PRESS RELEASE

FINANCIAL EDUCATION AND THE NEW ITALIANS

A STUDY BY THE MUSEUM OF SAVING AND INTESA SANPAOLO, CONDUCTED BY IPSOS PROVIDED AN OVERVIEW OF THE KNOWLEDGE AND INTEGRATION REQUIREMENTS OF FOREIGNERS IN ITALY

- **Based on the socio-demographic profile of a representative sample of Italian society**
- **Those interviewed were economic immigrants, with limited resources, for whom managing their money and savings properly becomes even more important**
- **The findings showed a low level of knowledge, not very different from the level of Italians**
- **Greater integration corresponds with increased awareness regarding the need for financial education**
- **People with less education need simple tools and immediate answers and stress that they have no time for learning**
- **The lack of financial education makes immigrants more vulnerable to fraud and various forms of financial exploitation**

Turin, 24 January 2019 – **Financial education and the new Italians** is a study that the Museum of Saving will be presenting today in Turin at a workshop held with sector associations and experts: the research was **conducted by Ipsos** during 2018, based on a **representative sample in terms of origin, length of stay in the country** (from 3 to 10 years), **level of education**, **occupation** and **gender**.

The foreigners interviewed are **economic immigrants resident in Italy**, in which case the management of their money and savings is doubly important so that they can become active citizens and achieve the objectives they set themselves when leaving their countries of origin. **For the first time,** research has focused on their level of economic-financial literacy. **Various outcomes** emerged, but with one significant finding: the **level of knowledge is similar to that of Italians**, and even **higher in the case of women** originating from Eastern Europe and South America. 30% of the immigrants interviewed had the necessary knowledge to answer the five questions used to test basic education.

As the questions became more difficult, the phenomenon known as the cognitive bias became apparent, which is common in these kinds of studies; where **28% thought they were**

answering correctly, but their response was actually incorrect. Once again, the percentage is similar to the Italian figure.

63% of the sample felt quite integrated, with a peak for Eastern Europeans and South Americans, especially if they held an educational qualification and were in a positive social relationship. The length of their stay in Italy varies from three to 10 years, and **almost 90% speak Italian adequately**. Very few however attend any courses, even if improved language skills could improve their integration. Generally, they work under **legal conditions.** Manual labour predominates: workers, domestic staff, caregivers, employees, waiters, cooks, pizza makers. Many do not have previous work experience in their country of origin.

49% said they managed to save, driven by the need to have "peace of mind", while 21% managed to put aside more than 20% of their income. **The main objective (77%) is to achieve their plans in Italy**. The Chinese, Eastern Europeans and South Americans emerged as the main savers. In certain ethnic groups, the concept of savings is less well-rooted due to tradition and culture: this is the case with certain African populations, but these differences are not as pronounced among second generation immigrants. **42% does not send money home** or does so occasionally, and generally their remittance tends to diminish the longer they stay abroad.

The reasons for their arrival in Italy include **finding a better job** (32%) and becoming **reunited with family** (30%). They often stated that they were disappointed because they lived in precarious conditions, and their disposable income was only enough to survive. **In 20% of cases, their standard of living in their country of origin was said to be higher** than in Italy. They were rarely in a position to benefit from integration programmes; the assistance they received was largely from family members and friends that had been in Italy for a number of years, and from their reference ethnic communities.

The greater the level of integration, the more familiar they were with financial products. Focus groups expressed some interest in expanding on some specific and material aspects, but there was little confidence in financial operators. **45.5% of the sample did not feel the need for additional information** because they manage money quite simply.

A characteristic feature was the **lack of time to further their education:** they wanted immediate and the "briefest" responses, thus risking not acquiring more solid financial expertise. Most do not know of financial products and services, which are perceived as having little interest for those earning a low income. **Only 19.5% had at least three financial products** and only 13% owned a house.

What can therefore be done on a practical level to tackle forms of self-exclusion that could make them more vulnerable and less independent in implementing their plans? For **Giovanna Paladino**, the Director of the **Museum of Saving**: "*We need to start from school and language skills to create the basis for active citizenship. Remote learning courses could provide a practical solution for adults who say they do not have the time. The commitment must nonetheless be on getting people to understand the value of education in managing their money. Those with less resources must at least learn to manage on their own and know how to recognise people they can trust. This is why having a clear understanding of the relationship between risk and return, diversification or planning is especially important. In* *this way, savings are not only directed at providing peace of mind, but also at achieving life plans".*

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