by themselves due to the overconfident tendency toward investment, while females value information on investment recognized as credible by others due to the cautious tendency

## Information Valued When Considering Investing in Financial Product (Respondent) Company employees of 30s or younger group

(n=4,118)



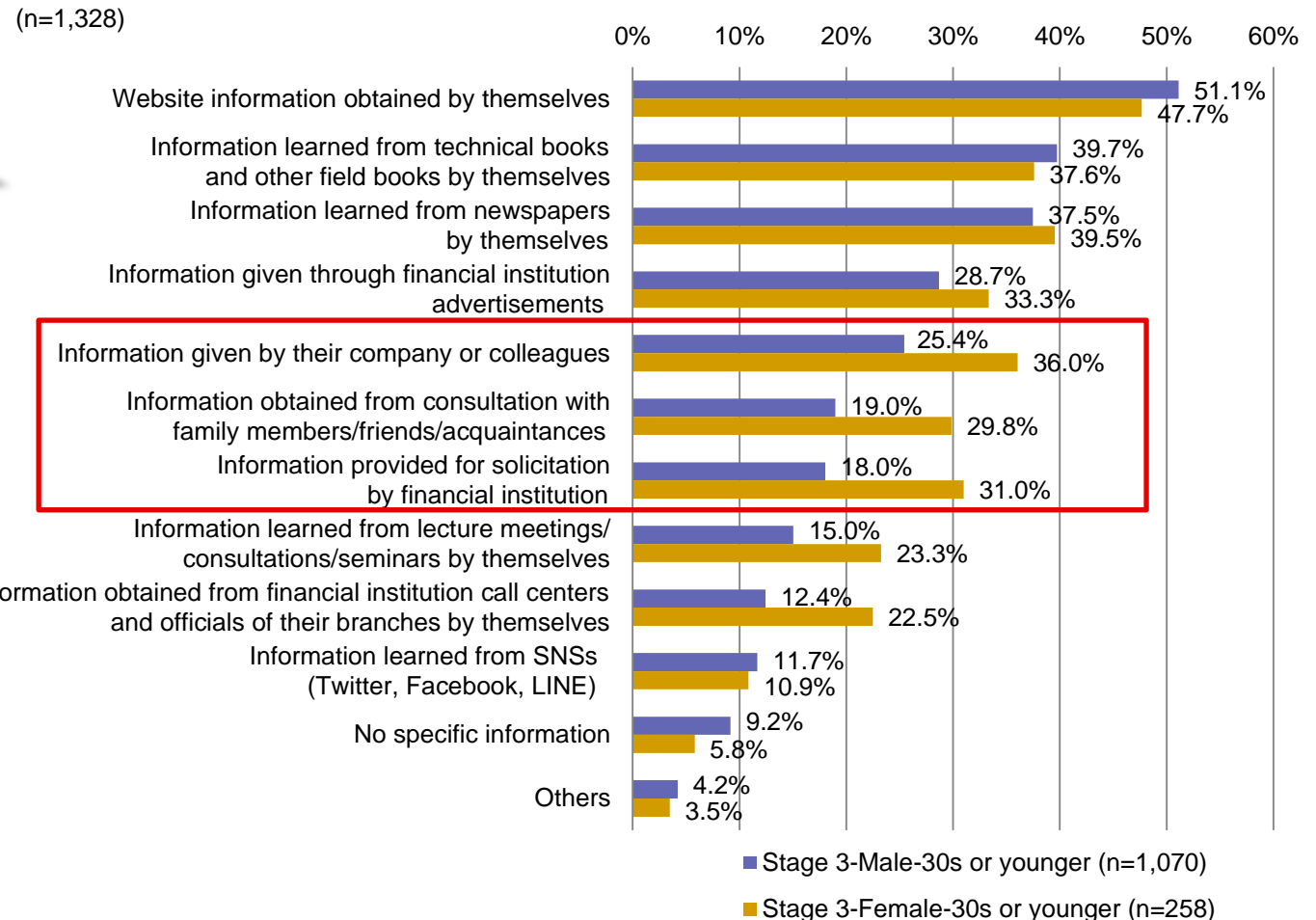
# (FYI) Information Valued When Investing in Financial Product

(Gender difference in information valued by 30s or younger with high level financial literacy)

Even among those with high financial literacy, females tend to value “information provided by others” more than males

## Information Valued When Considering Investing in Financial Product

(Respondent) Of 30s or younger company employees, respondents with Stage 3 Financial Literacy<sup>1</sup> (high level literacy)



Even among the high literacy young company employees, females showed the same tendency of valuing information provided by others including friends, acquaintances and financial institution officials

### Takeaway

Some experts say that “those with low level financial literacy” value information provided by others regardless of gender. However, we have concluded from the survey result that there is the gender difference in how they collect information.

(Notes) 1. Based on Financial Literacy Index Points (See P11) earned, we have categorized the respondents into Stage 1 (low level literacy)⇒Stage 2 (middle level literacy) ⇒ Stage 3 (high level literacy) for analysis

### 3. “Age differences” in financial literacy and features of their financial activity 【Males】

**Analysis on responses to questions of the survey suited to identify features of young males (30s or younger) by comparing them to those of the other male generations**

## Features of Young Males

Comparison with the other male generations

- Ratios of those who have actually experienced investment and those who are interested in life designing and learning about economic theory/investment in the young males are higher than those of the other male generations, while they tend to make investments to obtain short-term benefits instead of returns in the long term
- Their interests in tax saving and tax exemption programs including NISA are higher than those of the other generations, indicating their potential to utilize *Tsumitate NISA*
- We assume that having those young males realize the benefits of investment for them to “enjoy their asset growth in the medium to long term” and the benefits of “periodic automatic investment with a small fixed amount” could encourage them to start investing
- It could become easier to gain understanding on including balanced type products as default funds<sup>1</sup> in a corporate DC plan as long as they do not find it risky to invest in such funds
- Ratio of those who use the Internet and smartphone apps is high, indicating that use of the media as tools for information provision or procedures for investment must be effective to encourage them to start investing

(Notes) 1. An investment method (product) defined in a corporate DC plan agreement as an investment method used before a plan participant starts giving their own investment instructions

# 3-1. Investment Status

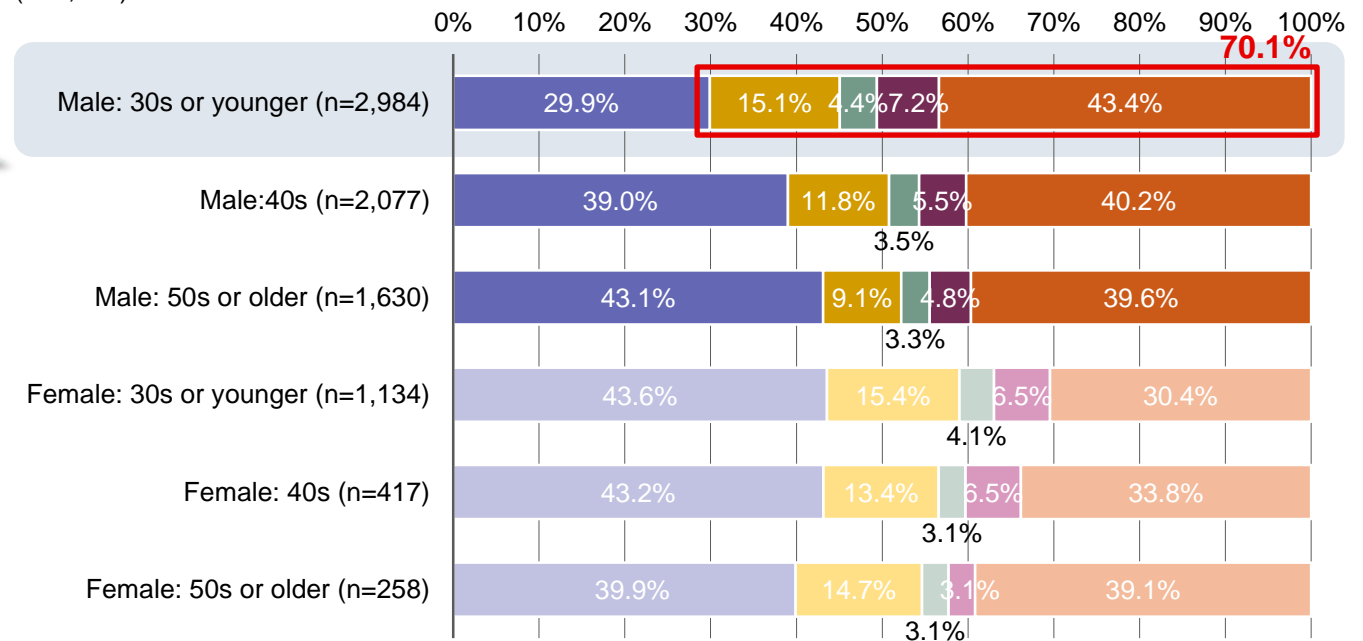
—Ratio of Respondents Who Reach Each of the “5 Steps for Starting Investing”

Ratio of 30s or younger males who have actually experienced investment is higher than males in the other generations

## Steps taken to start investing (consideration of opening an account, starting procedure, opening an account and start investing)

(Respondent) Company employees

(n=8,500)



### 【5 Steps for Starting Investing】 (See P5)

- Have never considered investing nor opening an investment account
- Have considered opening an account but have not started procedures for the opening
- Have started procedures to open an account but cancelled before their completion
- Have opened an account by completing the procedures but have never made any investments
- Have opened an account and experienced investments using the account

① Ratio of 30s or younger males who have actually experienced investment is higher than males in the other generations

② Ratio of the young respondents who chose options other than “Never considered investing” reaches over 70%

### Takeaway

Ratio of 30s or younger males who have actually experienced investment is high. Despite differences in steps they reached, they in general show their active attitude toward investment.

# 3-1. Investment Status

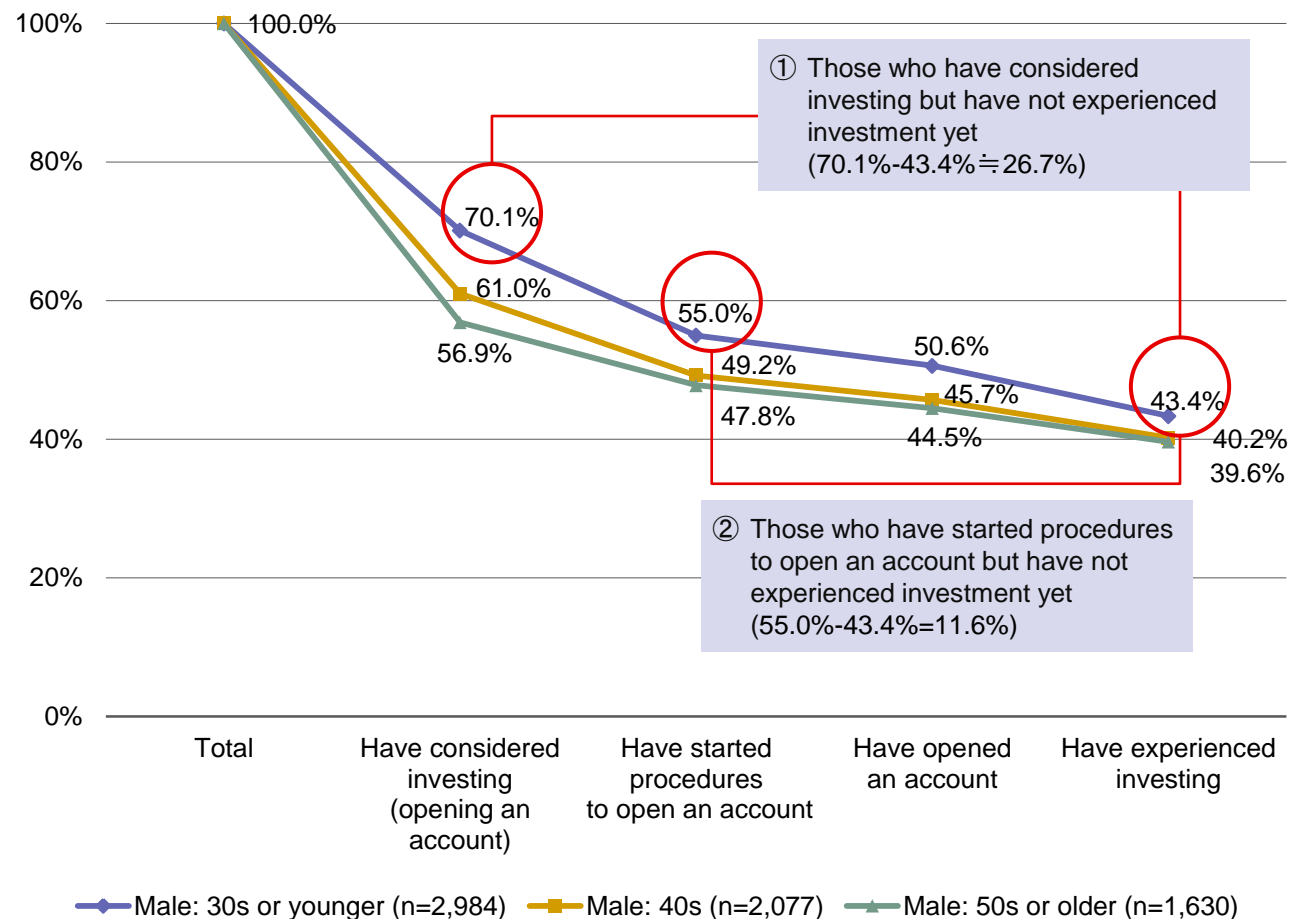
—Retention Ratio of Each Step of the 5 Steps for Starting Investing

Retention ratio at “Have considered investing” is higher than those of the other generations and the retention ratio at “Have experienced investing” is also higher than the others

## Retention Ratio of Each Step of the 5 Steps for Starting Investing<sup>1</sup>

(Respondent) Males of company employee respondents

(n=6,691)



- ① 26.7% of 30s or younger group has considered investing but has not started investment yet
- ② Of those who have started procedures to open an account, 11.6% of this age group has not reached “Have experienced investing”

### Takeaway

- We assume that those who have not reached the step of “Have experienced investing” might have chosen not to reach the next step for different reasons at different steps
- We consider that taking measures tailored to the specific reasons could increase the retention ratio of the final step

(Notes) 1. Ratio of those who reach each step of the “5 Steps for Starting Investing” in each gender group

# 3-2. Understanding/Interest

—Interest in Life Designing

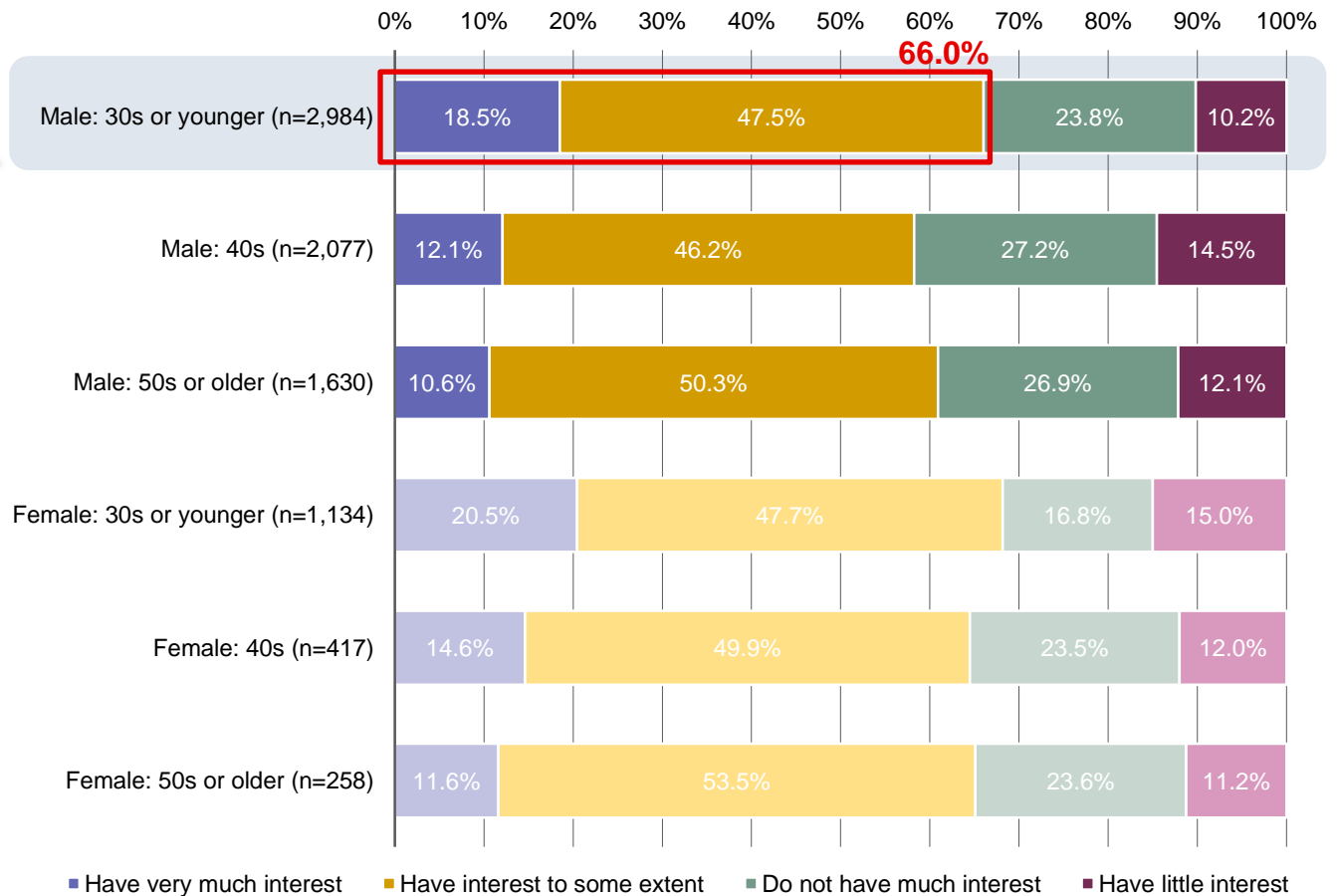
Males of this young age group are more interested in life designing compared with males of the other generations

Males of this young age group are more interested in life designing compared with males of the other generations

## Interest in life designing based on their own life plan

(Respondent) Company employees

(n=8,500)



### Takeaway

- Nearly 70% of the young males showed their interest in life designing, indicating they make much of their life
- We assume that the high level of interest in life designing by the young age group is attributable to the fact that they will have to prepare for more life events than the other generations



# 3-2. Understanding/Interest

—Interest in Learning about Financial Product

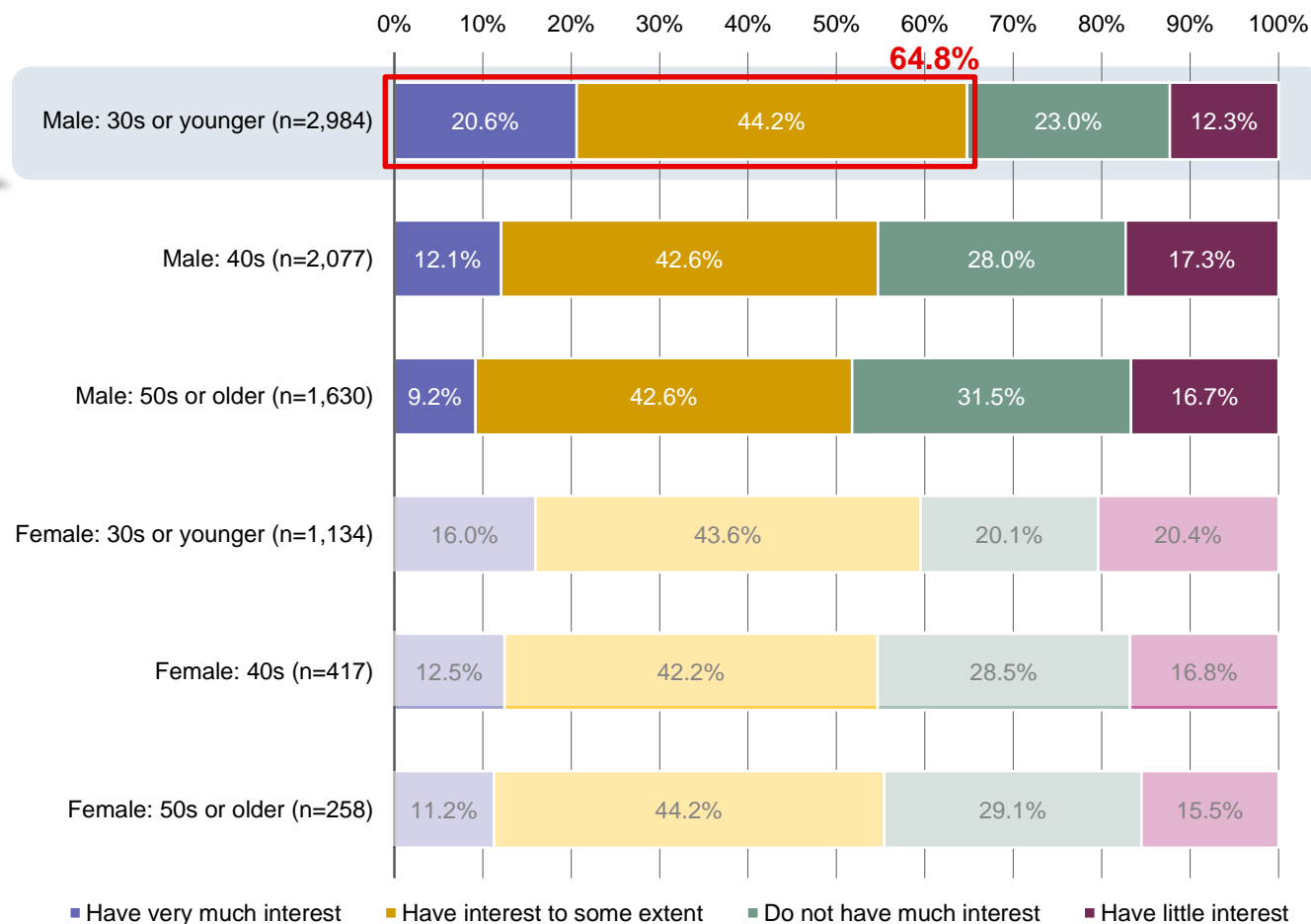
Males of this age group are more interested in learning about financial product than the other generations

Over 60% of males of this age group have interest in learning about financial product, which is higher than those of the other generations

## Interest in Learning about Financial Product

(Respondent) Company employees

(n=8,500)



### Takeaway

“Have interest to some extent” accounts for over 40% and “Have very much interest” accounts for over 20% of the total, suggesting their high level of interest in learning about financial product

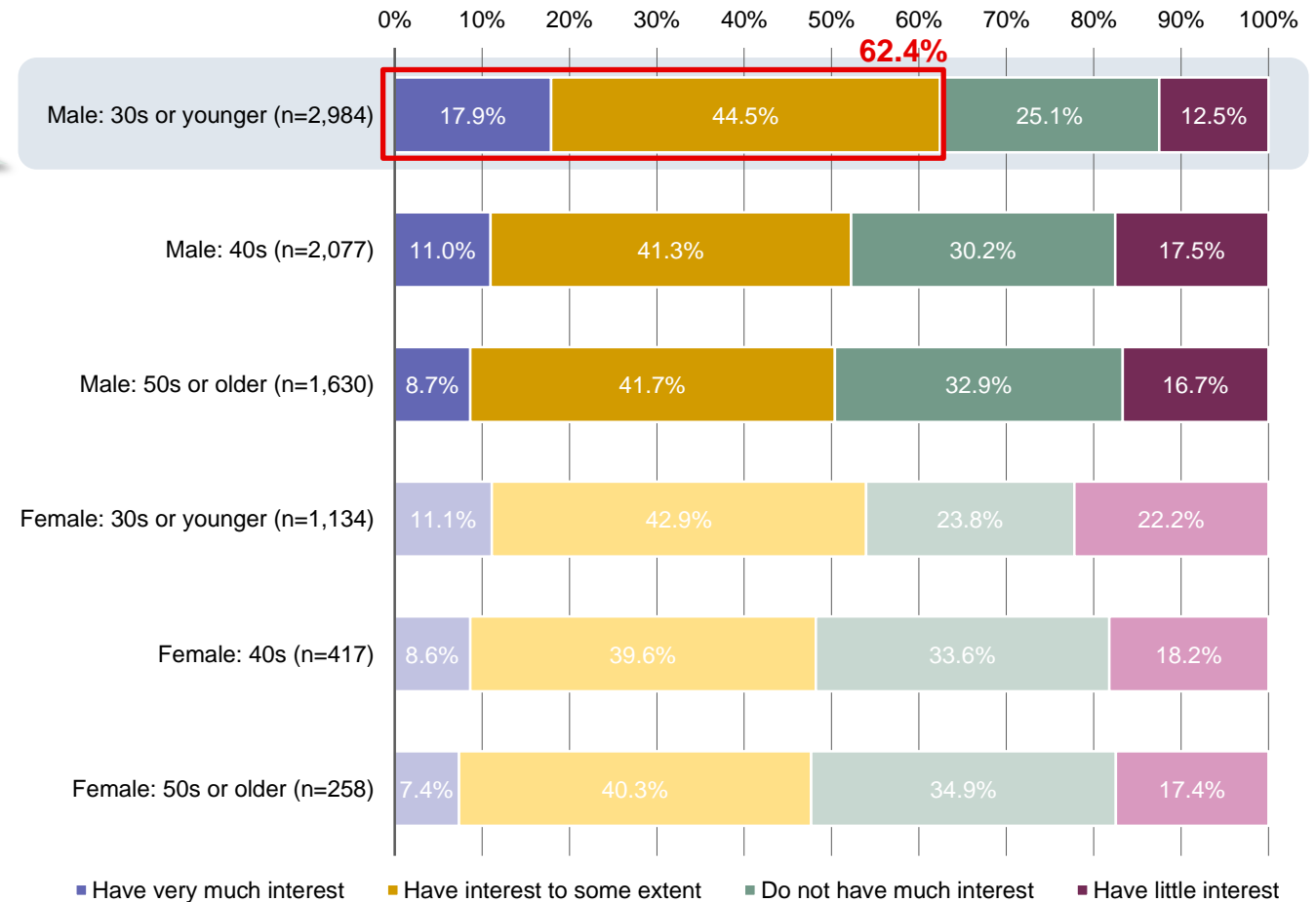
# 3-2. Understanding/Interest

—Willingness to Learn about Economic Theory

Males of this age group have more willingness to learn about economic theory than the other generations

## Willingness to Learn about Economic Theory on Asset Management (Respondent) Company employees

(n=8,500)



Over 60% have willingness to learn about economic theory, which is higher than ratios of the other generations

### Takeaway

Males of the young age group are interested in all of “life designing”, “financial knowledge” and “economic theory”, which we consider, might lead to the high ratio of those who have actually experienced investment

# 3-2. Understanding/Interest

—Understanding Level of NISA

Understanding level of NISA of males in this age group is higher than those of the other generations

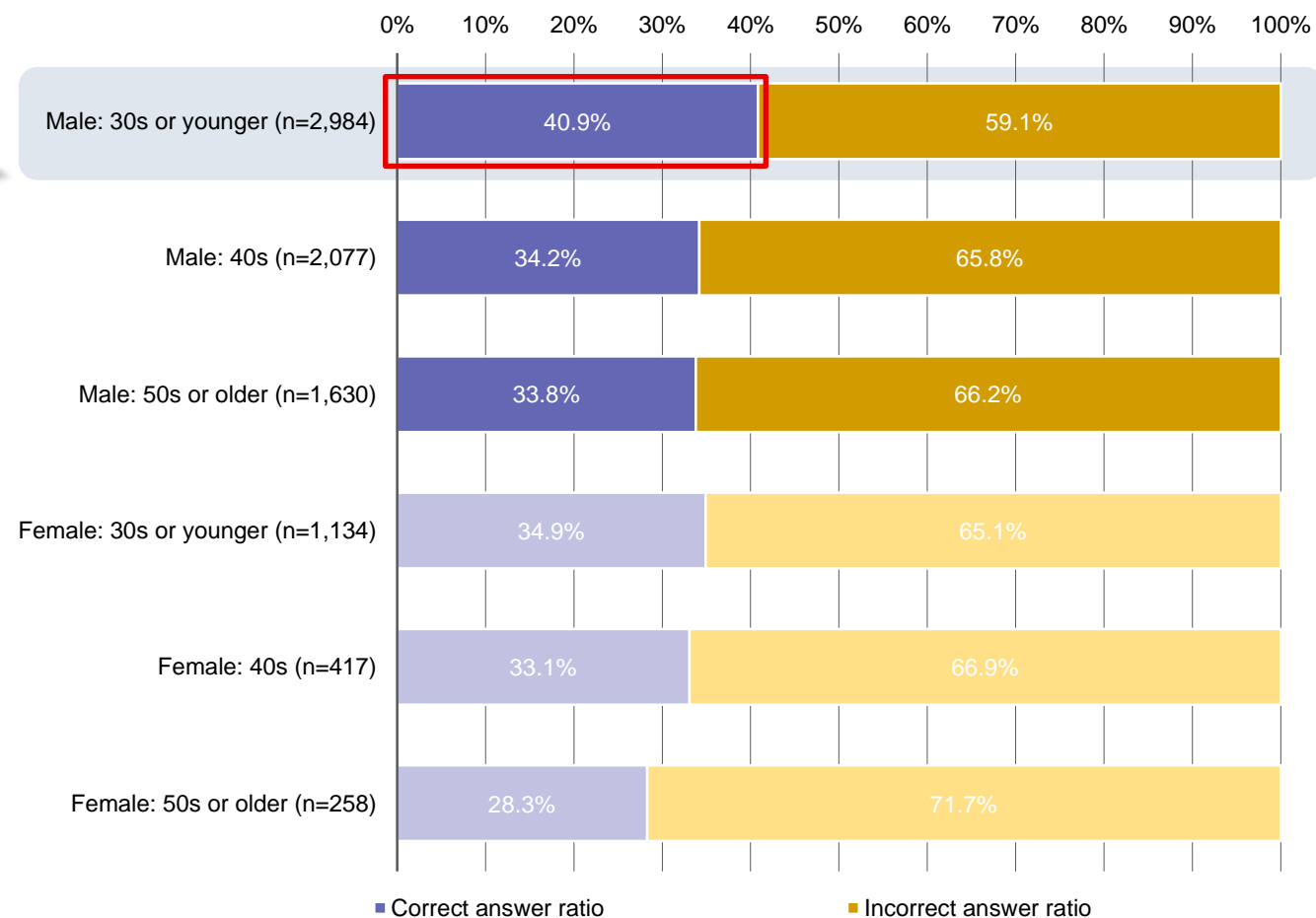
Understanding level of NISA of males in this age group is higher than those of the other generations

## Takeaway

Generally, it is believed that the older they get, the more financial knowledge they learn. However, the survey on understanding level of NISA shows the opposite trend.

### Correct/Incorrect Ratio in Test to Measure Understanding Level of NISA<sup>1</sup> (Respondent) Company employees

(n=8,500)



(Notes) 1. 【Question/Form of Test】 Test with multiple choice questions in which a test-taker is to choose 1 correct answer from 5 choices of explanation about NISA

# 3-3. Information Collection

## —Learning Opportunities After Starting Investment

Many respondents use website information and print media to learn about investment

After starting investment, many respondents used website information and print media including newspaper, magazines and books to learn about investment. Of the above, website information was used most by males in the young age group among all males.

### Takeaway

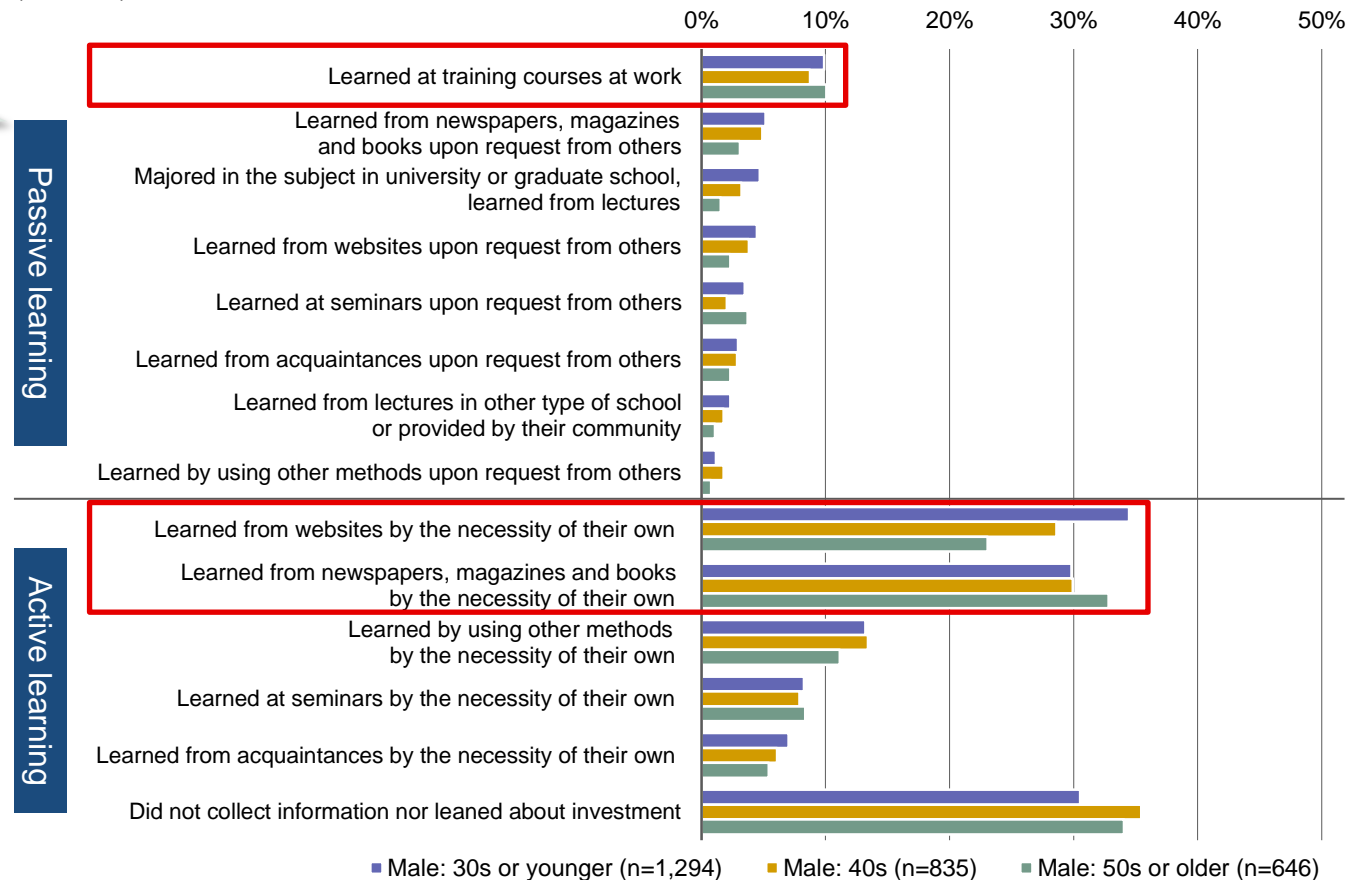
- The non-negligible ratio of respondents voluntarily continued learning about investment after starting investing
- Nearly 10% of respondents learned about investment at training courses at work, which, we assume, were induction courses for new comers (30s or younger) and seminars for the Soon-to-Be Retirees (50s or older).

### Learning Opportunities After Starting Investment

(Respondent) Of company employee respondents who chose “Have opened an account and experienced investments using the account<sup>1</sup> (3,362), male respondents

5

(n=2,775)



(Notes) 1. Excluding investment experience through corporate DC pension plan

# 3-3. Information Collection

—Information collection “When Considering Opening an Account”

PC is preferred by more respondents as information collection medium compared with smartphone and mobile phone

The ratio of those who used comparison websites on PC for information collection is high. This tendency is more obvious in the young age group.

## Takeaway

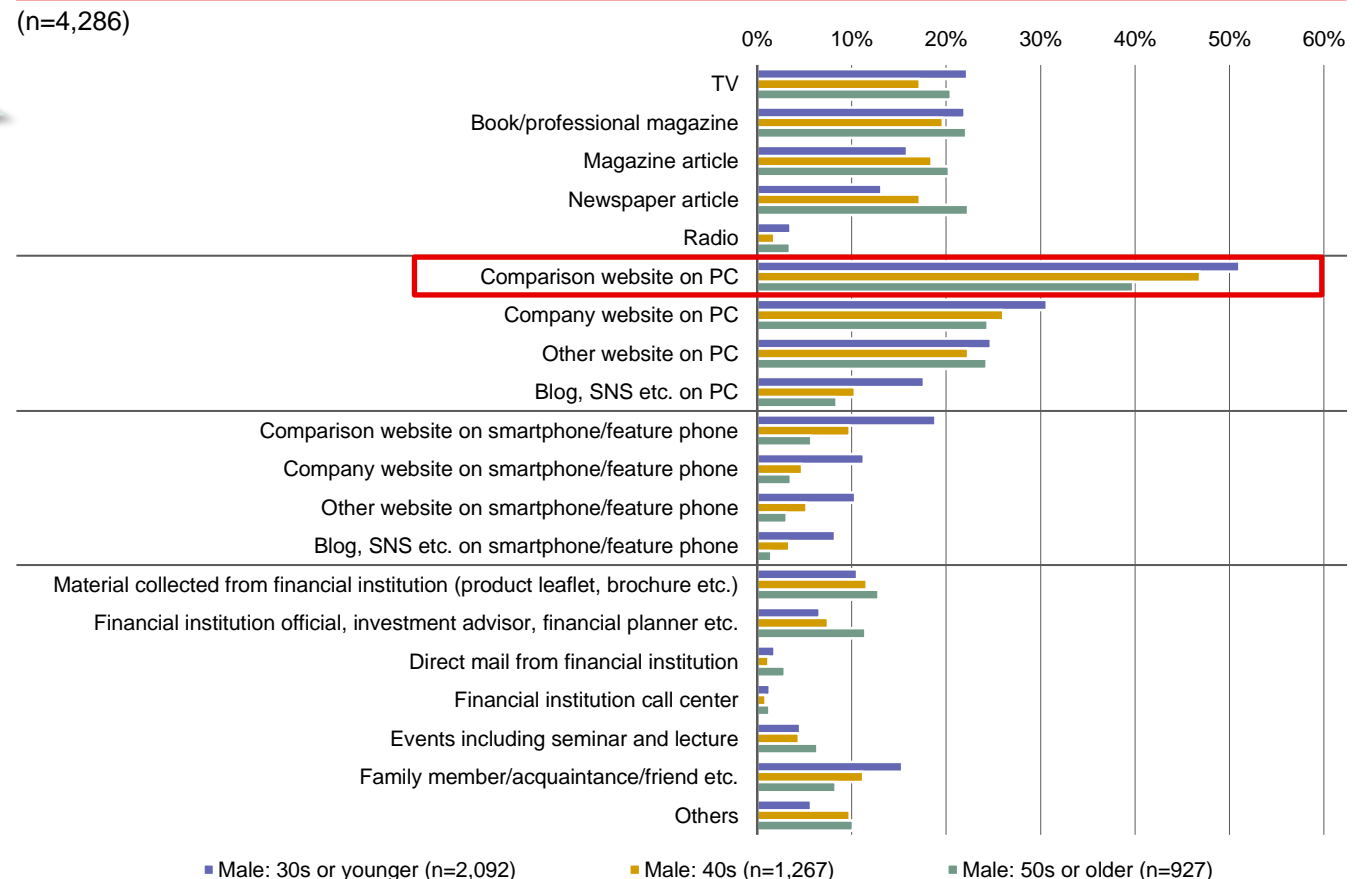
Despite the widespread use of smartphones, the survey shows that more respondents chose PC as information collection medium, suggesting the followings;

- When opening an account, they want to take enough time on relevant information collection at home
- Since not all of the websites have their smartphone sites, there is a limitation in comparison when using smartphone
- Since they have to deal with a massive amount of relevant information, they prefer a wider PC screen to a small smartphone screen

## Media Used for Information Collection When Considering Opening an Account

(Respondent) Of company employee respondents who chose options other than “Have never considered opening an investment account” for their personal investment experience<sup>1</sup> (5,318), male respondents

2 3 4 5



(Notes) 1. Excluding investment experience through corporate DC pension plan

# 3-3. Information Collection

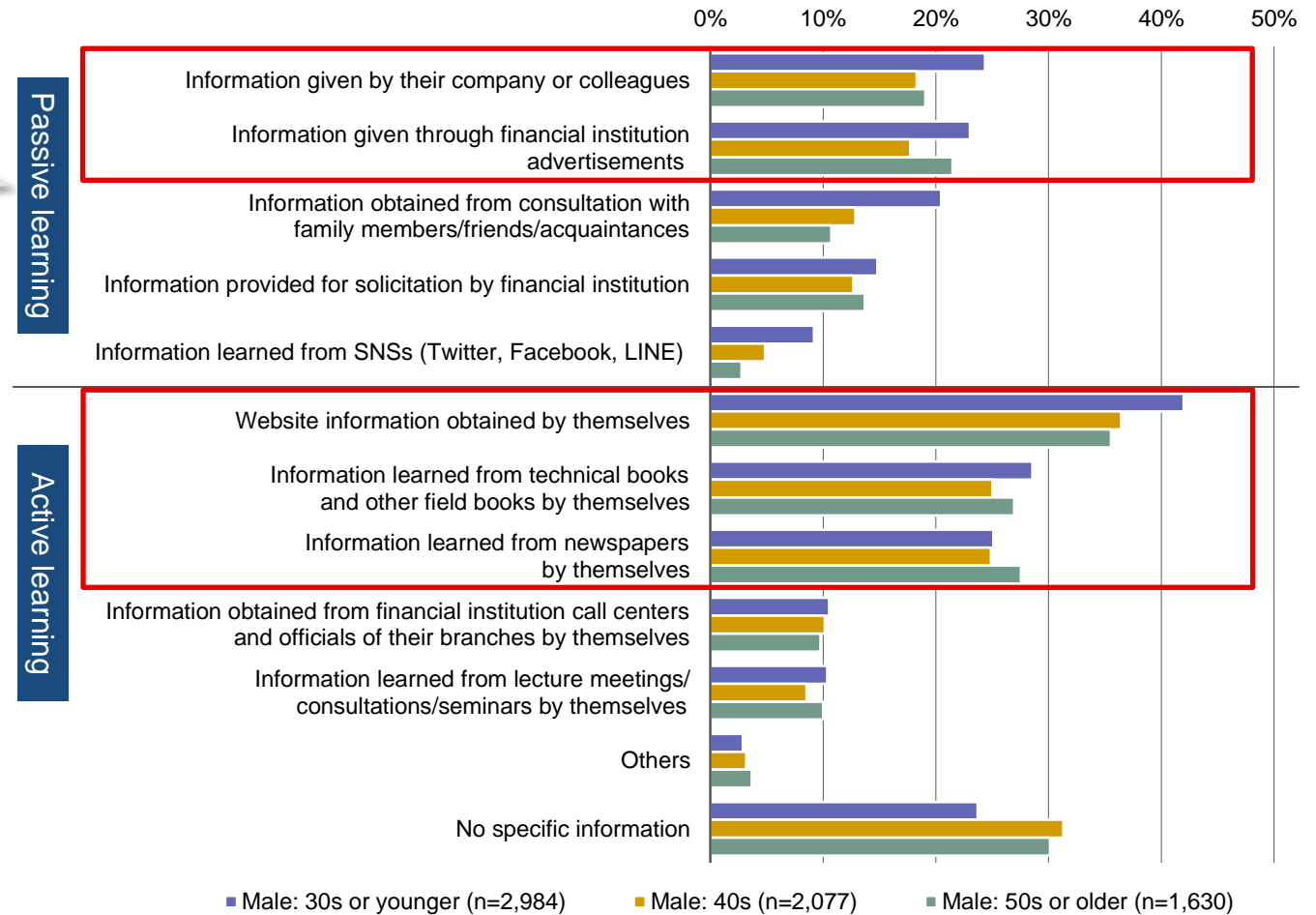
—Information Collection “When Investing in Financial Product”

Compared with the other generations, males in the young age group use more diversified information sources and are more active in information collection

## Information They Value When Investing in Financial Product

(Respondent) Males of company employee respondents

(n=6,691)



- ① Compared with the other generations, males in the young age group use more diversified information sources
- ② Of the passively collected information, information given by their company and given through financial institution was more valued
- ③ Of the actively collected information, text media information including information from websites, books and newspapers was more valued

**Takeaway**

- Males in the young age group are more active in information collection
- The non-negligible ratio of respondents value the passively collected information, suggesting that providing information on financial product at seminars organized by their company could be an effective tool to motivate them to make investment

# 3-3. Information Collection

## —Use of Financial Apps on Smartphone

Compared with the other generations, ratios of males in the young age group who use financial apps on smartphone are higher

- ① The ratio of males in the young age group who use financial apps for investing in equity, investment trust, FX etc. is higher than those of the other generations
- ② On the other hand, as high as nearly 40% of them has not installed any financial apps

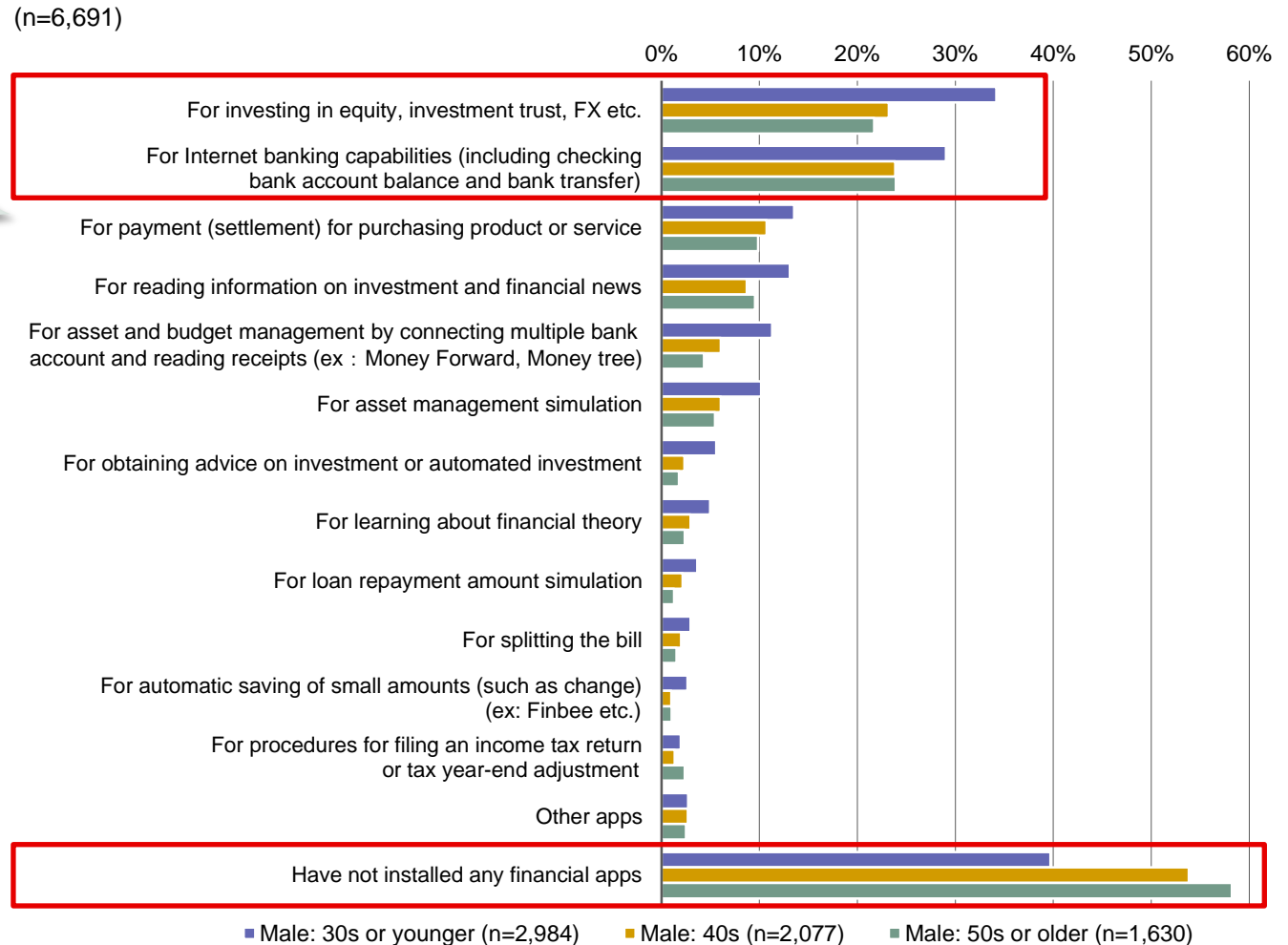
### Takeaway

While more respondents in the young age group use financial apps compared with the other generations, we consider that there is still some room for more app penetration.

Since we have seen that app user increase could lead to increase in people starting investment overseas, we need to put more efforts in increasing the number of app users.

### Financial Apps on Smartphone

(Respondent) Males of company employee respondents



# 3-4. Clue to encourage people to start investing

—Reason for Opening an Account (Their Own Environment Change)

Nearly 50% of respondents started considering investment after “having secured a certain amount of money”

- ① When asked about environment changes that would motivate them to start investing, nearly 50% of respondents said “having secured a certain amount of money”
- ② The gap with the other generations is wider in events the young males find more closer to them (getting the first job, job change, marriage, childbirth etc.)
- ③ For the young males, having learned about asset management at seminars could be an effective opportunity

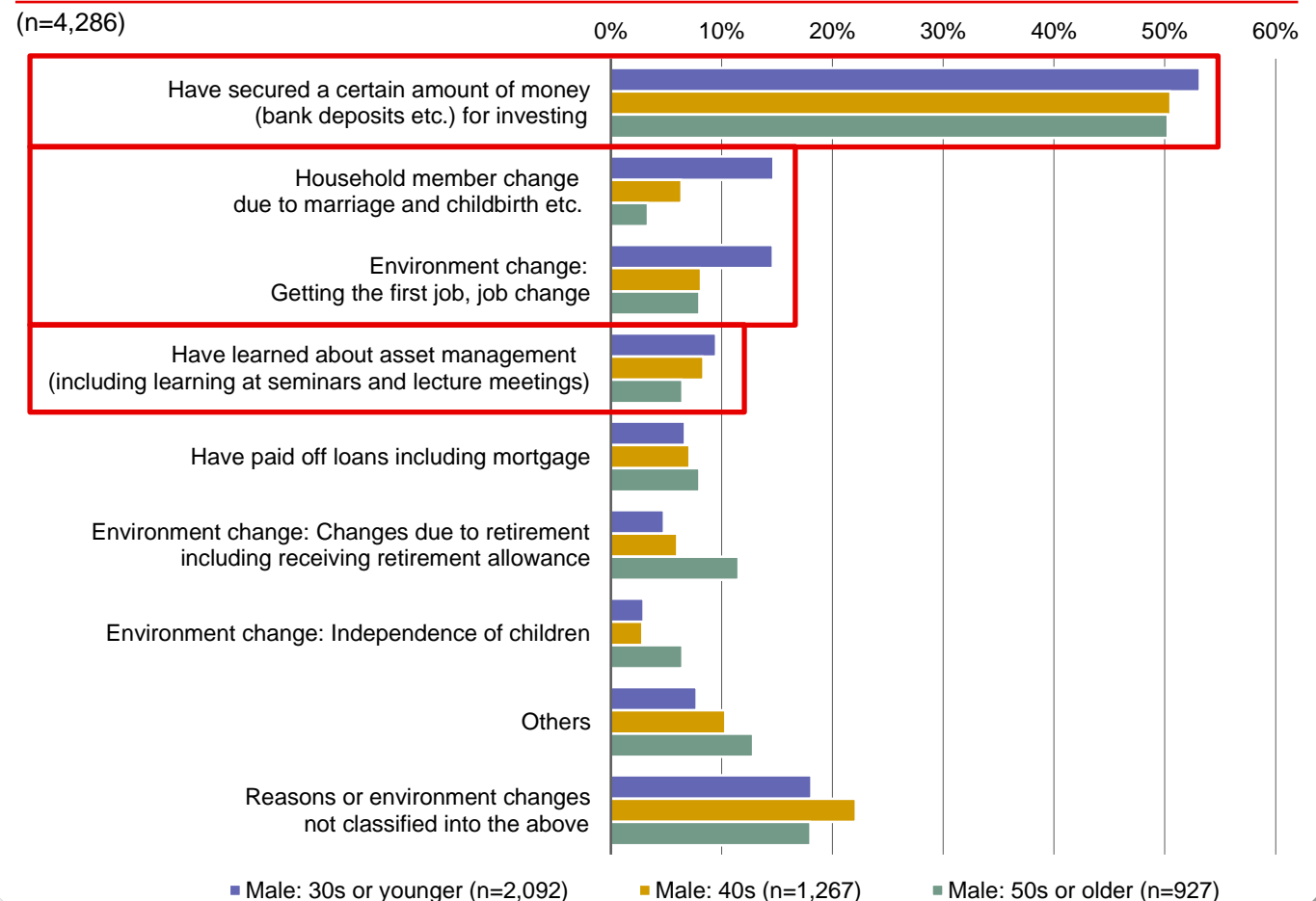
## Takeaway

We assume that having people realize the benefits of “periodic automatic investment with a small fixed amount” could encourage them to start investing. Since “getting the first job” and “marriage” become closer to reality for males of the young age group, it could be a good opportunity to have their perspective of investment change at this point in their life.

## Environment Change for Considering Opening an Account

(Respondent) Of company employee respondents who chose options other than “Have never considered opening an investment account” for their personal investment experience<sup>1</sup> (5,318), male respondents

② ③ ④ ⑤



(Notes) 1. Excluding investment experience through corporate DC pension plan



# 3-4. Clue to encourage people to start investing

—Objective for Considering Opening an Investment Account

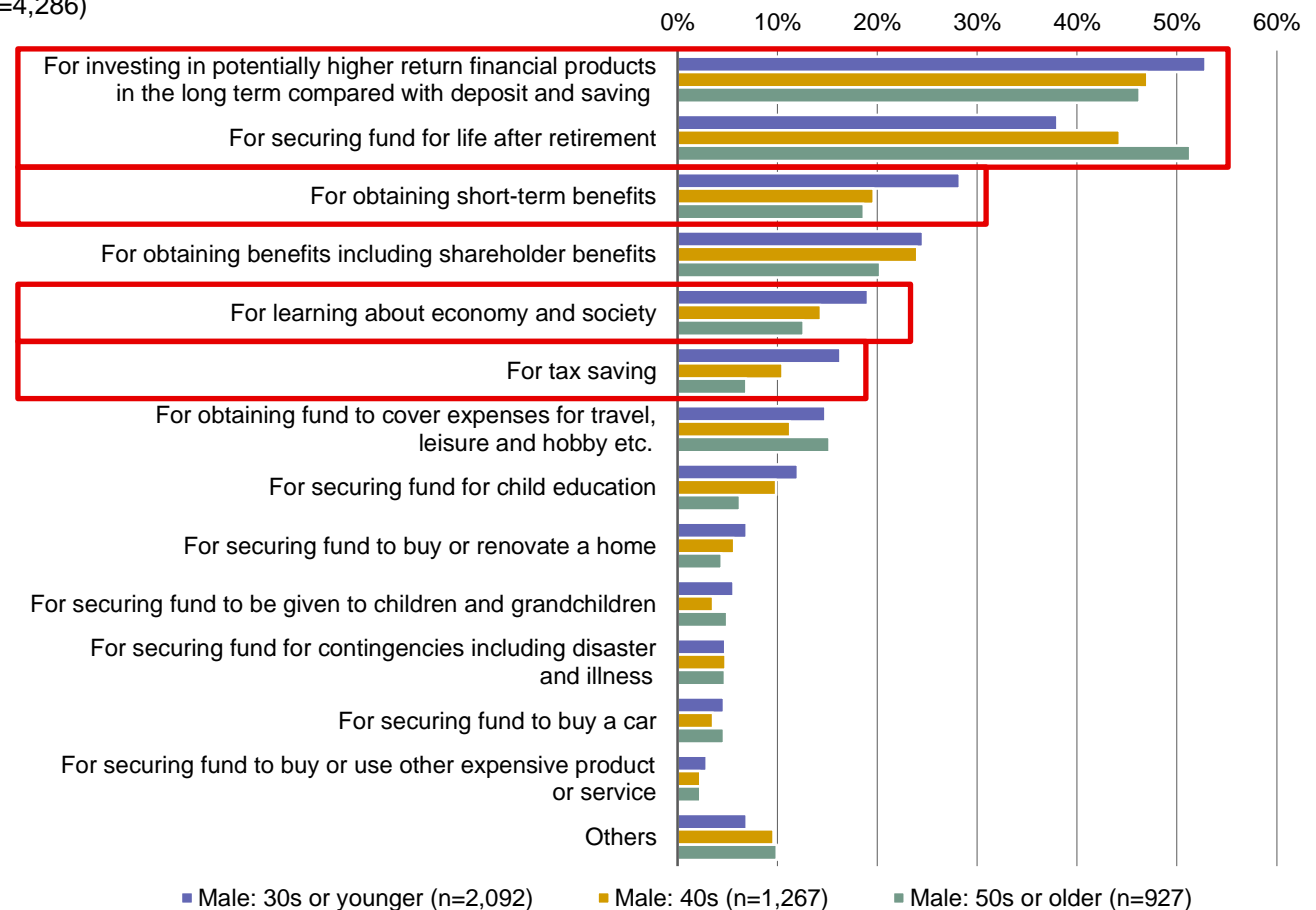
Many of the respondents cited “higher return in the long term” as their objective, while “obtaining short-term benefits” and “tax saving” were also chosen by a certain number of respondents

## Objective for Considering Opening an Investment Account

(Respondent) Of company employee respondents who chose options other than “Have never considered opening an investment account” for their personal investment experience<sup>1</sup> (5,318), male respondents

② ③ ④ ⑤

(n=4,286)



(Notes) 1. Excluding investment experience through corporate DC pension plan

① While many respondents chose “securing fund for life after retirement” and “higher return in the long term” as their objectives, “obtaining short-term benefits” and “tax saving” were valued relatively high

② The ratio of “learning about economy and society” was also relatively high

### Takeaway

- Even short term investments with spare money could be an opportunity for them to take one step further to understand benefits of long term investments for asset building, which could encourage more people to start investing
- Many respondents are interested in tax saving, for which understanding of tax saving benefits of NISA/DC could increase investors using the systems
- Many are also eager to learn about economy and society, indicating their potential to understand benefits of long term periodic automatic investment

# 3-4. Clue to encourage people to start investing

—Reason for not reaching the step of “Have started procedures to open an account”

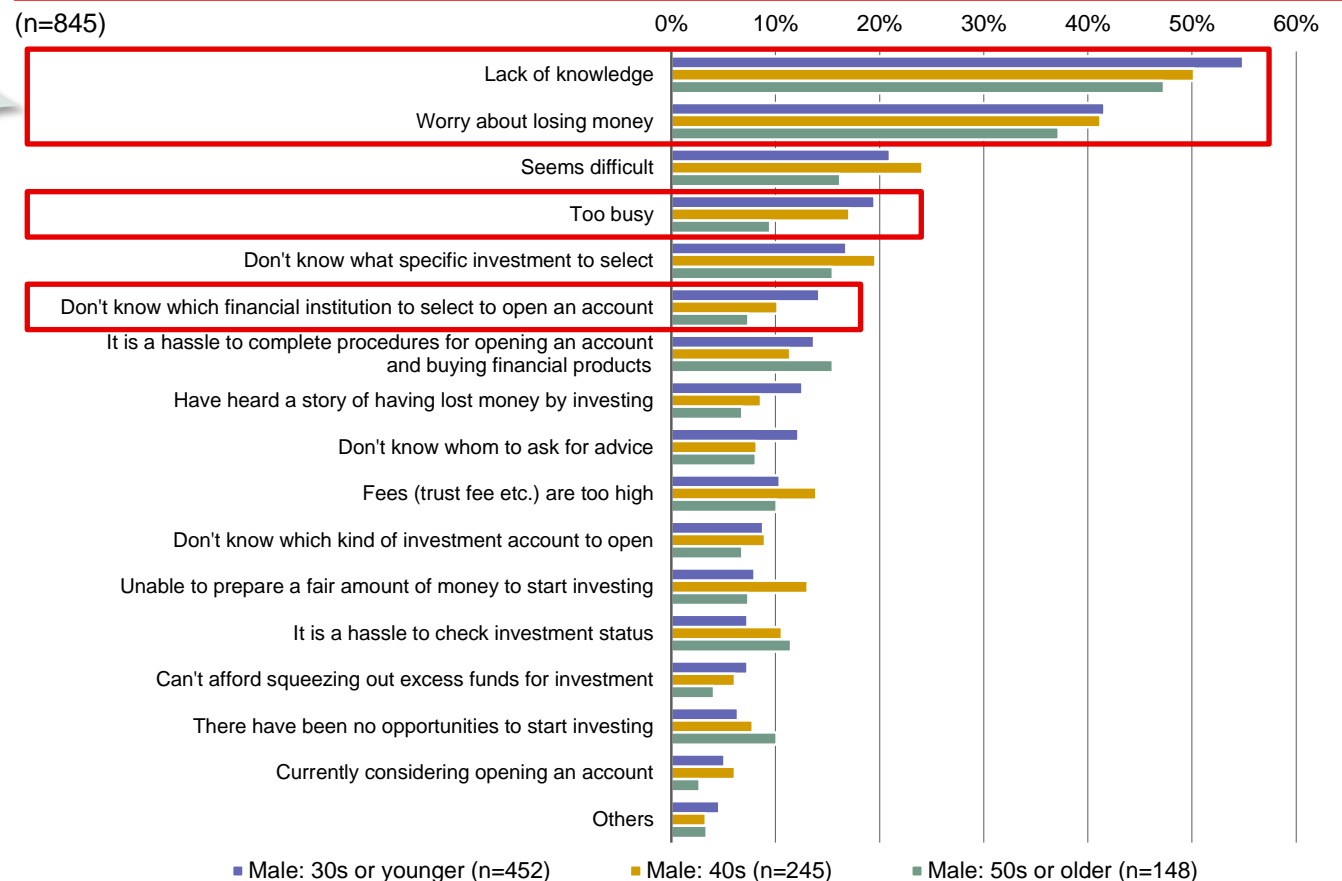
“Lack of knowledge” and “Worry about losing money” ranked 1st and 2nd as reasons

- ① Many of those who considered opening an account but have not started procedures for the opening cited “Lack of knowledge” and “Worry about losing money” as their reasons
- ② Compared with those of the other generations, the ratios of those who chose “Don’t know which financial institution to select to open an account” and “Too busy” are also higher

## Reason for not starting procedures to open an account despite considering the opening

(Respondent) Of company employee respondents who chose “Have considered opening an account but have not started procedures for the opening” for their personal investment experience<sup>1</sup> (1,114), male respondents

2



### Takeaway

The survey results indicate that even those who are highly interested in investment become reluctant to start investing due to their concerns over lack of knowledge/possibility of losing money and their busy life style

(Notes) 1. Excluding investment experience through corporate DC pension plan

# 3-4. Clue to encourage people to start investing

—Reason for not reaching the step of “Have experienced investing”

“Lack of knowledge”, “Too busy” and “Worried about losing money” prevent them from starting investing

① Compared with those who chose “Have considered opening an account but have not started procedures for the opening” (P33), the ratios of those who chose “Lack of knowledge” and “Worried about losing money” are lower among those who chose “Have opened an account by completing the procedures”

② On the other hand, the result suggests that reasons more directly related to investment including “Don’t know what specific investment to select” and “Too busy” prevent them from starting investing

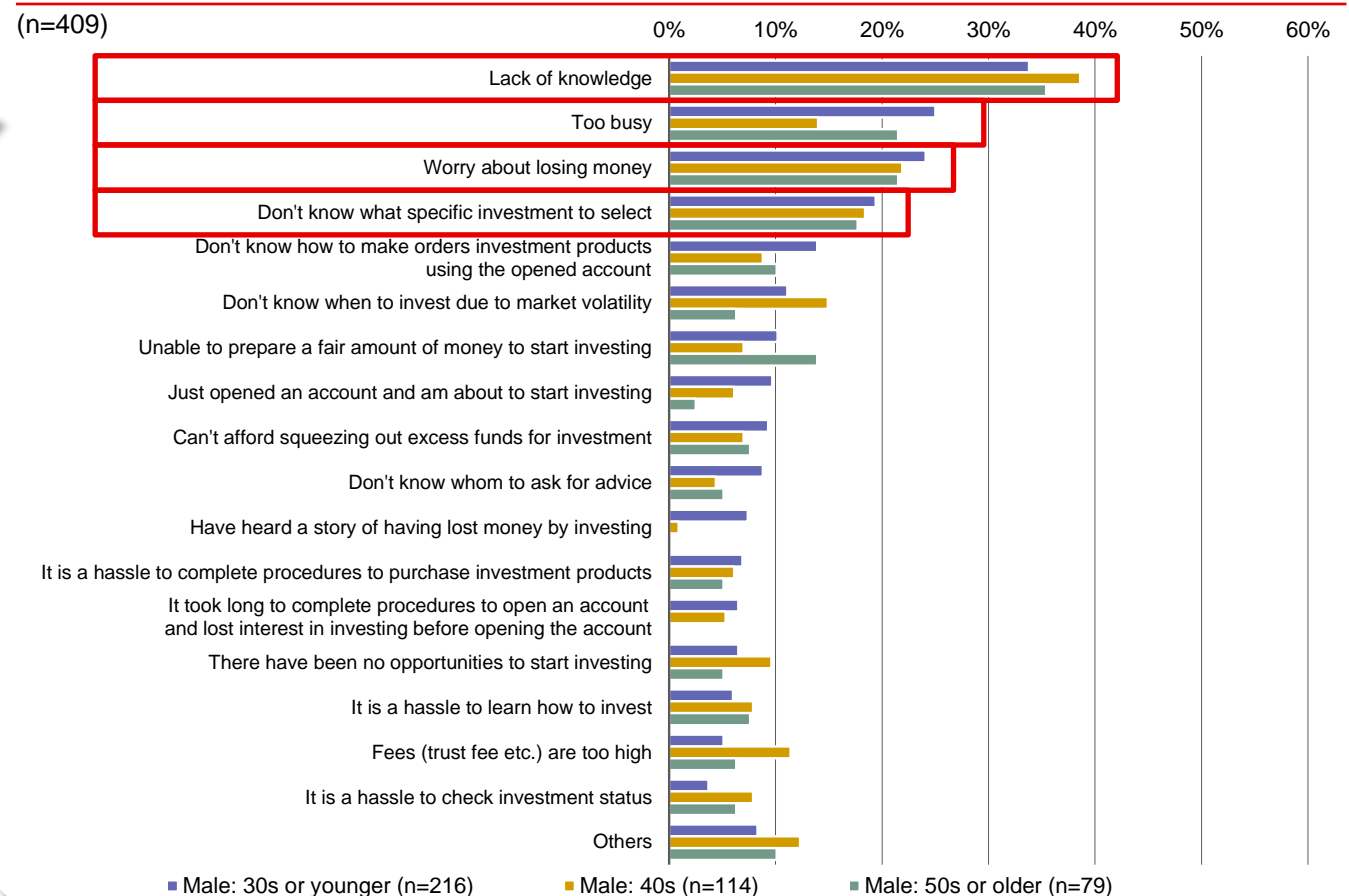
## Takeaway

- Among those who have reached a stage where they have opened an account, many decided not to start investing due to difficulty in selecting specific investments
- As reason for not starting procedures to open an account, the ratio of “Too busy” is slightly below 20% (P33), while the ratio of the same reason for not starting investing is slightly higher at around 25%, indicating that the hurdle to get over to start investing is higher than that for completing procedures to open an account

## Reason for not starting investing despite completing procedures to open an account

(Respondent) Of company employee respondents who chose “Have opened an account by completing the procedures but have never made any investments” for their personal investment experience<sup>1</sup> (518), male respondents

4



(Notes) 1. Excluding investment experience through corporate DC pension plan

# 3-4. Clue to encourage people to start investing

—Factors to lower hurdles before starting investing

Keywords to lower hurdles before starting investing: Small amount, Without worries and Simplified procedures

Factors to lower hurdles before starting investing are classified into the followings;

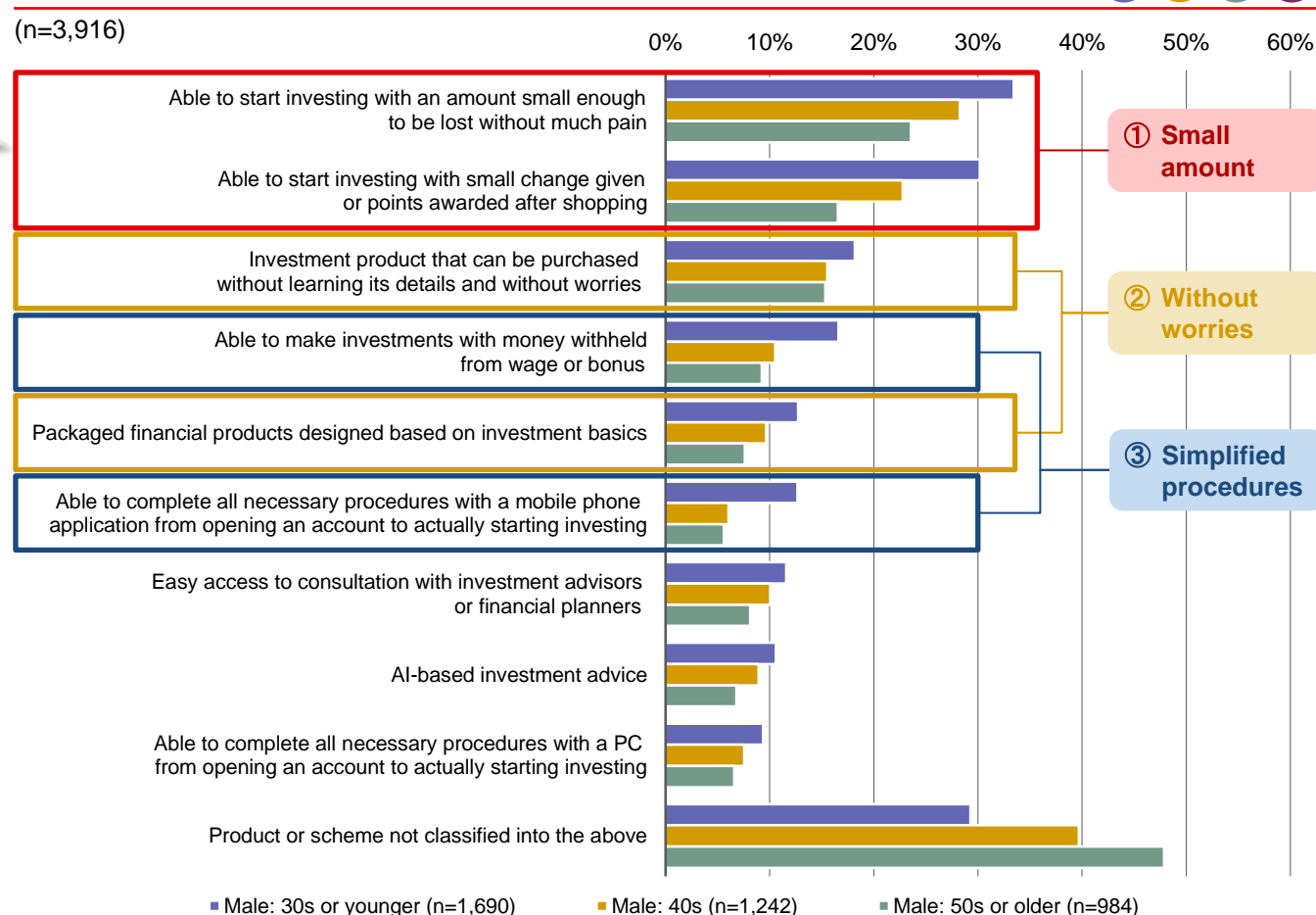
- ① Amount small enough to be lost without much pain
- ② Investment product that can be purchased without worries
- ③ Simplified procedure (automatically subtracted amount from your wage bank account, smartphone apps etc.)

## Takeaway

- Being able to have more people understand the benefits of periodic automatic investment and the original objective of investment (grow their assets in the medium to long term by investing) could encourage them to start investing
- It becomes easier to gain understanding on including balanced type products as default funds<sup>2</sup> in a corporate DC plan as long as they do not find it risky to invest in such funds
- Functions on Apps/PC enabling investment activities ranging from information gathering to procedure completion could encourage people to start investment

## Impacts of product feature/convenience on investment activity

(Respondent) Of company employee respondents who chose options other than “Have opened an account and experienced investments using the account” for their personal investment experience<sup>1</sup> (5,138), male respondents



(Notes) 1. Excluding investment experience through corporate DC pension plan  
 2. An investment method (product) defined in a corporate DC plan agreement as an investment method used before a plan participant starts giving their own investment instructions

## 4. “Age differences” in financial literacy and features of their financial activity 【Females】

**Analysis on responses to questions of the survey suited to identify features of young females (30s or younger) by comparing them to those of the other female generations**

## Features of Young Females

### Comparison with the other female generations

- Even though majority of young females are interested in their life plan/investment and also have interest in learning about financial product/economic theory, the ratio of those who have experienced investment is lower compared with the other generations
- The ratio of those who are not confident about their financial knowledge is high and “Lack of knowledge” and “Worry about losing money” were cited by majority of the females as reason for not considering investment in the survey
- The high ratio of the females utilize information given by those who are close to them including friend/colleague/family member as information source when considering opening an investment account or actually investing in financial product
- The usage rate of smartphone in the age group is high and they mainly use apps for more convenient everyday life including apps for household budget management and payment (settlement) when purchasing product /service
- As factors to lower hurdles before starting investing, the females chose “Amount small enough to be lost without much pain”, “Investment product that can be purchased without worries” and “Simplified procedures to be completed on smartphone”
- Having even part of young females start investing by encouraging them with benefits of “periodic automatic investment with a small amount”, “packaged financial product” and “automatic investment with everyday life media such as smartphone” could motivate more to start investing through SNS word of mouth

# 4-1. Investment Status

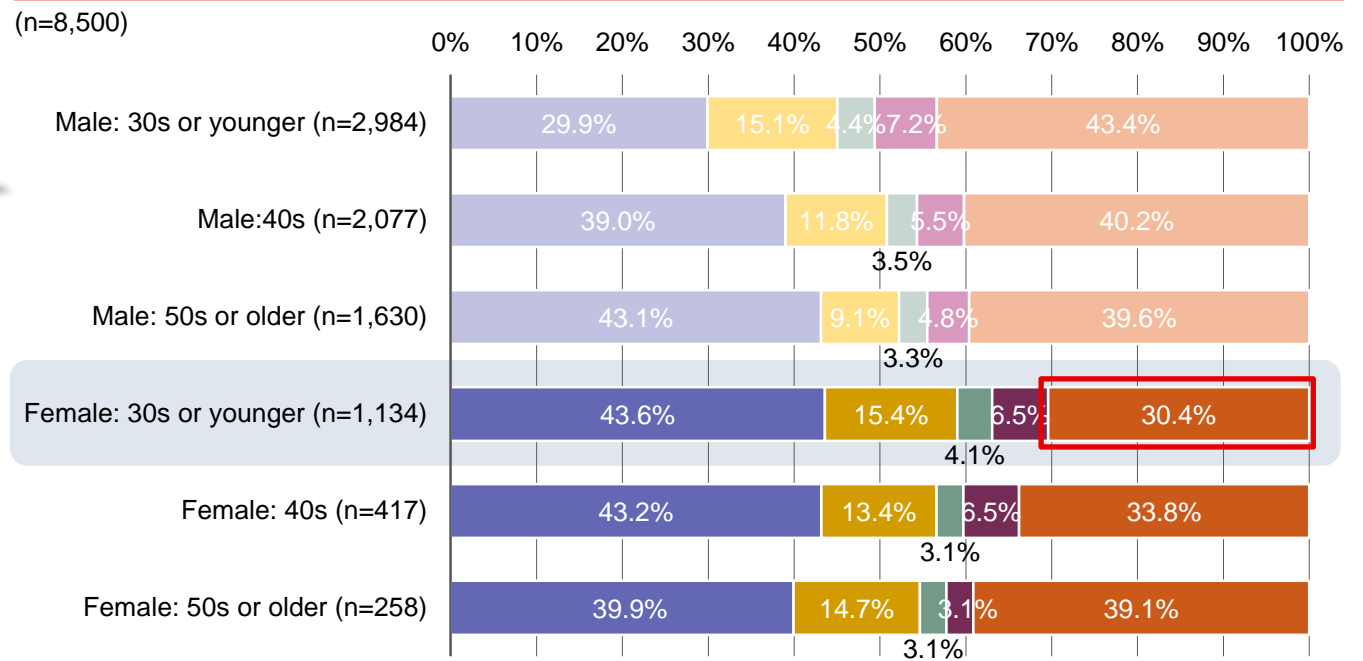
—Ratio of Respondents Who Reach Each of the “5 Steps for Starting Investing”

Ratio of 30s or younger females who have actually experienced investment is lower than females in the other generations

Ratio of 30s or younger females who have actually experienced investment is lower than females in the other generations

## Steps taken to start investing (consideration of opening an account, starting procedure, opening an account and start investing)

(Respondent) Company employees



### 【5 Steps for Starting Investing】 (See P5)

- Have never considered investing nor opening an investment account
- Have considered opening an account but have not started procedures for the opening
- Have started procedures to open an account but cancelled before their completion
- Have opened an account by completing the procedures but have never made any investments
- Have opened an account and experienced investments using the account

### Takeaway

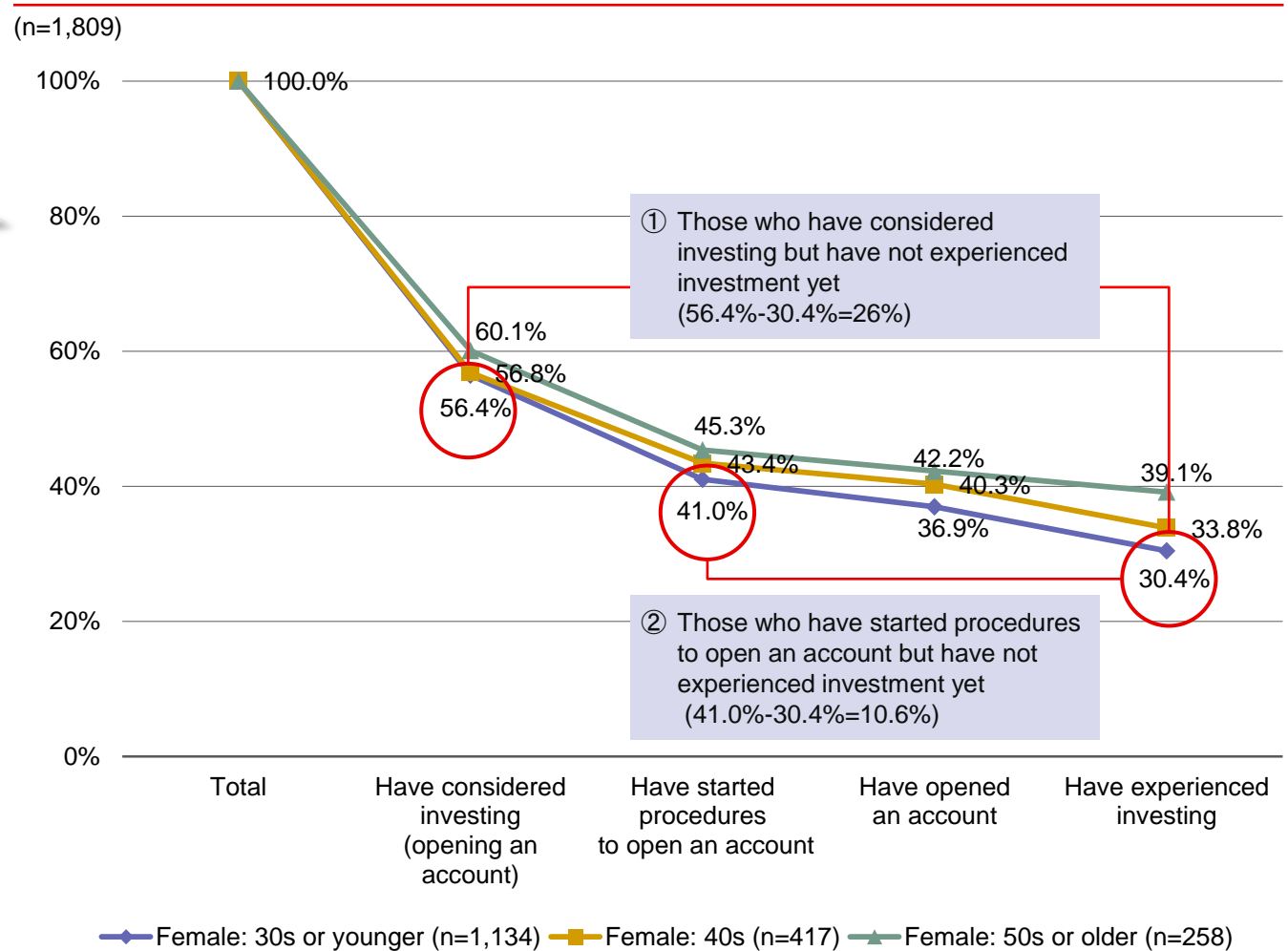
The survey result shows that the younger respondents are, the lower their investment experience ratio becomes, suggesting cautious attitude of young females toward investment

# 4-1. Investment Status

—Retention Ratio of Each Step of the 5 Steps for Starting Investing

Nearly 26 % of 30s or younger group has considered investing but has not started investing yet

**Retention Ratio of Each Step of the 5 Steps for Starting Investing<sup>1</sup>**  
(Respondent) Females of company employee respondents



- ① 26% of 30s or younger group has considered investing but has not started yet
- ② Of those who have started procedures to open an account, 10.6% of this age group has not reached "Have experienced investing"

## Takeaway

Their cautious attitude toward investment might potentially lead to the low retention ratios

(Notes) 1. Ratio of those who reach each step of the "5 Steps for Starting Investing" in each gender group



# 4-2. Understanding/Interest

## —Interest in Life Designing

Females of this young age group are more interested in life designing compared with females of the other generations

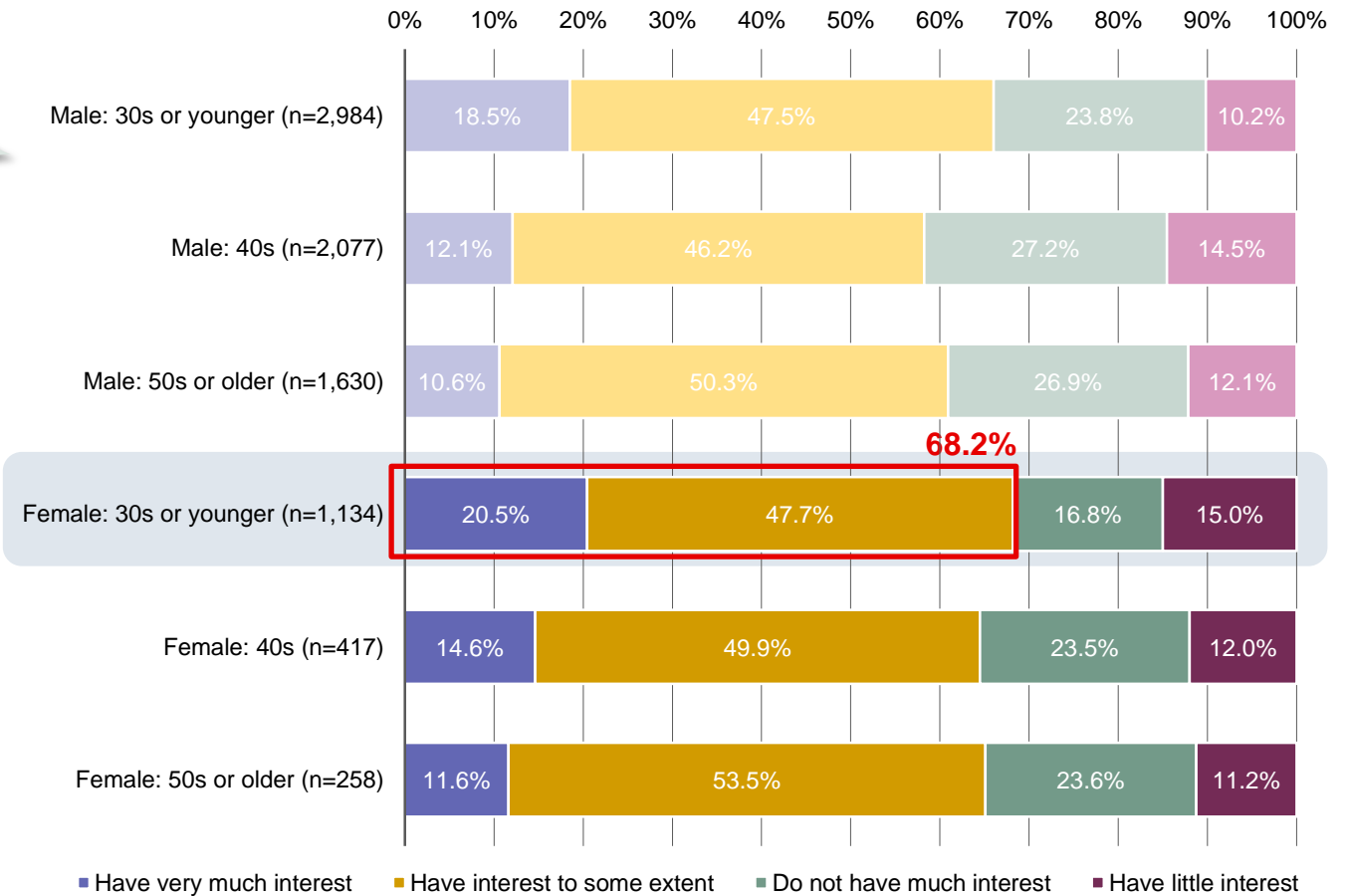
Females of this young age group are more interested in life designing compared with females of the other generations

**Takeaway**

- Nearly 70% of the young female showed their interest in life designing, indicating that they make much of their life
- We assume that the high level of interest in life designing by the young age group is attributable to the fact that they will have to prepare for more life events than the other generations

**Interest in life designing based on their own life plan**  
(Respondent) Company employees

(n=8,500)



# 4-2. Understanding/Interest

—Interest in Learning about Financial Product

While over 50% of the young females show their interest in learning about financial product, their ratio of “Have little interest” in the learning is also high

① Over 50% of females of this age group have interest in learning about financial product, which is higher than those of the other generations

② On the other hand, their ratio of “Have little interest” is higher than those of the other generations

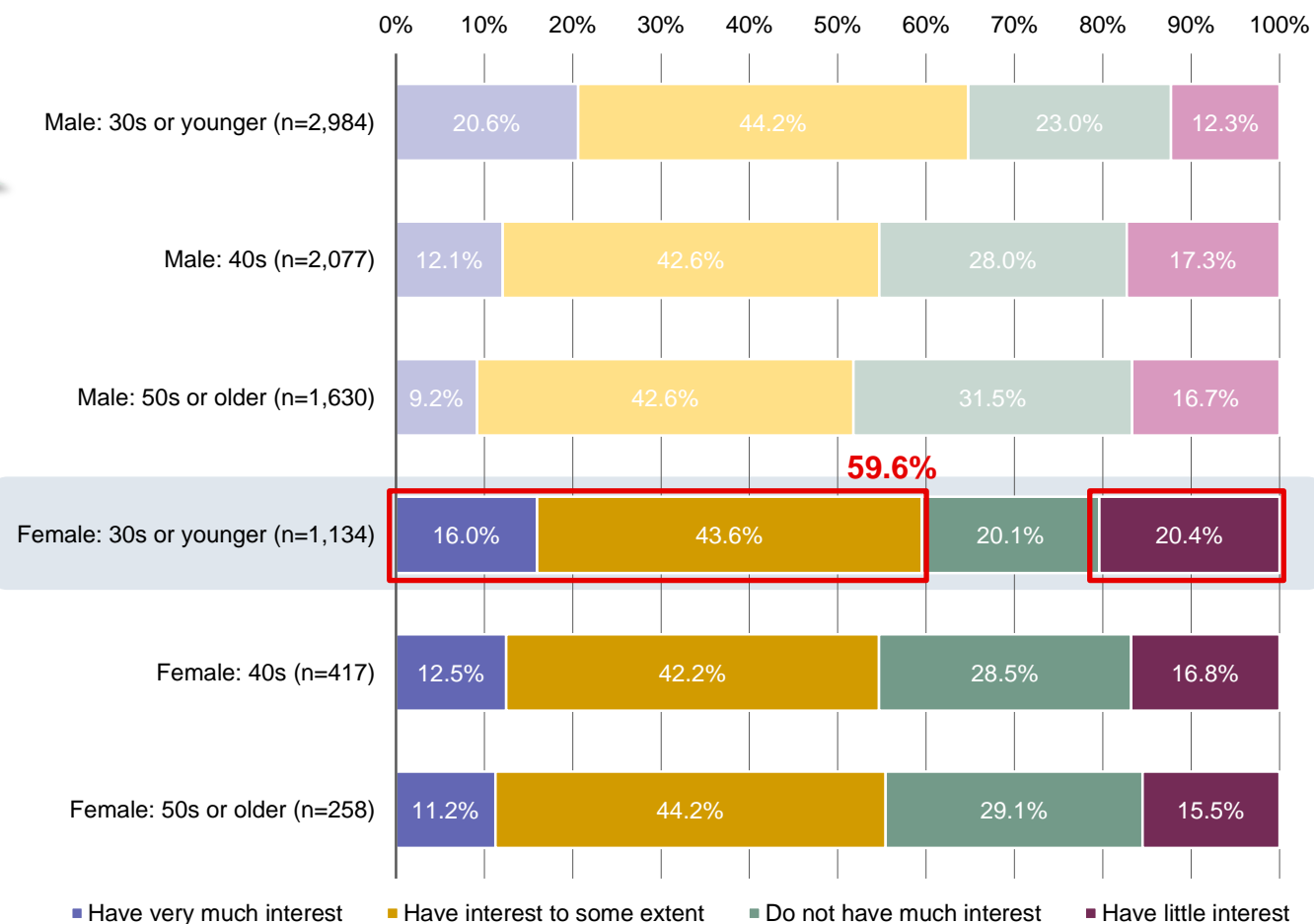
## Takeaway

- “Have interest” (“Have very much interest” + “Have interest to some extent”) accounts for nearly 60% of the total, suggesting that higher percentage of this age group females are interested in learning about financial product compared with the other generations
- On the other hand, as much as 20% of the females chose “Have little interest”, indicating one feature of this generation that there is a gap in level of interest in the learning.

## Interest in Learning about Financial Product

(Respondent) Company employees

(n=8,500)



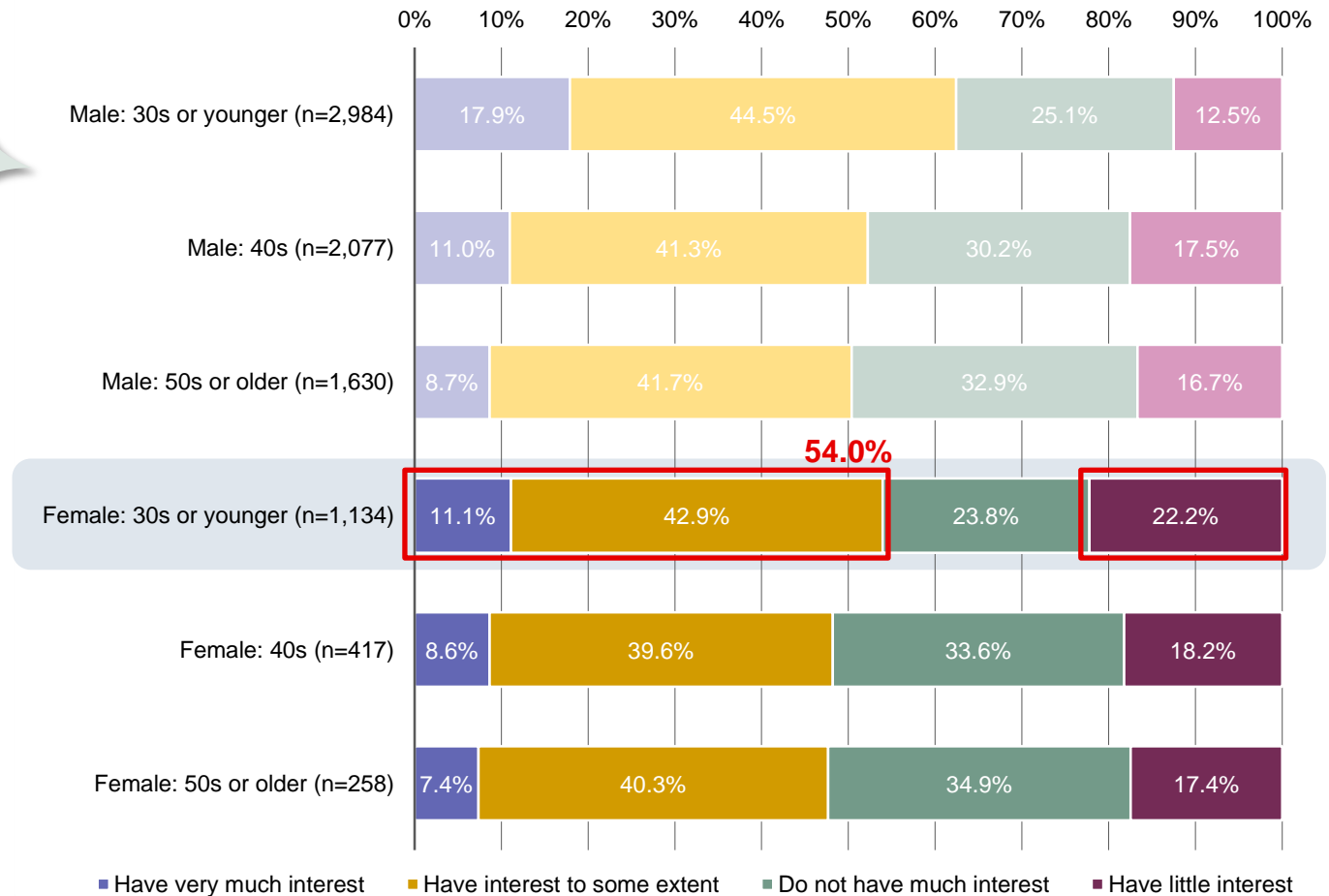
# 4-2. Understanding/Interest

—Willingness to Learn about Economic Theory

While females of this age group have more willingness to learn about economic theory than the other generations, their ratio of "Have little interest" in the learning is also high

**Willingness to Learn about Economic Theory on Asset Management**  
(Respondent) Company employees

(n=8,500)



- ① Over 50% have willingness to learn about economic theory, which is higher than ratios of the other generations
- ② On the other hand, their ratio of "Have little interest" is also higher than those of the other generations

**Takeaway**

- The ratios of those who chose "Have little interest" in learning about financial product and about economic theory are higher than those of the other generations
- On the other hand, majority of the young group are interested in life designing, indicating that having them identify the relationship between economic theory/financial product knowledge and life designing could encourage them to learn more about the financial knowledge

# 4-2. Understanding/Interest

—Level of Understanding of Features of Financial Product and Its Scheme

## Majority of the young females are not confident about their level of financial knowledge

The ratio of those who self-judged their understanding level of NISA to be low in the young age group is higher compared with the other generations

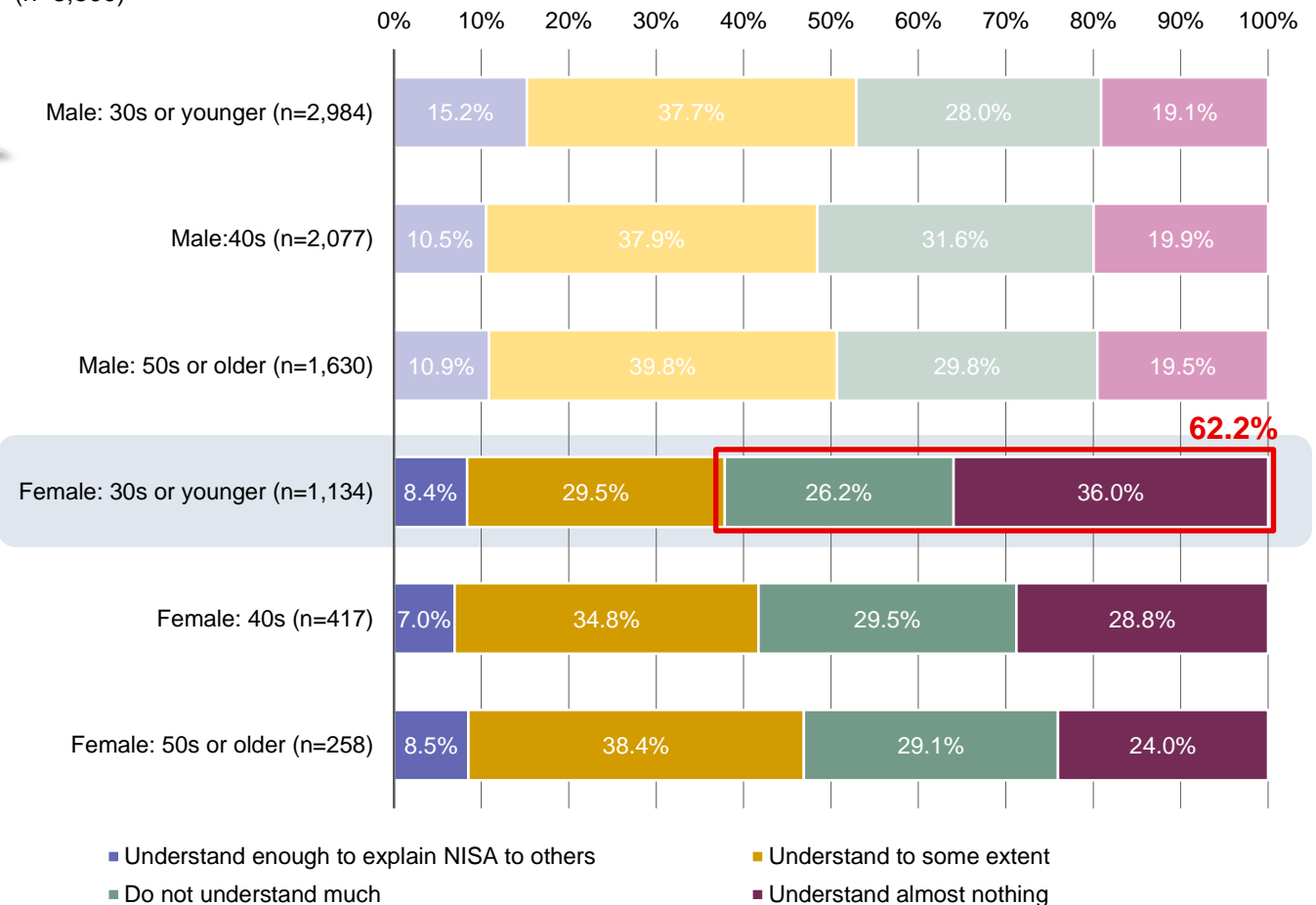
### Takeaway

The similar tendency of low self-assessment is seen in the age group when they are asked about their understanding level of “foreign deposit”, “equity”, “outline of DC pension plan”, “investment trust” and “JGB/public & corporate bond”.

### Level of Understanding of Features of Financial Product and Its Scheme (Self-Assessment) (Understanding Level of NISA)

(Respondent) Company employees

(n=8,500)



# 4-2. Understanding/Interest

—Correct/Incorrect Ratio in Test to Measure Understanding Level of NISA

## Understanding level of NISA of young females is almost as good as those of the other generations

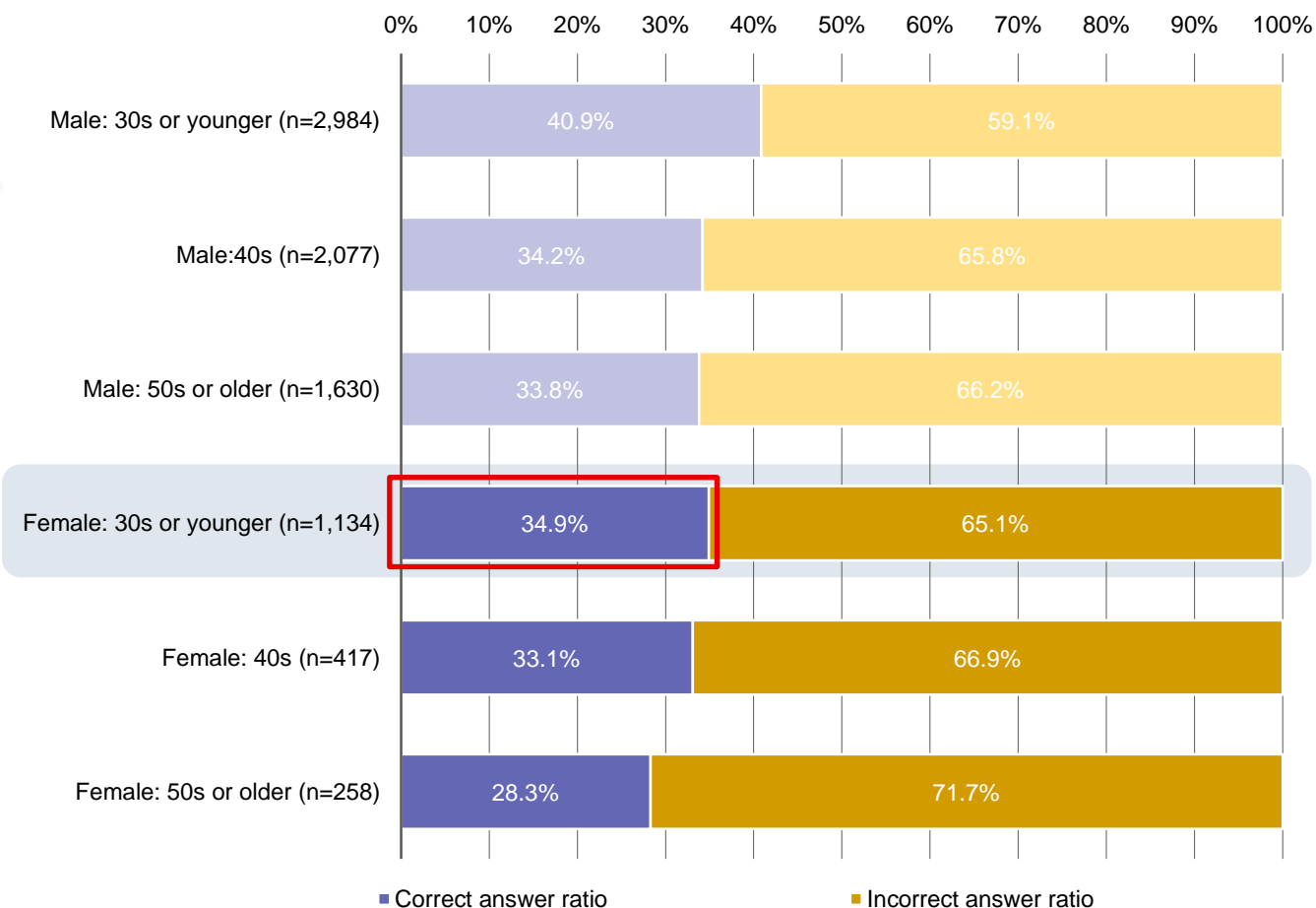
Understanding level of NISA of young females is almost as good as those of the other generations

### Takeaway

- Incorrect answer ratio of the test in young females is almost equal to the ratio (over 60%) of “Do not understand NISA” in the self-assessment (P43)
- The result indicates that young females assess their understanding level accurately and make a self-assessment in a realistic manner

### Correct/Incorrect Ratio in Test to Measure Understanding Level of NISA<sup>1</sup> (Respondent) Company employees

(n=8,500)



(Notes) 1. 【Question/Form of Test】 Test with multiple choice questions in which a test-taker is to choose 1 correct answer from 5 choices of explanation about NISA

# 4-3. Information Collection

## —Learning Opportunities After Starting Investment

The ratios of “Learned at training courses at work” and “Learned from websites” are high in the young female group

- ① Compared with the other generations, the ratio of “Learned at training courses at work” among passive learning is higher, while the ratio of “Learned from websites” among active learning is higher as well
- ② On the other hand, the non-negligible ratio of the young females “did not collect information nor learned about investment” after starting investing

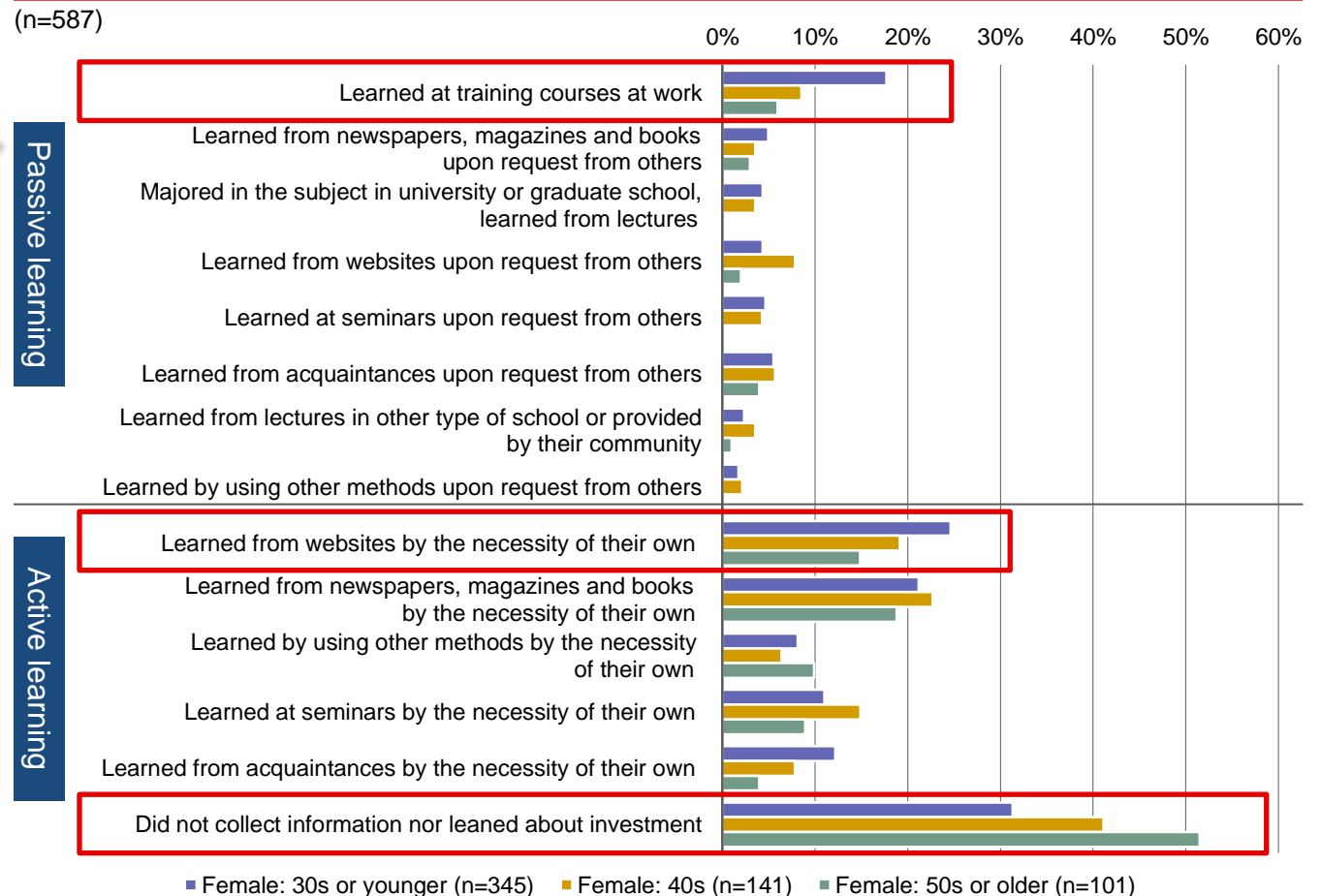
### Takeaway

Since the ratio of “Learned at training courses at work” is high in the young female group, having young females participate in a must-attend training course/seminar could encourage them to learn about and collect information on investment

### Learning Opportunities After Starting Investment

(Respondent) Of company employee respondents who chose “Have opened an account and experienced investments using the account<sup>1</sup> (3,362), female respondents

5



(Notes) 1. Excluding investment experience through corporate DC pension plan

# 4-3. Information Collection

—Information collection “When Considering Opening an Account”

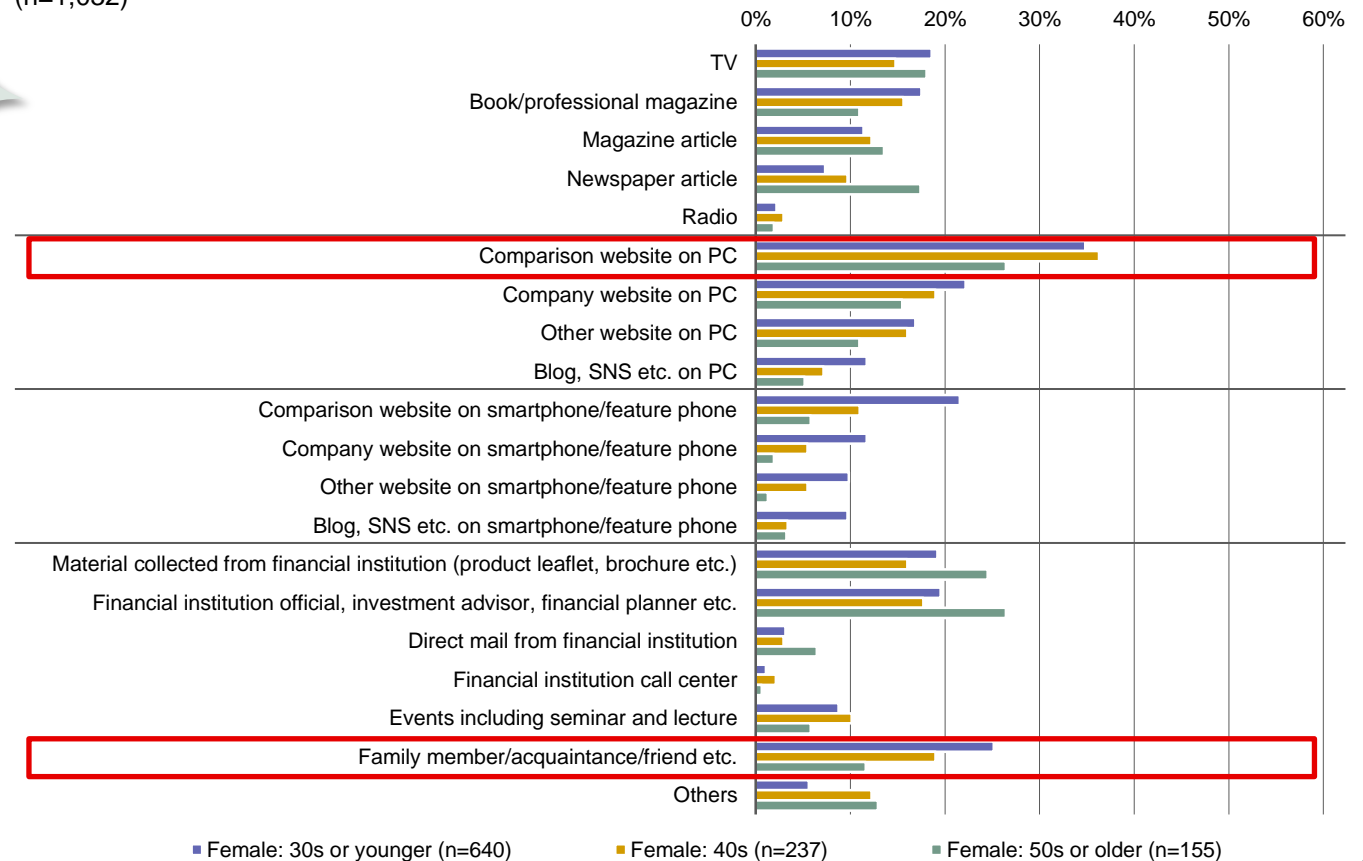
PC is preferred by more respondents as information collection medium compared with smartphone

## Media Used for Information Collection When Considering Opening an Account

(Respondent) Of company employee respondents who chose options other than “Have never considered opening an investment account” for their personal investment experience<sup>1</sup> (5,318), female respondents

2 3 4 5

(n=1,032)



- ① The ratio of those who used comparison websites on PC for information collection is high.
- ② The ratio of those who used information provided by others is also high and young females especially tend to utilize information given by those who are close to them including family member, acquaintance and friend

### Takeaway

- Like the young males, comparison websites and company websites on PC are utilized most by young females
- Information provided by others is the second most utilized, which is a characteristic of young females

(Notes) 1. Excluding investment experience through corporate DC pension plan

# 4-3. Information Collection

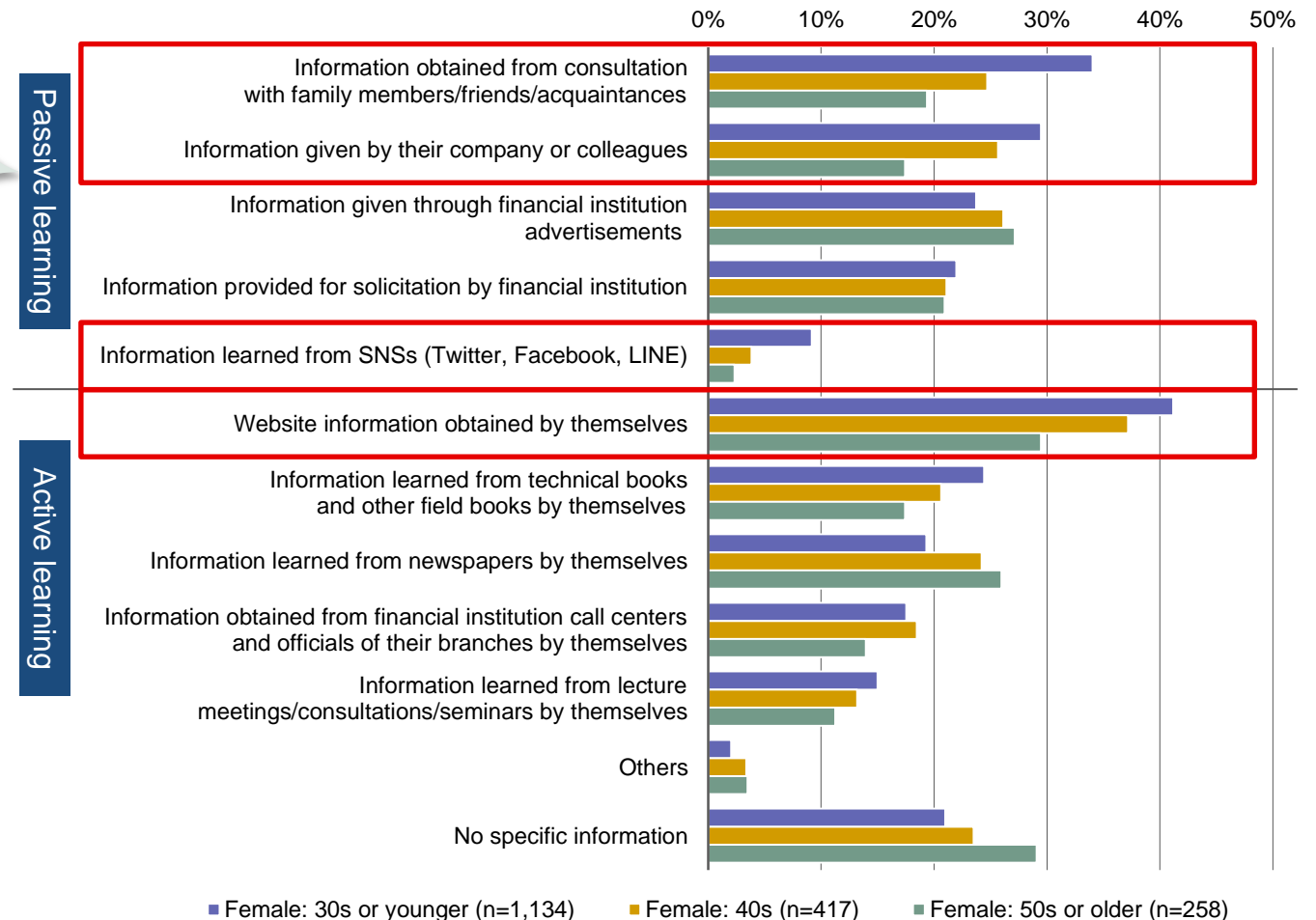
—Information Collection “When Investing in Financial Product”

Young females tend to value “information provided by others” also when investing in financial product

## Information They Value When Investing in Financial Product

(Respondent) Females of company employee respondents

(n=1,809)



- ① “Information provided by others” is the second most utilized information source following website information for young females also when investing in financial product. They especially tend to value information given by those who are close to them
- ② Their ratio of SNS usage is higher compared with the other generation

### Takeaway

Young females tend to value “information provided by others” and also tend to utilize information learned from SNS, indicating that having even part of them realize the benefits of investment could spread the benefit information through word of mouth



# 4-3. Information Collection

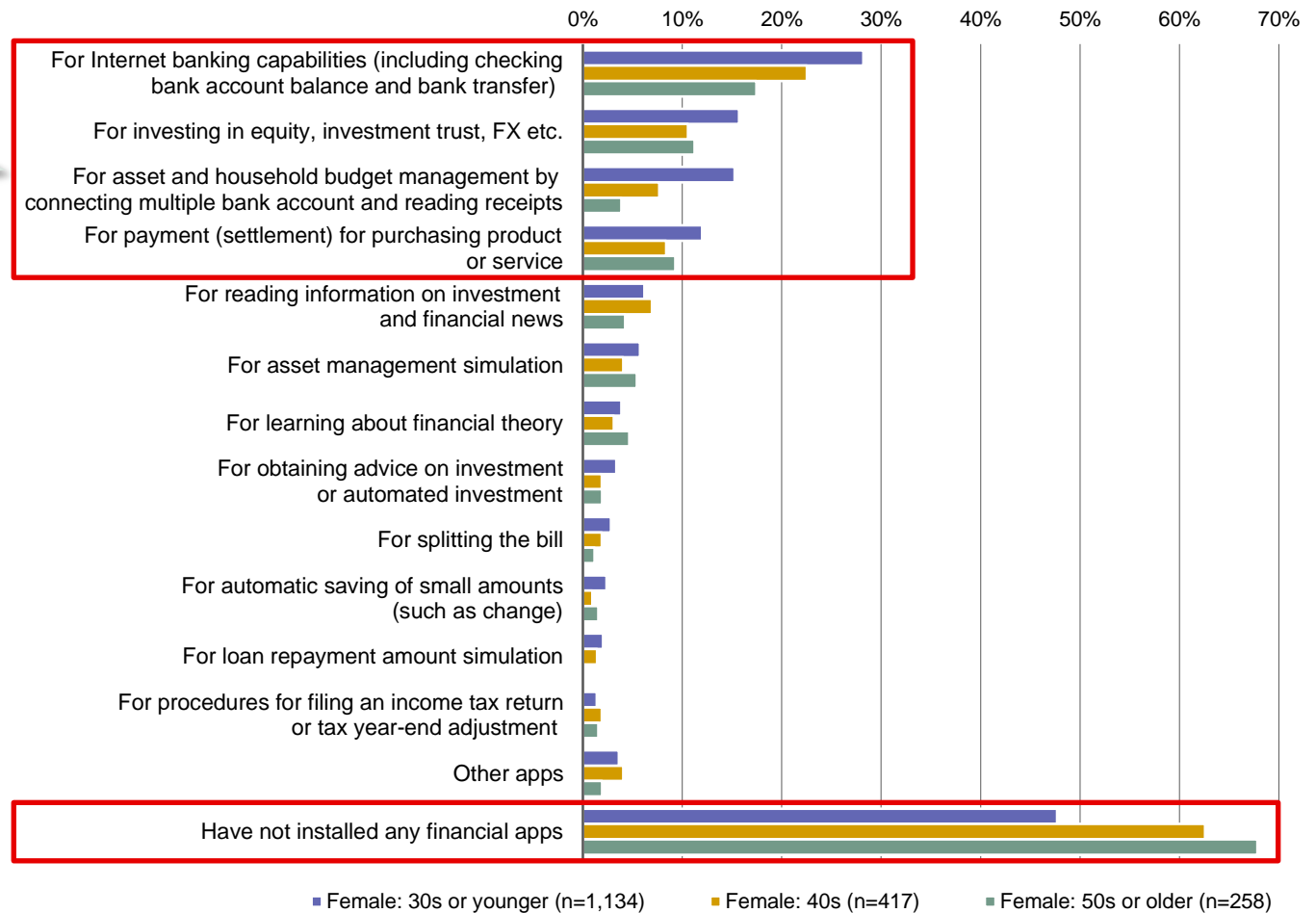
## —Use of Financial Apps on Smartphone

Frequency of app use for the Internet banking and their everyday needs is high

### Financial Apps on Smartphone

(Respondent) Females of company employee respondents

(n=1,809)



① The ratios of females in the young age group who use financial apps for the Internet banking, household budget management and payment (settlement) for purchasing product or service are higher compared with the other generations

② On the other hand, as high as nearly 50% of them has not installed any financial apps

#### Takeaway

While more respondents in the young age group use financial apps compared with the other generations, we consider that there is still some room for more app penetration.

# 4-4. Clue to encourage people to start investing

—Reason for Not Reaching the Step of “Have considered investing”

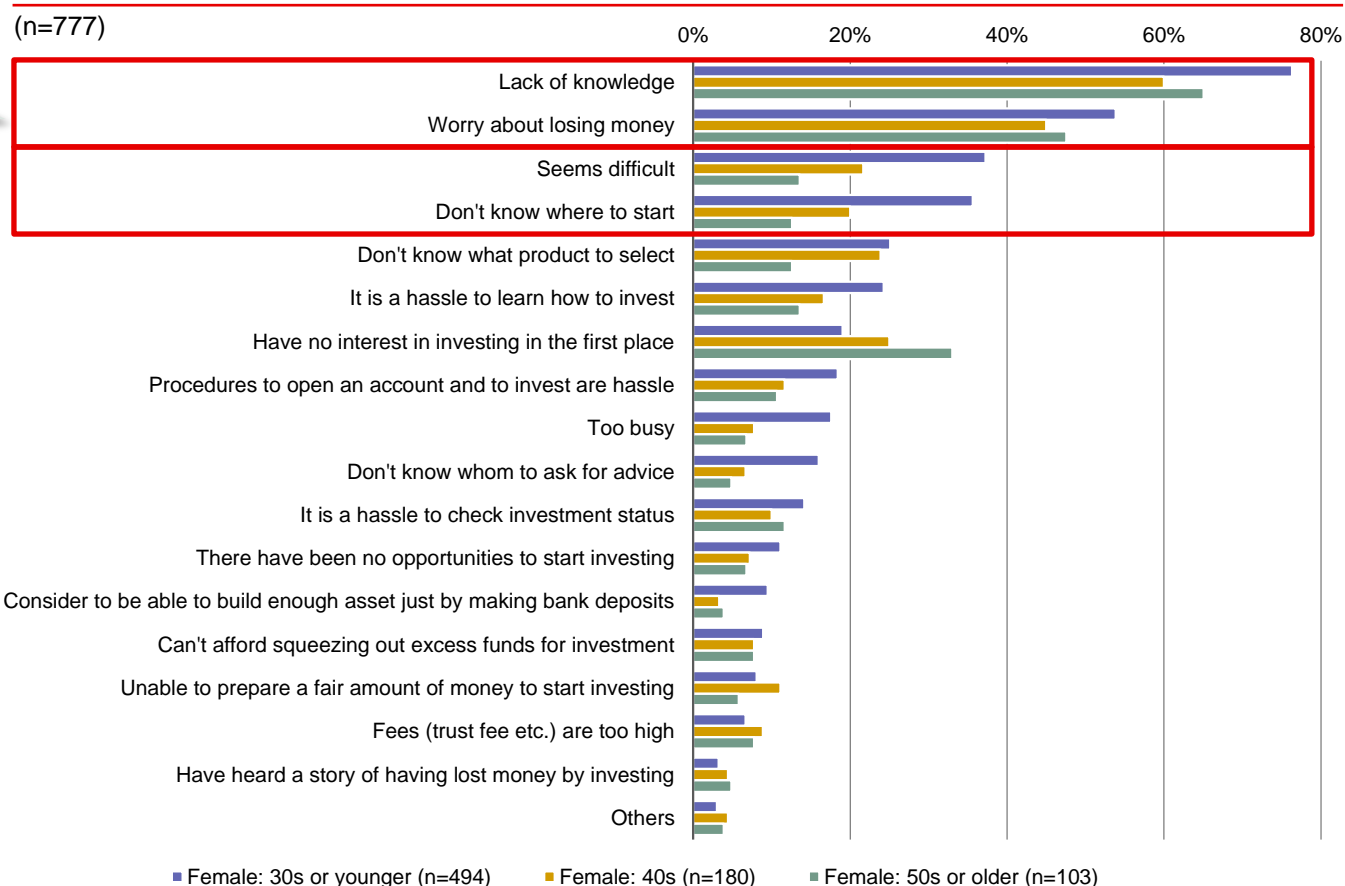
The ratios of those who chose “Lack of knowledge” and “Worry about losing money” are high

- ① The ratios of those who chose “Lack of knowledge” and “Worry about losing money” are high
- ② Compared with the other generations, the ratios of “Seems difficult” and “Don’t know where to start” are also higher

## Reason for Not Reaching the Step of “Have considered investing (opening an account)”

(Respondent) Of company employee respondents who chose “Have never considered investing (opening an account)” for their personal investment experience<sup>1</sup> (3,182), female respondents

1



### Takeaway

Compared with the other generations, the ratios of “Seems difficult” and “Don’t know where to start” in the young age group are high, suggesting the possibility that young females are not confident about their financial knowledge even though they are interested in investment

(Notes) 1. Excluding investment experience through corporate DC pension plan

# 4-4. Clue to encourage people to start investing

—Reason for Opening an Account (outside influences)

The ratio of those who open an account by influenced by those who are close to them (acquaintance/family) is high

The ratio of young females who chose “Recommendation by acquaintances/relatives” is higher compared with the other generations

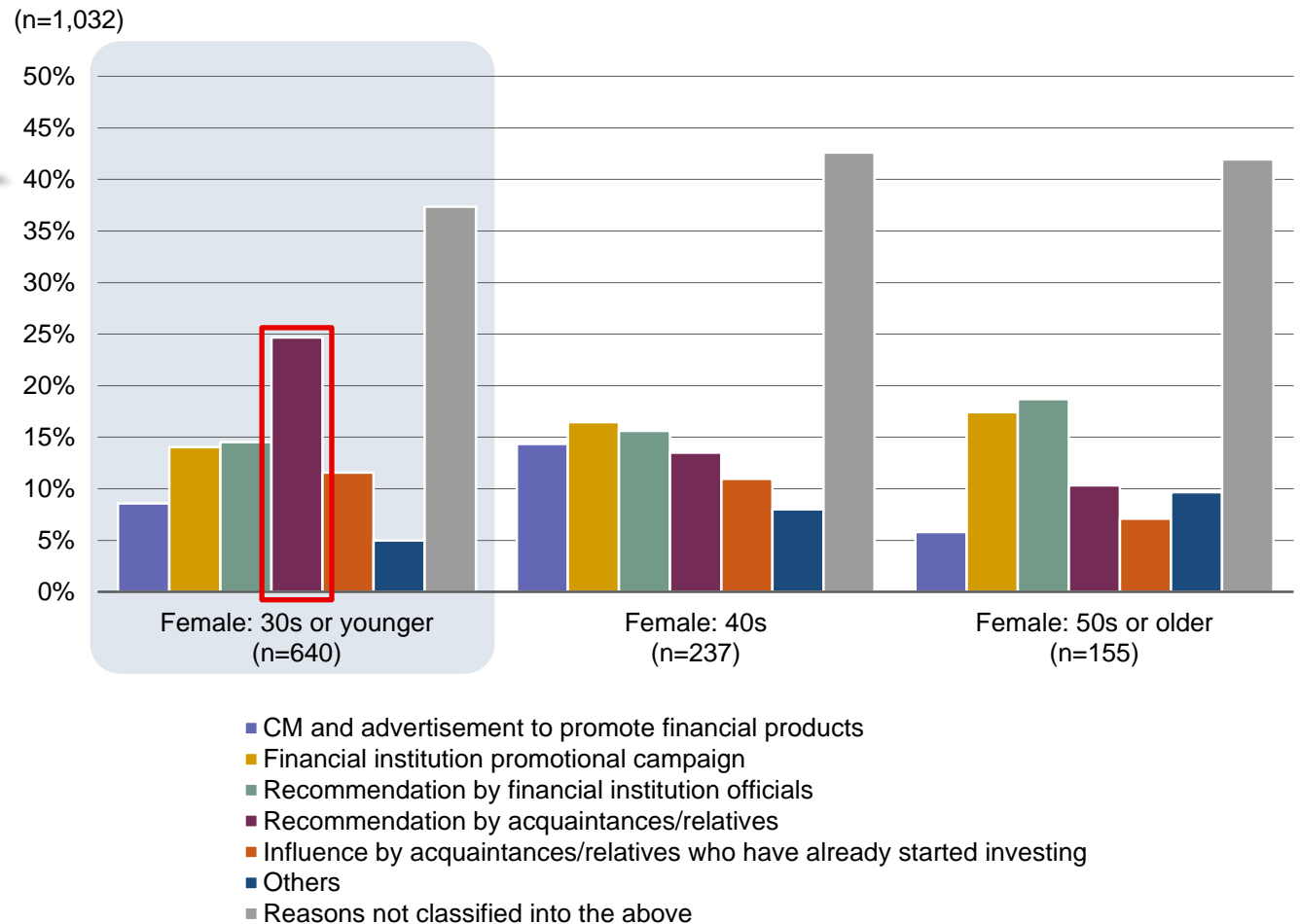
## Takeaway

With the widespread use of SNS as communication tool for young females, they tend to share common values, for which information on investment activities (such as opening an investment account) taken by part of them could spread to other female SNS users

### Reason for Opening an Account (outside influences)

(Respondent) Of company employee respondents who chose options other than “Have never considered opening an investment account” for their personal investment experience<sup>1</sup> (5,318), female respondents

2 3 4 5



(Notes) 1. Excluding investment experience through corporate DC pension plan

# 4-4. Clue to encourage people to start investing

—Factors to lower hurdles before starting investing

Keywords to lower hurdles before starting investing: Small amount, Without worries and Simplified procedures

Factors to lower hurdles before starting investing are classified into the followings;

- ① Amount small enough to be lost without much pain
- ② Investment product that can be purchased without worries
- ③ Simplified procedure (automatically subtracted amount from your wage bank account, smartphone apps etc.)

The ratio of “consultation with investment experts” is also high, which is one of the young female features

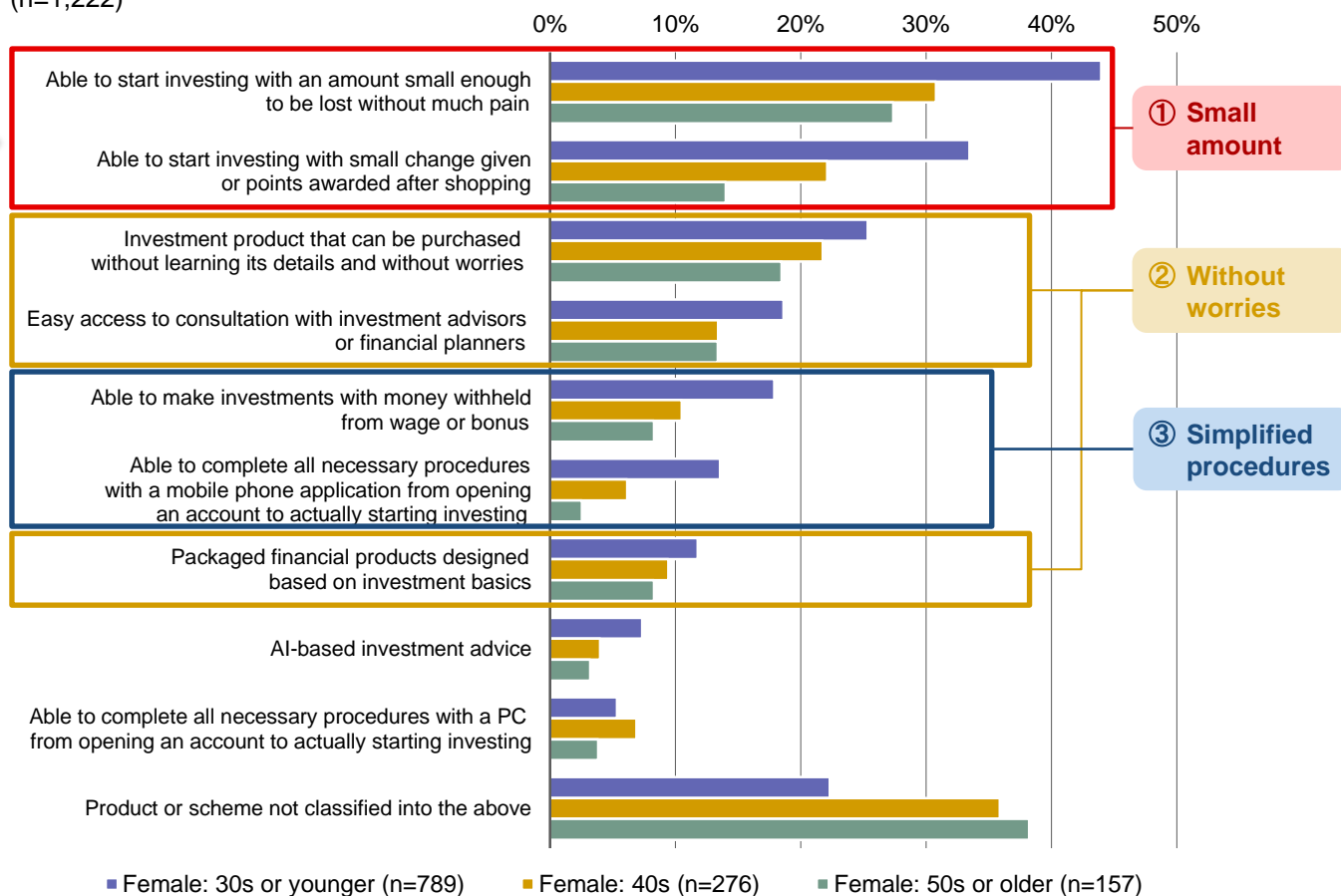
## Takeaway

- For instance, if a consensus about a less risky feature of a packaged financial product is made by some young females, this information could spread through word of mouth
- Functions on smartphone apps ranging from enabling the above information spread to procedure completion could effectively encourage them to start investing

## What Product or Scheme Inspires You to Start Investing?

(Respondent) Of company employee respondents who chose options other than “Have never considered opening an investment account” for their personal investment experience<sup>1</sup> (5,318), female respondents

(n=1,222)



(Notes) 1. Excluding investment experience through corporate DC pension plan

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## Contact

Mitsubishi UFJ Trust and Banking Corporation,  
Investment Education Division  
E-mail : [mufg-sisan\\_post@tr.mufg.jp](mailto:mufg-sisan_post@tr.mufg.jp)

Mitsubishi UFJ Trust and Banking Corporation, Investment Education Division

1-4-5 Marunouchi Chiyoda-ku Tokyo, 100-8212

[www.tr.mufg.jp/shisan-ken/](http://www.tr.mufg.jp/shisan-ken/)

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