



# Financial Services Provision and Prevention of Financial Exclusion in Poland. National survey

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## 1. Methodological comments

The survey „Financial Services Provision and Prevention of Financial Exclusion” conducted in Poland is the first in-depth one of non-commercial character. Surveys that have been conducted so far focused mostly on the usage of retail banking services, with no in-depth analysis of reasons for being unbanked or underbanked. The results shall put new light on the scale of financial exclusion in Poland and help to verify the list of main barriers for being financially included.

The survey was conducted in July 2007 on a quota sample covering people in the age bracket 18 – 75 years. The adopted bottom age limit followed from the assumption that banks conclude contracts with majors. Younger people hold accounts within the framework of the parents’ account. The top age limit was determined in connection with the fact that available information suggests little interest on the part of the elderly in owning a savings-current account, and a survey entails a large number of interview refusals, which would adversely affect representativeness of the sample.

Quota selection does not warrant full representativeness of the sample, but the applied criteria of sampling ensured maintenance of the greatest possible representativeness. Application of a random sample would require far greater expense, reaching as much as 1/5 of the field study budget.

For the purpose of ensuring selection reflecting the structure of Poland’s population aged 18 – 75 year, 5 groups of localities were distinguished (cities of 500 thousand and more inhabitants; 100 – 500 thousand inhabitants; 20 – 100 thousand and up to 20 thousand inhabitants, as well as two groups of rural localities – village being the seat of a municipality and other village). Distinction of two kinds of rural localities is connected with the fact that in municipality seats the posts of social infrastructure are better developed, and there are usually more jobs. Following compilation of five classes of localities and 16 voivodships (provinces), 68 layers were obtained<sup>1</sup>. From each layer, sampling was done in proportion to the number of people aged 18 – 75 ears in the given layer. In this way, representativeness of sample was obtained on the level of voivodship and 5 classes of localities. Detailed information about the

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<sup>1</sup> Only 4 voivodships have cities with more than 500 thousand inhabitants.

sampling by voivodship and locality class is contained in tables 1 and 2 in the Annex. Quota selection was carried out taking into account three features: sex, age and education level. In selecting each of these criteria, the latest data was used from the General Statistical Office (GUS). Detailed information concerning the size of sample according to the mentioned criteria is contained in tables 3, 4 and 5 in the Annex.

## **2. Characteristics of the study sample**

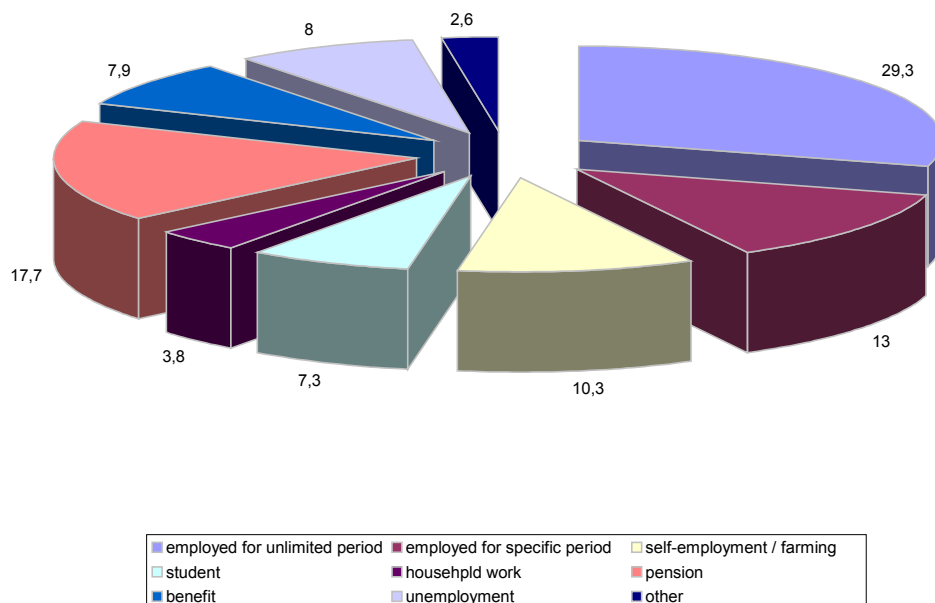
The survey covered a total of 996 persons, of which women constituted 51.3%. A total of 15.2% of respondents had elementary or incomplete elementary education (151 persons), and 37% - basic vocational education. The largest group was persons with secondary and college education (360 persons), and 114 persons had graduate education.

As for the place of residence, for research purposes a somewhat different division was applied than in the sample selection. The following town categories were adopted: over 100 thousand inhabitants (30.2% of respondents), 51 to 100 thousand inhabitants (11.8%), 21 – 50 thousand inhabitants (9.7%) and up to 20 thousand (11.5%). Two rural village categories were distinguished: municipality seat (10.6% of respondents) and other villages (26.0%).

The largest part of respondents (41.2%) lived together with a spouse or a partner and children, whereas half that many respondents (20.9%) – with parents or one of them. 16.1% lived only with a spouse or a partner, 9.2% - lived alone, only with children – 6.3%, further 2.3% - with children and other persons, and 4% remained in other forms of residence.

Half of the households are not larger than three persons (9.2% were one-person households, 21.0% - two-person households, 22.7% - three-person households, and  $\frac{1}{4}$  of households consisted of four persons. Every ninth household counted 5 persons, and somewhat over 10% of households included 6 and more persons. The average number of persons per household was 3.47. Overall, 54.5% of respondents described themselves as the head of the household, and further 22.5% considered the spouse to be the head of the household. Nearly 20% acknowledged that this role was fulfilled by one of the parents of the respondent. Most respondents work, whereas no less than 10% work in agriculture. Details about professional activity of the respondents are contained in figure 1.

Figure 1. Respondents according to the source of income (%)



Overall, 52.8% of the respondents obtained income from work. This percentage is very close to the indicator of economic activity of the population of Poland. Slightly underrated is however the share of unemployed persons (the unemployment rate at the time of the survey was 12.5%, but probably some of the persons qualified to the “other situations” item are unemployed performing unregistered work. The percentage of pensioners turned out to be about 5 percentage points higher than in the whole society. However, this does not affect the value of the study, quite the opposite – the fact that elderly people constitute a numerous group among respondents allows for better establishment of the scope of use of financial services by them. Characteristics of economic activity of the studied population with respect to selected social-demographic features are contained in table 6 in the Annex.

### 3. Use of bank services

#### 3.1. Account possession

Results of the survey show that possession of a current account<sup>2</sup> is quite popular. Slightly more than 2/3 of the respondents or their spouses possess such an account. (see table 1) Further, to the question whether anyone else in the household possessed a current account, the respondents in 57% of cases gave a positive answer. What is important, 23% of respondents to the question about another account in the household indicated that more than person possessed an account. There is a relation between the level of education of respondents and possession of an account: accounts are used by 39% of people with elementary education and 93% with graduate education. Percentages of account holders in cities run from 63% in smallest towns to 80% in the largest, whereas in rural villages they reach an average of 55%. This difference is probably caused not only by differences in the average level of education, but also by poorer access to bank outlets in rural areas.

Table 1. Respondents according to possessing a current account

Total		N	Yes	No
			%	
		996	68.4	31.6
Sex of the respondent	Female	510	66.7	33.3
	Male	486	70.2	29.8
Age groups	up to 25 years	169	50.3	49.7
	26 - 40 years	303	79.2	20.8
	41 - 60 /65 years <sup>a</sup>	404	75.0	25.0
	beyond retirement age <sup>b</sup>	118	43.2	56.8
Education	elementary or incomplete	151	39.1	60.9
	basic vocational	369	64.5	35.5
	secondary and college	362	76.8	23.2
	graduate	114	93.0	7.0
Place of residence	city above 100 thousand inhabitants	301	79.7	20.3
	city of 51 – 100 thousand	118	72.0	28.0
	city of 21 – 50 thousand	97	77.3	22.7
	town up to 20 thousand	115	63.5	36.5
	Rural village – seat of municipality	106	50.9	49.1
	Other rural village	259	59.5	40.5
A job	Employed for unlimited period	292	83.2	16.8
	Employed for specific period	129	82.2	17.8
	Self-employment / farming	103	80.6	19.4
	Student	73	39.7	60.3
	Household work	38	57.9	42.1
	Pension	176	55.7	44.3
	Benefit	79	62.0	38.0
	Unemployment	80	41.3	58.7

<sup>2</sup> In Poland the name of this account is „rachunek oszczędnościowo-rozliczeniowy” (ROR) what means “savings-current account” in English. In order to avoid any misunderstanding, we are using notion “current account” only, what is equivalent of transaction account.

Level of income	Up to 1000 PLN	351	58.7	41.3
	1001 – 2000 PLN	295	76.9	23.1
	2001 PLN and more	106	92.5	7.5

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Still the percentage of those who think that possession of a current account is important for a household is higher (see table 7 in Annex). Such opinion is expressed by over 80% of persons aged 26 – 40 years, 86% of people with graduate education and 78% of respondents from cities of over 100 thousand inhabitants. Persons in retirement age tend to look upon an account with the greatest reserve. More than half of this group (51%) express the opinion that possession of an account is not important for a household. It seems that opinions in the matter of usefulness of an account are related to the scope of bank services used by the account holders. The greater the scope (overdraft, direct debit, internet banking), the greater approval for possession of an account. It should be added that these services are more often used by educated people, living in large cities. Very distinctive is the fact that  $\frac{3}{4}$  of respondents, who are heads of households, appreciate possession of an account. Acceptance for an account increases also as the level of income of a respondent grows. Possession of an account is considered important by 60% of respondents obtaining an income of up to 1000 PLN and 100% of respondents with income greater than 5000 PLN.

Among those respondents who did not possess an account, the majority are women. The most important reason for the fact that 1/3 of the respondents do not have a savings-current is lack of acceptance for use of this service. This is expressed in the response „I do not need an account; it is easier for me to handle cash”. Frequency of such a response increases with age of the respondents, whereas it is unaffected by education or place of residence. Details are found in table 2.

Table 2. Respondents according to causes for lack of a current account

		N	I have power to an account of my spouse /partner	I use an account of another person in the household	I use an account of a person from outside of the household	I use a savings account	I do not use due to too high fees	I do not need an account, it is easier for me to handle cash
		%						
<b>Total</b>		<b>315</b>	<b>1.9</b>	<b>3.2</b>	<b>0.3</b>	<b>2.2</b>	<b>7.0</b>	<b>70.5</b>
Sex of the respondent	Woman	170	2.9	3.5	0.0	2.9	7.1	71.8
	Man	145	0.7	2.8	0.7	1.4	6.9	69.0

Age groups	up to 25 years	84	0.0	7.0	0.0	2.0	2.0	58.0
	26 - 40 years	63	5.0	2.0	2.0	0.0	6.0	73.0
	41 - 60 /65 years <sup>a</sup>	101	2.0	3.0	0.0	2.0	12.9	70.3
	beyond retirement age <sup>b</sup>	67	2.0	0.0	0.0	5.0	5.0	84.0
Education	elementary or incomplete	92	0.0	3.0	0.0	2.0	4.0	80.0
	basic vocational	131	3.0	3.0	0.0	1.0	8.0	69.0
	secondary, college and graduate	92	5.0	7.0	3.0	8.0	11.0	66.0
Place of residence	city above 100 thousand inhabitants	61	3.0	5.0	2.0	2.0	3.0	74.0
	town up to 100 thousand	97	0.0	5.0	0.0	2.0	7.0	69.0
	Rural village – seat of municipality	52	2.0	2.0	0.0	6.0	6.0	60.0
	Other rural village	105	2.9	1.0	0.0	1.0	9.5	75.2

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 2 concerns only those did not possess an account, but does not cover the items „no data” and „hard to say”, constituting a total of 14.9% of provided responses.

Assessing the income situation of the respondents, we analyzed the distribution of responses to questions about the amount of income of the respondent and his/her household in the month preceding the survey (i.e. in June 2007). In case of income of the respondent, 24% of the surveyed refused to answer the question, in case of income of the entire household response was refused by 22% of participants of the survey. Further on, we treat as 100% those, who indicated income brackets. The income level of the respondents does not differ significantly from the income level of the overall population. 85% achieved income not exceeding 2000 PLN, whereas 47% had income not exceeding 1000 PLN. 9% obtained income in the bracket 2001 – 3000 PLN, and 5% higher than 3001 PLN.

The income level of households was on a higher level. 17% of households in June 2007 had income not exceeding 1000 PLN, 37% had income in the bracket 1001 – 2000 PLN, and 28% between 2001 and 3000 PLN. Income above this amount was obtained by 19% of households covered by the survey.



### 3.2. Proceeding with income transferred to an account

Respondents were asked the question how they proceeded with money transferred to their account as remuneration for work, social benefits (including pension) and other income. Distribution of most important responses is contained in table 3. The table ignores the data concerning 22% of total surveyed households that did not possess an account or were unable to provide a precise response (4% of total responses).

Table 3. Respondents as per the manner of dealing with income transferred to an account

		N	I withdraw the total or most and pay bills in cash	I withdraw once a month money for living, I pay bills from the account	I withdraw small amounts several times a month, I pay most bills from the account	I withdraw small amounts several times a month for current expenses and to pay bills
<b>Total</b>		<b>996</b>	<b>15.8</b>	<b>9.4</b>	<b>28.6</b>	<b>21.1</b>
Sex of the respondent	Female	510	18.0	9.2	25.1	20.2
	Male	486	13.4	9.7	32.3	22.0
Age groups	up to 25 years	169	13.6	5.9	29.6	21.9
	26 - 40 years	303	14.9	8.6	35.6	23.1
	41 - 60 /65 years <sup>a</sup>	404	17.6	11.6	27.2	21.8
	beyond retirement age <sup>b</sup>	118	14.4	9.3	14.4	11.9
Education	elementary or incomplete	151	21.9	9.9	9.3	13.9
	basic vocational	369	18.7	9.8	23.0	19.0
	secondary and college	362	11.3	8.8	36.7	25.1
	graduate	114	12.3	9.6	46.5	24.6
Place of residence	city above 100 thousand inhabitants	301	13.3	7.3	37.2	25.2
	city of 51 – 100 thousand	118	13.6	19.5	26.3	18.6
	city of 21 – 50 thousand	97	26.0	7.0	34.0	18.0
	town up to 20 thousand	115	11.3	7.8	30.4	20.0
	Rural village – seat of municipality	106	10.4	10.4	18.9	21.7
	Other rural village	259	20.1	8.5	20.8	18.9

A job	Employed for specific period	292	16.1	11.6	34.9	22.3
	Employed for unlimited period	129	11.6	10.1	36.4	28.7
	Self-employment / farming	103	16.5	9.7	36.9	20.4
	Student	73	10.0	4.0	30.0	23.0
	Household work	38	18.0	11.0	13.0	21.0
	Pension	176	17.6	9.1	17.0	15.3
	Benefit	79	17.0	8.0	24.0	23.0
	Unemployment	80	16.0	9.0	21.0	11.0
Level of income	Up to 1000 PLN	351	18.8	9.7	17.9	19.9
	1001 – 2000 PLN	295	16.3	8.5	31.5	23.1
	2001 PLN and more	106	11.3	12.3	47.2	27.4

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

The table doesn't include the percentage of responds who don't have account. 25.1% of surveyed respondents don't have an account or don't know how the other members of the household deal with income transferred to an account

As follows from the obtained responses, half of the respondents withdraw money from the account several times a month, whereas most of them pay bills with the use of standing orders or one-time orders, and the others pay the bills in cash. This is probably due to the fact that in most cases banks collect fees for making transfers at branches, while payment of bills directly at the counter does not entail charges or these charges are lower than at the bank in case of using the financial agency „My Bills” or another one, enabling payment of bills in cash at POS terminals of some stores and supermarkets.

As the size of a city decreases grows the percentage of persons withdrawing from the account the entire remuneration or other income and discharging all liabilities and bills in cash. This is connected not only with easier access to cash desks of service and utility providers (e.g. power, gas, water), but also with the fact that residents of smaller localities obtain on average lower income than in larger localities.

In the broadest scope accounts are used by persons aged 26 – 40 years (almost 82% of these persons use an account, mostly discharging bills and other liabilities through agency of the bank) and persons with graduate education, among which over 2/3 actively use a current account. The prove of the fact that young, financially independent people are the most eager to use an account is that 1/3 of respondents living with a spouse and children discharge their bills and charges though agency of a bank. In other groups of households, this percentage is lower. However, the most important condition for an active use of a current account is

stability and amount of income. Persons employed by virtue of employment contract or self-employed are more eager to use an account for the needs of their own household. Many times a month accounts are used by 92.3% of respondents achieving income of over 5000 PLN and by 37.8% of those with income up to 1000 PLN. It is worth to indicate one more factor facilitating the active use of an account, namely accessibility of ATM. The survey showed that usually money is withdrawn many times month by those who have one ATM near their place of residence or work (50.0%) or if there is more than one available ATM (56.1%).

### 3.3. Overdraft facilities on a current account

Use of a savings-current account often entails possibility of overdrawing the account.

Table 3. Respondents according to overdraft facilities in a current account

Total		N	yes	No such need, although the bank consents to my overdraft	No such need, has not applied for consent to overdraft	no, the bank refused consent to overdraft
Total		781	31.5	29.6	33.4	3.8
Sex of the respondent	Female	387	31.3	27.9	34.9	4.1
	Male	394	31.7	31.2	32.0	3.6
Age groups	up to 25 years	132	23.5	32.6	33.3	4.5
	26 - 40 years	257	38.9	23.0	33.5	3.9
	41 - 60 /65 years <sup>a</sup>	327	32.4	32.4	31.8	2.8
	beyond retirement age <sup>b</sup>	63	13.0	35.0	43.0	8.0
Education	elementary or incomplete	92	27.0	20.0	39.0	11.0
	basic vocational	274	30.7	30.3	32.5	4.7
	secondary and college	308	32.5	31.5	32.5	1.9
	graduate	107	34.6	30.8	33.6	0.9

Place of residence	city above 100 thousand inhabitants	259	34.4	25.9	37.1	2.7
	city of 51 – 100 thousand	94	32.0	33.0	28.0	4.0
	city of 21 – 50 thousand	83	30.0	37.0	30.0	1.0
	town up to 20 thousand	87	38.0	30.0	28.0	5.0
	Rural village – seat of municipality	73	23.0	29.0	34.0	7.0
	Other rural village	185	28.1	29.7	35.1	4.9

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Overall, about 60% of respondents are able to use overdraft in the account. Sex is not a factor significantly differentiating the population in this respect as age. The largest percentage of those able to use overdraft are persons in the age bracket 41 years up to the limit of retirement age. This is probably the effect of the level of income and professional stabilization of this group. More than half of people over the retirement age do not use overdraft. Although the percentage of bank refusals is the highest among pensioners (the issue requires analysis if this is not a discrimination because of age?), they have also the highest percentage of those who never applied for an overdraft. Perhaps they decided that in older age one should not incur such risk, or did not have sufficient information concerning terms of overdraft.

There is a clear correlation between the level of education and the use of overdraft and between the level of education of respondents and bank refusals of to use overdraft. This shows, on one hand, higher income is usually obtained by persons with graduate education, what convinces bank to give consent to use overdraft facility, and on the other hand this may indicate the greater interest in bank services as the customers' education level rises.

Noteworthy is the fact that given the average percentage of respondents using overdraft at 32%, this percentage with respect to respondents running households jointly with a spouse and children was more than two times higher and exceeded 64%. This indicates indirectly significant burdening of such households with expenses, which they are unable to finance only from current income. Percentage of those using overdraft depending on the source of income ranges from 21 to 39%. The lowest values are entailed in case of persons not possessing a stable source of income: the unemployed, students and women running households, not working professionally, whereas the highest – when the source of income is employment for unlimited time. The situation is reversed as far as refusals are concerned – here the highest percentages concern the unemployed (9%) and women not working

professionally (12% of refusals). An exception are students, probably treated by banks as potentially good customers, eagerly granting them right to use overdraft (4% of refusals).

Although overdraft is also used by people in the lowest income group (up to 1000 zlotys), noticeable differences occur in case of refusals. Among those covered by the survey, no respondent with income of 3000 and more was refused overdraft.

### **3.4. Bank debit cards**

As widespread as the use of overdraft is the use of bank cards by respondents. In Poland, the period when bank customers used checks was relatively short. Cheques were used primarily for payments in stores. Over the last 10 years or so, cheques have been driven out by cards.

This is confirmed by the results of the survey. As it turns out, a total of 60% of respondents use them. Similarly as in the case of overdraft, this service is slightly more often used by males. A certain difference with respect to overdraft users is the fact that cards are used relatively most often by persons aged 26 – 40 years. Second place is taken by persons aged up to 26 years (62%). Only third come persons in the age bracket from 41 years to the limit of retirement age (62%). Cards are also used by 30% of the oldest respondents. In the latter group, the main reason for such a low percentage is lack of an account (see table 8 in Appendix).

A factor differentiating the surveyed population in respect of card possession is education. Percentage of respondents possessing a bank card increases from 31% (respondents with elementary education) through 55% (basic vocational), 71% (secondary and college) to 85% in case of respondents with graduate education. There is also a relation between the size of the locality of residence and the possession of a bank card. It is most often possessed by inhabitants of largest cities (77%), and most rarely – by inhabitants of rural villages being the seat of municipality (39%). Such significant differentiation in terms of education and place of residence indicates existence of financial exclusion in Poland. It seems to be chiefly a function of education and place of residence, and not economic status and sources of living. This is confirmed by data indicating that bank cards are in possession of 41% of respondents registered as unemployed and 39% of retired respondents. Probably they had started to use cards prior to the change of their professional situation. Of course, lower income achieved by a respondent and his/her household affect decisions on use of a bank card: it is in possession

of 49% of respondents achieving income of up to 1000 PLN and 92% of respondents with income exceeding 5000 PLN. Less urbanized areas, where the network of outlets and ATMs is not as dense as in large cities, cause card use more difficult: where there is no ATM nearby, cards are in possession of only 43% of respondents.

46% among those, in whose households a bank card is used, possess only one card. 37% of households use two, and 10% - three cards. About 6% of households used more than three cards. Possession of the largest number of cards was declared by the youngest respondents, whereas almost  $\frac{3}{4}$  of the oldest used only one. The average number of bank cards calculated for those households, which declared possession of a card, in a one-person household was 1.26, in a two-person household – 1.50; in a three-person household – 2.24 and four-person – 1.88. As the number of persons in a household increases, the number of children usually increases, therefore it may be concluded that the most active in card use are three-person households, usually comprised of parents and one child.

There are not significant differences as to type of card: 43% respondents possess credit cards, and 41% - debit cards. Although noticeable is certain advantage of debit cards (38%) used in households of pensioners over credit cards (24%), conversely than is the case with household run by a respondent living only with children (53% and 31%), there is no data for unequivocal interpretation of these facts.

A consequence of use of a bank card is making withdrawals from ATMs. This was done by 71% of respondents, including 73% of males and 67% of females. A significant difference occurs only in case of respondents over retirement age: as many as 59% among them do not withdraw money from ATMs. The structure of socio-demographic features of those withdrawing money from ATMs is almost identical as in the case of respondents possessing bank cards. These similarities concern on the first place education and place of residence as well as professional activity: over 80% of the employed use ATMs for cash withdrawals. Of course, the higher the income of a household, the greater the propensity for withdrawing cash from ATMs. A significant hindrance is lack of an ATM in the area: 48% of respondents not having an ATM in the area do not use this service. According to European Central Bank's data regarding population per ATMs for Poland the number of persons for one ATM was 4743 in comparison to EU-25 average – 2015 (data for 2005).

Those respondents, who do not withdraw money from ATMs, mention various reasons: lack of confidence in an ATM, fear of error of the system (31%), lack of an ATM in the area (25%), inability to use an ATM (15%), fear of theft of money during withdrawal (4%) and lack of knowledge of the PIN (only 1%).

In case of each of these reasons, the percentage of women quoting them was slightly higher than of men. However, there are no grounds for indicating significant regularities during analysis of reasons for non-withdrawal of money from ATMs. On the contrary, some data is quite surprising: the percentage of respondents distrusting ATMs and the data transmission system increases with the level of education of respondents, and the percentage of those not knowing their PIN is definitely the highest in the surveyed group under age of 25 (5%). About 20% of those surveyed do not know if withdrawal of cash from an ATM entails any charges. Overall, a bank card is used for payment for shopping (e.g. in stores, markets, at gas stations etc.) by 78% of respondents. Although there are no significant differences in the frequency of using cards by women and men, such differences may be observed depending on age and place of residence. In the first case, differences come chiefly from limited propensity to use „plastic money”, but also from lower income of older people and less frequent shopping activities. Older people often do small shopping, whereas many outlets accept card payment from a certain amount of the bill. Place of residence, and in particular differences between large and small towns and rural villages follow from far smaller number of outlets accepting card payments.

Table 4. Respondents according to frequency of payment for shopping with a bank card

		N	Almost daily	Several times a week	At most once a week	Once in 2 -3 weeks	Once a month	Less than once a month
		%						
Total		781	4.4	12.5	9.1	8.7	7.0	34.3
Sex of the respondent	Female	387	3.6	12.9	8.5	7.5	7.0	34.6
	Male	394	5.1	12.2	9.6	9.9	7.1	34.0
Age groups	up to 25 years	132	6.8	10.6	7.6	10.6	8.3	31.1
	26 - 40 years	257	5.1	17.5	11.3	10.1	8.9	28.0
	41 - 60 /65 years <sup>a</sup>	327	3.7	11.6	8.6	8.0	6.4	35.2
	beyond retirement age <sup>b</sup>	63	0.0	0.0	6.0	3.0	0.0	62.0
Education	elementary or incomplete	92	1.0	4.0	5.0	1.0	1.0	51.0
	basic vocational	274	1.8	8.0	6.2	7.7	6.6	39.1
	secondary and college	308	4.9	15.3	9.7	13.0	8.8	30.5
	graduate	107	12.1	23.4	17.8	5.6	8.4	18.7

Place of residence	city above 100 thousand inhabitants	259	9.3	19.3	14.7	11.2	8.1	23.2
	city of 51 – 100 thousand	94	6.0	20.0	11.0	6.0	10.0	35.0
	city of 21 – 50 thousand	83	2.0	16.0	7.0	6.0	8.0	37.0
	town up to 20 thousand	87	0.0	4.6	5.7	14.9	3.4	27.6
	Rural village – seat of municipality	73	0.0	4.0	4.0	7.0	8.0	40.0
	Other rural village	185	1.1	4.9	4.9	5.4	4.9	49.2

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 4 concerns only those paying with cards, but does not cover the items „no data” and „hard to say”, constituting a total of 24% of provided responses.

Two pieces of information seem important: first, about 25% of respondents use a card not less than once a week. This means that wherever possible, bank cards are becoming more and more universally accepted service. Second, and more important from the point of view of assessment of financial exclusion in Poland: somewhat over 1/3 of respondents use a card sporadically or not at all. These are chiefly persons possessing debit cards, often issued by banks free of charge or against a small charge for account holders, who are obliged to collect them. Possession of regular income from employment or self-employment and achievement of larger income in a household increases the frequency of payment of bills by card.

10% of respondents use a card issued by a hypermarket. As can be figured out, this group is dominated by residents of large cities (15% of respondents in this group have such a card), whereas in the other classes of localities the percentage of users of cards issued by a supermarket is on the level of 7 – 8%.

### **3.5. Scope of bank services used**

One of the best indicators of financial exclusion is the scope of bank services used by a person. Participants of the survey were in this aspect were asked about services they used within three months preceding the survey. It was considered that greater information value was carried by inquiry about the scope of these services rather than frequency of using them, particularly as this frequency can at least partially be derived by analysis of distribution of responses to some other questions.



Table 5. Respondents according to use of bank services within the last three months

		N	Bank card used e.g. in shopping in stores	Withdrawals from ATMs	Direct debit /standing orders /transfer	Withdrawals of cash at bank teller's window	Operations at internet branch	Overdraft
			%	%	%	%	%	%
Total		781	41.9	65.4	28.7	40.1	13.3	10.0
Sex of the respondent	Female	387	38.8	62.8	27.1	43.4	10.6	9.3
	Male	394	44.9	68.0	30.2	36.8	16.0	10.7
Age groups	up to 25 years	132	46.2	62.9	20.5	22.0	14.4	6.1
	26 - 40 years	257	52.9	75.1	29.6	35.0	19.8	12.5
	41 - 60 /65 years <sup>a</sup>	327	37.6	65.7	31.5	47.4	10.1	11.0
	beyond retirement age <sup>b</sup>	63	11.0	32.0	29.0	59.0	2.0	2.0
Education	elementary or incomplete	92	14.0	35.0	13.0	45.0	2.0	10.0
	basic vocational	274	31.0	59.5	21.5	42.3	6.2	10.9
	secondary and college	308	50.6	74.4	34.1	41.6	15.6	9.7
	graduate	107	68.2	81.3	44.9	26.2	34.6	8.4
Place of residence	city above 100 thousand inhabitants	259	64.1	79.5	34.4	32.4	22.8	13.9
	city of 51 – 100 thousand	94	51.0	82.0	29.0	35.0	10.0	5.0
	city of 21 – 50 thousand	83	39.0	69.0	35.0	35.0	19.0	12.0
	town up to 20 thousand	87	26.0	61.0	28.0	43.0	6.0	2.0
	Rural village – seat of municipality	73	25.0	47.0	26.0	45.0	6.0	10.0
	Other rural village	185	21.6	45.4	19.5	52.4	5.9	9.7

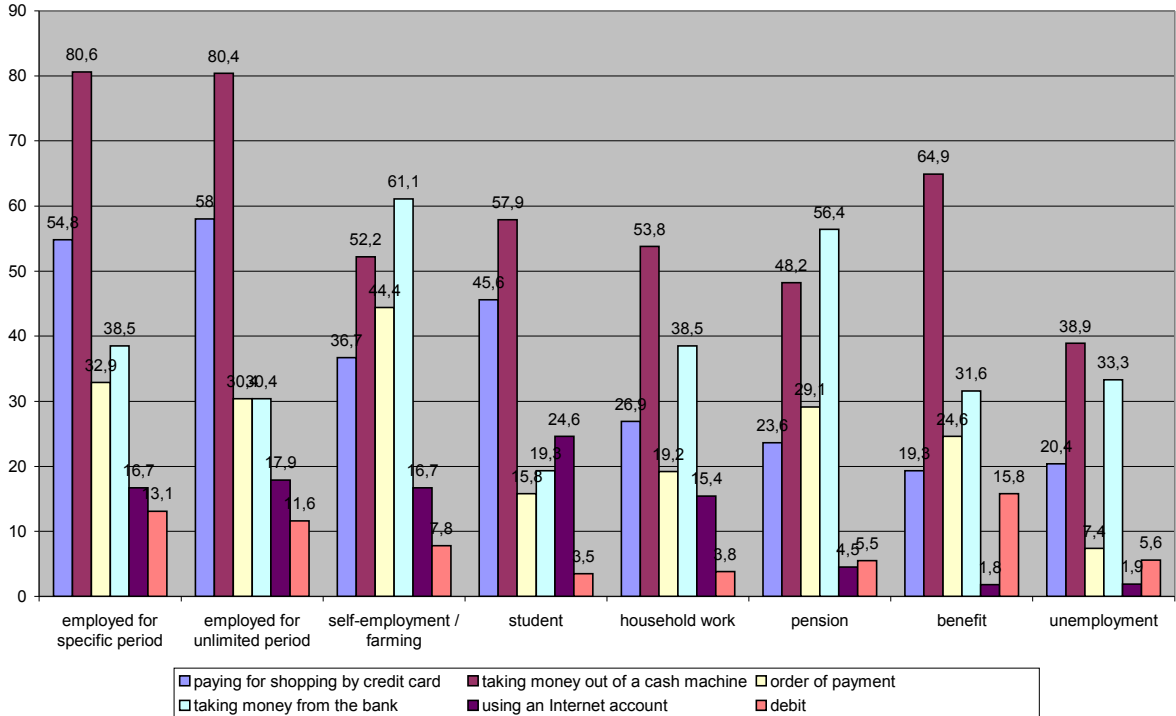
<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 5 concerns only those using of bank services, but does not cover the items „no data” and „hard to say”, constituting a total of 24% of provided responses.

The data contained in table 5 clearly indicates that in Poland the „underbanked” sphere is much broader than the „unbanked”. Bank services were used not very often by most of the respondents having bank account. The criteria most selecting the surveyed population with

respect to access to bank services include: education, place of residence and professional activity. Looking at use of some banking services according to professional activity, one may note clear differentiation of the surveyed group into two classes: those with access to bank services and the underbanked. Details are presented on fig. 2. It is worth adding that people from elder generation prefer mostly to withdraw cash at the bank counter, instead of using ATMs.

Figure 2. Respondents according to use of selected bank services and professional activity



Varied activity of respondents in terms of use of bank services is reflected in the structure of responses to the question, where the survey participants paid their bills within the last three months. As shown by table 6, age and education of respondents are again the factors differentiating the surveyed population to the highest degree. This is particularly visible in case of use of internet banking and standing orders or direct debit.

Table 6. Respondents according to the place of payment of bills within the last three months

		N	At a bank	At a post office	At a financial agency or store POS terminal	Directly at the cash desk of issuer of the invoice	Through internet banking	By a standing order / direct debit
			%	%	%	%	%	%
Total		996	44,2	65,3	14,4	13,7	11,6	10,7
Sex of the respondent	Female	510	42,7	65,3	16,5	13,5	9,6	10,2
	Male	486	45,7	65,2	12,1	13,8	13,8	11,3
Age groups	up to 25 years	169	41,4	66,3	11,2	8,3	11,2	8,3
	26 - 40 years	303	44,2	60,4	13,5	14,9	18,8	10,9
	41 - 60 /65 years <sup>a</sup>	404	47,8	66,8	16,6	13,1	9,2	13,4
	beyond retirement age <sup>b</sup>	118	35,6	70,3	13,6	20,3	2,5	5,1
Education	elementary or incomplete	151	36,4	71,5	10,6	7,3	2,0	3,3
	basic vocational	369	47,4	69,9	13,6	13,8	4,1	6,8
	secondary and college	362	45,6	61,9	17,1	15,2	14,6	14,9
	graduate	114	39,5	52,6	13,2	16,7	39,5	20,2
Place of residence	city above 100 thousand inhabitants	301	33,6	59,1	18,9	15,6	22,9	14,6
	city of 51 – 100 thousand	118	53,4	58,5	18,6	16,9	10,2	12,7
	city of 21 – 50 thousand	97	32,0	61,0	29,0	27,0	12,0	25,0
	town up to 20 thousand	115	59,1	64,3	10,4	9,6	4,3	6,1
	Rural village – seat of municipality	106	50,9	74,5	1,9	3,8	6,6	3,8
	Other rural village	259	47,5	73,7	8,5	10,8	4,2	5,0

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Most often bills are paid at a post office. This is connected with not only proximity of such outlets (almost 78% of respondents stated that near their place of residence or work there was a post office outlet, this percentage slightly exceeded the share of respondents informing that there was at least one bank outlet in their area), but also with the strategy of Polish Post, maintaining low rates for payments (usually the charge is 1.99 PLN, that is less than 0.5 € per bill). As a result, even those who have a bank outlet nearby, often prefer to pay their bills at a post office or in a store, where the charge in financial agency e.g. „My Bills” is the same as at a post office. The difference consists, however, in that both in the case of a post office and a store the bills must be paid in cash.

It is specific that despite the fact that practically all larger banks in Poland offer possibilities of using an Internet account, only somewhat over 1/5 of those surveyed, who have Internet access at home, make bank operations via Internet. These are mostly persons in the two youngest age groups, i.e. up to 40 years, having at least secondary education and residing in cities.

### **3.6. Indebtness of respondents**

Assessment of the percentage of indebted households (table 7) shows that somewhat less than half of the respondents do not use credit, considering that there is no such need. Over 25% of respondents applied for credit, but did not receive it. Not many more people use credit, whereas it can be noted that bank credits are used by households obtaining somewhat higher income. Credits from alternative financial services providers, such as SKOK (credit unions) and from finance companies are usually obtained by persons of lower income, without a stable situation on the labor market and the elderly. This means a certain exclusion from bank services, so this group may be termed as underbanked.

Table 7: Respondents according to the indebtedness status and its reasons

		N	no – there is no such need	no – because credit / loan is too expensive for me	no – I was denied credit / loan by a bank	no – I was denied credit / loan by SKOK	no – I was denied credit/ loan by agent	no – I was denied credit / loan at a store	yes – residential / mortgage credit	yes – on a credit card	yes – I use consumer credit	yes – cash loan by a bank	yes – cash loan by SKOK	yes – cash loan by finance company
			%	%	%	%	%	%	%	%	%	%	%	%
Total		996	45.1	16.6	10.9	1.2	0.5	1.8	2.1	4.7	10.9	11.3	1.0	1.6
Sex of the respondent	Female	510	44.1	18.8	11.4	2.0	0.4	1.6	1.6	2.5	9.4	11.4	1.4	1.8
	Male	486	46.1	14.2	10.5	0.4	0.6	2.1	2.7	7.0	12.6	11.3	0.6	1.4
Age groups	up to 25 years	169	53.3	12.4	8.3	1.2	1.2	0.6	1.2	1.8	6.5	14.2	2.4	1.8
	26 - 40 years	303	41.9	17.8	14.5	0.7	0.7	2.0	3.6	5.9	12.2	10.2	0.3	1.0
	41 - 60 /65 years <sup>a</sup>	404	40.6	16.3	11.1	1.7	0.2	2.7	2.0	6.2	12.1	11.9	1.2	2.2
	beyond retirement age <sup>b</sup>	118	56.8	20.3	5.1	0.8	0.0	0.0	0.0	0.8	9.3	7.6	0.0	0.8
Education	elementary or incomplete	151	41.1	29.8	9.3	0.7	0.7	2.6	1.3	1.3	7.3	9.9	0.7	0.7
	basic vocational	369	42.8	18.2	12.2	1.4	1.1	1.4	0.3	3.0	10.8	11.1	0.8	2.4
	secondary and college	362	46.4	12.7	9.9	1.4	0.0	1.9	1.7	6.9	13.3	12.2	1.7	1.4
	graduate	114	53.5	6.1	12.3	.9	0.0	1.8	10.5	7.9	8.8	11.4	0.0	0.9

Place of residence	city above 100 thousand inhabitants	301	46.8	13.6	11.3	1.7	0.7	2.3	4.0	8.3	11.3	11.0	0.3	1.3
	city of 51 – 100 thousand	118	44.9	16.1	11.0	2.5	0.8	0.8	0.8	5.9	5.1	16.9	0.8	2.5
	city of 21 – 50 thousand	97	46.0	8.0	7.0	1.0	0.0	5.0	3.0	3.0	17.0	12.0	1.0	2.0
	town up to 20 thousand	115	49.6	20.0	8.7	0.9	0.0	0.0	1.7	2.6	9.6	4.3	2.6	2.6
	Rural village – seat of municipality	106	46.2	21.7	12.3	1.9	0.9	2.8	0.9	0.9	7.5	4.7	0.0	0.9
	Other rural village	259	40.2	19.7	12.4	0.0	0.4	.8	.8	3.1	13.1	14.7	1.5	1.2
A job	Employed for specific period	292	44.5	14.0	12.3	0.7	0.0	2.7	4.1	8.6	11.3	10.6	1.4	1.4
	Employed for unlimited period	129	39.5	13.2	10.9	2.3	0.8	2.3	1.6	5.4	16.3	13.2	1.6	1.6
	Self-employment / farming	103	35.0	15.5	18.4	0.0	0.0	0.0	3.9	5.8	16.5	16.5	0.0	1.9
	Student	73	45.0	15.0	12.0	1.0	0.0	0.0	3.0	3.0	8.0	15.0	1.0	0.0
	Household work	38	47.0	18.0	8.0	3.0	3.0	0.0	0.0	3.0	5.0	13.0	0.0	3.0
	Pension	176	54.5	17.0	8.0	2.3	0.0	2.3	0.0	1.7	9.7	8.0	0.6	1.7
	Benefit	79	35.0	24.0	11.0	1.0	0.0	3.0	1.0	1.0	8.0	14.0	0.0	3.0
	Unemployment	80	52.0	24.0	5.0	0.0	4.0	0.0	0.0	0.0	8.0	9.0	3.0	3.0
Level of income	Up to 1000 PLN	351	41.9	24.2	10.3	1.1	1.1	2.0	0.6	0.9	6.8	10.5	1.4	3.1
	1001 – 2000 PLN	295	45.8	11.5	11.9	2.4	0.0	2.0	2.4	6.1	13.9	12.5	1.4	0.7
	2001 PLN and more	109	46.8	6.4	12.8	0.0	0.0	1.0	7.3	15.6	13.8	11.0	0.0	1.0

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

## 4. The use of other financial services

Additionally to the questions regarding the use of typical banking services (bank account, credits and loans), we asked the surveyed group about savings and the use of other financial services.

### 4.1. Savings

Having savings was not so often like having a bank account due to the level of income and living standard in the society. This question was addressed to the surveyed person and household (Do you or other members of the household ...?). According to the research 35% of the surveyed population have savings. There were no significant differences between women and men. Only 7% declared to prefer to save money in other way than bank deposits.

Table 8. Savings in a bank at the surveyed group

		Total	yes	No because I do not have any savings	No, because I prefer to invest my money in other way
			%	%	%
Total		996	34,9	54,6	7,0
Sex of the respondent	Female	510	33,3	57,5	5,9
	Male	486	36,6	51,6	8,2
Age groups	up to 25 years	169	37,3	44,4	7,1
	26 - 40 years	303	37,6	52,1	7,3
	41 - 60 /65 years <sup>a</sup>	404	33,2	59,4	6,4
	beyond retirement age <sup>b</sup>	118	31,4	59,3	7,6
Education	elementary or incomplete	151	15,9	69,5	7,9
	basic vocational	369	25,5	65,0	6,8
	secondary and college	362	45,0	44,8	6,6
	graduate	114	58,8	32,5	7,9

Place of residence	city above 100 thousand inhabitants	301	41,2	51,2	5,6
	city of 51 – 100 thousand	118	44,9	48,3	5,1
	city of 21 – 50 thousand	97	34,0	51,5	8,2
	town up to 20 thousand	115	30,4	53,9	12,2
	Rural village – seat of municipality	106	19,8	66,0	8,5
	Other rural village	259	31,7	58,3	6,2
A job	Employed for specific period	292	38,4	53,4	7,2
	Employed for unlimited period	129	43,4	46,5	6,2
	Self-employment / farming	103	46,6	43,7	8,7
	Student	73	47,9	27,4	5,5
	Household work	38	26,3	65,8	5,3
	Pension	176	32,4	58,5	6,8
	Benefit	79	20,3	74,7	3,8
	Unemployment	80	11,3	73,8	10,0
	Employed for specific period	23	17,4	65,2	13,0
Level of income	Up to 1000 PLN	351	25,1	67,8	4,6
	1001 – 2000 PLN	295	40,0	52,9	5,8
	2001 – 3000 PLN	69	55,1	27,5	13,0
	3001 – 4000 PLN	17	52,9	29,4	17,6
	4001 – 5000 PLN	10	70,0	20,0	10,0
	5001 PLN and more	13	92,3	,0	7,7

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 8 do not cover the items „I do not know”, constituting a total of 3,4% of provided responses. Responses presented for level of income do not cover those to refused to provide the answer (241 responses).

In the classic theory (life cycle hypothesis) young people shall use mostly credits and do not accumulate savings. Our findings show that more people up to 40 have savings than the

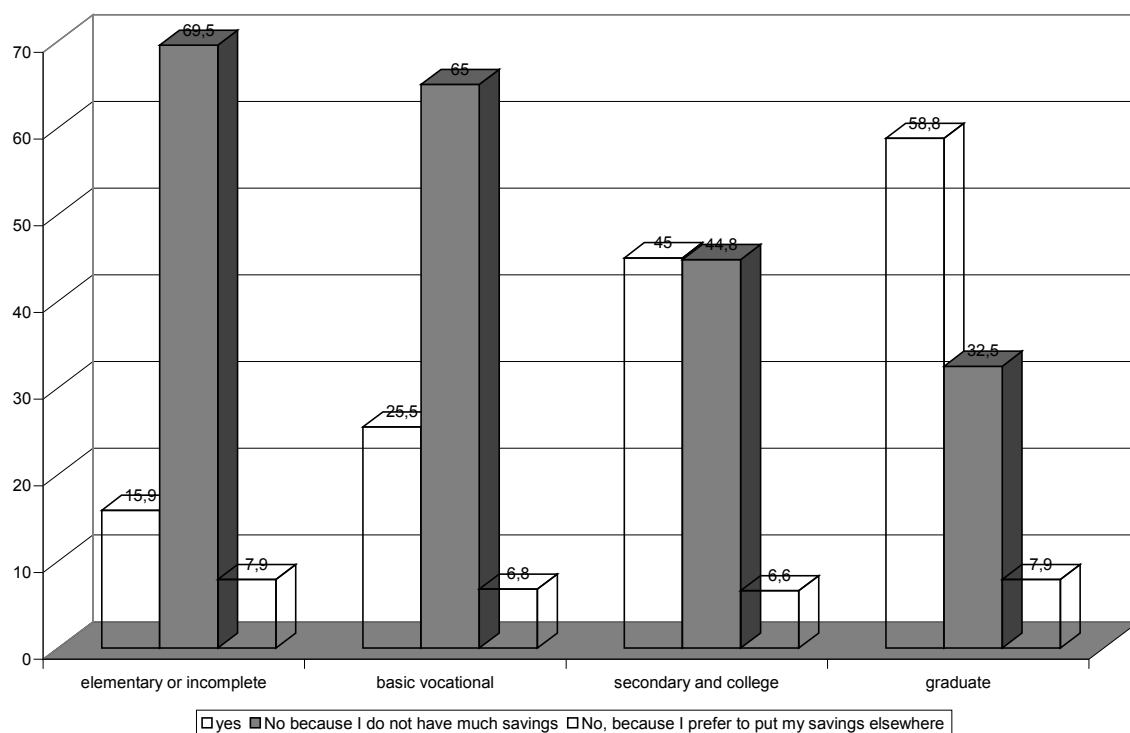


average. Of course we know nothing about the level (amount) of savings which may clarify the possible reasons of not sticking to life cycle hypothesis. Influence of education level on possession of savings is illustrated on fig. 3.

Education and related to it level of income were the leading factors influencing having savings - 59% of graduated people have savings in comparison to 35% average and people in two highest income intervals (both for individual and households income) have much more often savings (e.g. 90% of households with income from 5001 to 7000 PLN and 80% of households with income higher than 7000 PLN).

Also the working status had an impact on savings – employed people and those with own business generally have more often savings than the other groups, except those who were learning/studying, which is surprising. We may suppose they have been both working and learning/studying.

Figure 3. Respondents according to the education level and savings



As far as the composition of household is concerned more often than the average saving were held by couples (without children or living without children) – 39% and 5-persons' households – 39%.

## 4.2. Life insurance policy

Having life insurance policy was more often than having savings at the bank – 52% (men – 56%, women – 48%). The highest rate of using them appeared in the group of surveyed between 41 and retirement age (60 for women and 65 for men). 20% cannot afford to have life insurance policy and 15% do not feel such need.

Table 9. Life insurance policies at the surveyed group

		Total	Yes	No – I cannot afford that	No – I do not have such a need	No – for other reasons
			%	%	%	%
Total		996	51,9	20,5	14,6	11,9
Sex of the respondent	Female	510	48,0	23,1	14,9	12,4
	Male	486	56,0	17,7	14,2	11,5
Age groups	up to 25 years	169	38,5	19,5	18,9	20,1
	26 - 40 years	303	52,8	17,2	15,2	12,9
	41 - 60 /65 years <sup>a</sup>	404	58,7	21,3	12,1	7,9
	beyond retirement age <sup>b</sup>	118	45,8	28,0	14,4	11,9
Education	elementary or incomplete	151	31,1	35,8	15,2	15,9
	basic vocational	369	53,7	23,8	13,3	8,7
	secondary and college	362	56,9	14,4	15,2	12,4
	graduate	114	57,9	8,8	15,8	15,8
Place of residence	city above 100 thousand inhabitants	301	57,1	16,3	14,0	12,0
	city of 51 – 100 thousand	118	60,2	17,8	6,8	12,7
	city of 21 – 50 thousand	97	61,9	12,4	18,6	6,2
	town up to 20 thousand	115	60,9	13,9	9,6	13,9
	Rural village – seat of municipality	106	46,2	29,2	19,8	4,7
	Other rural village	259	36,7	29,0	17,4	15,8

A job	Employed for specific period	292	70,2	11,6	9,6	7,2
	Employed for unlimited period	129	52,7	17,1	12,4	17,8
	Self-employment / farming	103	44,7	22,3	23,3	9,7
	Student	73	35,6	12,3	23,3	20,5
	Household work	38	28,9	36,8	13,2	21,1
	Pension	176	51,1	22,7	14,8	11,4
	Benefit	79	45,6	32,9	16,5	5,1
	Unemployment	80	31,3	42,5	15,0	11,3
	Employed for specific period	23	30,4	8,7	17,4	39,1
Level of income	Up to 1000 PLN	351	43,9	30,8	12,5	12,5
	1001 – 2000 PLN	295	63,7	13,2	11,5	10,5
	2001 – 3000 PLN	69	56,5	7,2	20,3	14,5
	3001 – 4000 PLN	17	64,7	11,8	17,6	5,9
	4001 – 5000 PLN	10	40,0	20,0	20,0	20,0
	5001 PLN and more	13	84,6	7,7	7,7	,0

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 9 do not cover the items „I do not know”, constituting a total of 1,1% of provided responses. Responses presented for level of income do not cover those to refused to provide the answer (241 responses).

Again the level of education, the employment status and income have an impact on having life insurance policy. People running their own business used less frequent insurance policies than employed. Retired people used them at the average level. In case of insurance policies the level of households income shows some differences in comparison to savings – mostly people with middle income were having policies, not the ones with the highest. Additionally having children was a factor improving the frequency of the having insurance policies. People living in the rural areas held life insurance policies less often.

We also asked a question if anyone from the members of the household has a life insurance policy. The frequency was 58%. The cross-table shows, that mostly young people surveyed

indicated that anyone else at the household was protected by life insurance policy. In this question households with higher income more often have policies.

### 4.3. Home and car insurance policies

In case of home and car insurance the level of education, the households income and the employment status were the most important factors. In both questions more often men declared having such policies than women. About 18%-19% declared that they cannot afford to buy an insurance policy. Those questions were addressed to the surveyed person and household (Do you or other members of the household ...?). Detailed data are presented in tables 10 and 11.

Table 10. Home insurance policy at the surveyed group

		Total	Yes	No – they cannot afford that	No – they do not have such a need	No – for other reasons
			%	%	%	%
Total		996	51,3	18,2	11,5	8,6
Sex of the respondent	Female	510	47,1	20,2	12,9	9,2
	Male	486	55,8	16,0	10,1	8,0
Age groups	up to 25 years	169	56,8	13,0	8,3	9,5
	26 - 40 years	303	50,8	14,5	12,9	8,3
	41 - 60 /65 years <sup>a</sup>	404	52,2	20,5	11,1	9,7
	beyond retirement age <sup>b</sup>	118	40,7	27,1	14,4	5,1
Education	elementary or incomplete	151	38,4	32,5	9,9	6,6
	basic vocational	369	50,1	19,0	13,6	8,1
	secondary and college	362	54,7	13,3	11,0	10,5
	graduate	114	61,4	12,3	8,8	7,0
Place of residence	city above 100 thousand inhabitants	301	47,2	17,6	12,3	12,3
	city of 51 – 100 thousand	118	51,7	20,3	7,6	7,6
	city of 21 – 50 thousand	97	46,4	21,6	20,6	5,2
	town up to 20 thousand	115	47,8	14,8	13,0	9,6
	Rural village – seat of municipality	106	50,9	21,7	5,7	7,5
	Other rural village	259	59,5	16,6	10,8	6,2

A job	Employed for specific period	292	51,0	12,3	14,7	8,9
	Employed for unlimited period	129	48,8	17,8	12,4	12,4
	Self-employment / farming	103	68,0	10,7	6,8	11,7
	Student	73	60,3	11,0	2,7	8,2
	Household work	38	50,0	23,7	10,5	5,3
	Pension	176	47,2	23,3	13,6	5,7
	Benefit	79	51,9	30,4	8,9	3,8
	Unemployment	80	40,0	32,5	10,0	8,8
	Employed for specific period	23	39,1	8,7	17,4	17,4
Level of income	Up to 1000 PLN	351	42,2	27,4	10,3	8,5
	1001 – 2000 PLN	295	49,8	15,3	14,2	9,5
	2001 – 3000 PLN	69	68,1	4,3	10,1	10,1
	3001 – 4000 PLN	17	52,9	,0	17,6	17,6
	4001 – 5000 PLN	10	90,0	,0	,0	10,0
	5001 PLN and more	13	84,6	7,7	,0	7,7

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 10 do not cover the items „I do not know” and “No answer”, constituting a total of 10,4% of provided responses. Responses presented for level of income do not cover those to refused to provide the answer (241 responses).

Table 11. Car insurance (AC - auto-casco) policy at the surveyed group

		Total	Yes	No – they cannot afford that	No – they do not have a car	No – for other reasons
			%	%	%	%
Total		996	29,2	19,0	33,4	15,3
Sex of the respondent	Female	510	26,5	16,9	39,2	12,9
	Male	486	32,1	21,2	27,4	17,7
Age groups	up to 25 years	169	33,7	18,9	33,7	8,9
	26 - 40 years	303	33,0	17,2	27,4	18,8
	41 - 60 /65 years <sup>a</sup>	404	28,5	22,0	31,7	16,1
	beyond retirement age <sup>b</sup>	118	14,4	13,6	55,1	12,7
	no data	2	100,0	,0	,0	,0

Education	elementary or incomplete	151	19,9	18,5	47,0	9,9
	basic vocational	369	22,5	26,6	30,6	17,1
	secondary and college	362	34,0	12,7	32,9	17,4
	graduate	114	48,2	14,9	26,3	9,6
Place of residence	city above 100 thousand inhabitants	301	31,9	14,3	39,5	13,0
	city of 51 – 100 thousand	118	33,9	9,3	40,7	13,6
	city of 21 – 50 thousand	97	30,9	19,6	34,0	13,4
	town up to 20 thousand	115	26,1	20,0	33,9	16,5
	Rural village – seat of municipality	106	17,0	29,2	32,1	17,9
	Other rural village	259	29,7	23,9	23,2	17,8
A job	Employed for specific period	292	33,9	20,9	25,3	19,2
	Employed for unlimited period	129	26,4	16,3	38,0	16,3
	Self-employment / farming	103	39,8	20,4	11,7	25,2
	Student	73	38,4	16,4	30,1	4,1
	Household work	38	28,9	26,3	31,6	10,5
	Pension	176	21,6	16,5	44,3	12,5
	Benefit	79	22,8	17,7	50,6	7,6
	Unemployment	80	20,0	23,8	40,0	12,5
	Employed for specific period	23	26,1	8,7	52,2	13,0
Level of income	Up to 1000 PLN	351	17,7	21,1	44,4	12,3
	1001 – 2000 PLN	295	29,8	19,7	31,9	17,6
	2001 – 3000 PLN	69	49,3	10,1	20,3	18,8
	3001 – 4000 PLN	17	47,1	11,8	29,4	11,8
	4001 – 5000 PLN	10	70,0	10,0	20,0	,0
	5001 PLN and more	13	69,2	,0	15,4	15,4

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 11 do not cover the items „I do not know” and “No answer”, constituting a total of 3,1% of provided responses. Responses presented for level of income do not cover those to refused to provide the answer (241 responses).

In case of both types of insurance policies they were held more frequently by younger groups of surveyed population. The place of residence was not the important factor in case home

insurance and played some role in case of car insurance – in rural areas and small towns insurance policies were less frequent.

#### 4.4. Investment funds, equities and bonds

In order to manage households financial needs in a proper way, one shall be aware of the possibilities of investing financial resources. Thus we decided to ask about having investment funds units, shares (equities) and bonds. Those questions were addressed to the surveyed person and household (Do you or other members of the household ...?). Detailed information are presented below.

Table 12. Investment funds at the surveyed group

		Total	Yes	No – they cannot afford that	No – I am afraid of risk	No – for other reasons
			%	%	%	%
Total		996	9,8	46,3	4,7	33,8
Sex of the respondent	Female	510	10,8	49,2	4,9	29,6
	Male	486	8,8	43,2	4,5	38,3
Age groups	up to 25 years	169	11,8	39,6	3,6	30,8
	26 - 40 years	303	8,3	41,9	5,6	39,3
	41 - 60 /65 years <sup>a</sup>	404	11,1	49,0	4,2	33,2
	beyond retirement age <sup>b</sup>	118	6,8	57,6	5,1	27,1
Education	elementary or incomplete	151	4,6	61,6	4,6	22,5
	basic vocational	369	6,2	53,7	4,9	30,1
	secondary and college	362	12,2	39,0	4,1	39,2
	graduate	114	21,1	25,4	6,1	43,9
Place of residence	city above 100 thousand inhabitants	301	13,3	39,2	3,3	40,2
	city of 51 – 100 thousand	118	11,0	45,8	5,1	31,4
	city of 21 – 50 thousand	97	9,3	37,1	7,2	38,1
	town up to 20 thousand	115	8,7	50,4	5,2	30,4
	Rural village – seat of municipality	106	8,5	57,5	4,7	23,6
	Other rural village	259	6,6	51,7	5,0	31,7

A job	Employed for specific period	292	11,6	43,5	3,4	38,7
	Employed for unlimited period	129	12,4	39,5	1,6	39,5
	Self-employment / farming	103	15,5	35,9	8,7	38,8
	Student	73	13,7	27,4	4,1	32,9
	Household work	38	2,6	47,4	7,9	42,1
	Pension	176	7,4	55,1	5,7	28,4
	Benefit	79	5,1	65,8	2,5	20,3
	Unemployment	80	3,8	57,5	6,3	23,8
	Employed for specific period	23	4,3	47,8	13,0	30,4
Level of income	Up to 1000 PLN	351	6,6	59,0	4,6	24,8
	1001 – 2000 PLN	295	10,2	44,7	4,7	37,6
	2001 – 3000 PLN	69	15,9	29,0	5,8	43,5
	3001 – 4000 PLN	17	29,4	23,5	17,6	23,5
	4001 – 5000 PLN	10	20,0	10,0	10,0	50,0
	5001 PLN and more	13	30,8	7,7	15,4	46,2

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 12 do not cover the items „I do not know” and “No answer”, constituting a total of 5,3% of provided responses. Responses presented for level of income do not cover those to refused to provide the answer (241 responses).

Table 13. Equities at the surveyed group

		Total	Yes	No – they cannot afford that	No – I am afraid of risk	No – for other reasons
			%	%	%	%
Total		996	4,9	49,9	5,7	36,2
Sex of the respondent	Female	510	3,9	53,1	6,9	32,5
	Male	486	6,0	46,5	4,5	40,1
Age groups	up to 25 years	169	5,3	45,0	7,1	32,5
	26 - 40 years	303	4,0	46,2	6,9	40,9
	41 - 60 /65 years <sup>a</sup>	404	6,7	52,5	4,7	34,7
	beyond retirement age <sup>b</sup>	118	,8	57,6	4,2	34,7
Education	elementary or incomplete	151	1,3	61,6	6,6	25,8
	basic vocational	369	3,0	57,5	5,7	31,7
	secondary and college	362	6,6	43,1	5,0	41,7
	graduate	114	10,5	31,6	7,0	47,4



Place of residence	city above 100 thousand inhabitants	301	6,3	44,2	3,3	43,9
	city of 51 – 100 thousand	118	8,5	47,5	10,2	28,0
	city of 21 – 50 thousand	97	9,3	42,3	6,2	39,2
	town up to 20 thousand	115	,9	53,9	6,1	36,5
	Rural village – seat of municipality	106	3,8	58,5	3,8	28,3
	Other rural village	259	2,3	55,2	6,9	33,2
A job	Employed for specific period	292	7,2	46,6	5,1	39,7
	Employed for unlimited period	129	7,8	48,1	4,7	34,9
	Self-employment / farming	103	4,9	37,9	8,7	48,5
	Student	73	5,5	32,9	8,2	35,6
	Household work	38	2,6	50,0	10,5	36,8
	Pension	176	2,8	55,7	5,1	34,1
	Benefit	79	1,3	67,1	1,3	25,3
	Unemployment	80	1,3	67,5	5,0	25,0
	Employed for specific period	23	4,3	39,1	13,0	43,5
Level of income	Up to 1000 PLN	351	3,1	61,3	6,6	26,5
	1001 – 2000 PLN	295	5,4	49,2	5,8	38,0
	2001 – 3000 PLN	69	8,7	31,9	4,3	53,6
	3001 – 4000 PLN	17	17,6	23,5	17,6	41,2
	4001 – 5000 PLN	10	,0	20,0	40,0	40,0
	5001 PLN and more	13	15,4	7,7	,0	76,9

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 13 do not cover the items „I do not know” and “No answer”, constituting a total of 3,2% of provided responses. Responses presented for level of income do not cover those to refused to provide the answer (241 responses).

Table 14. Bonds at the surveyed group

		Total	Yes	No – they cannot afford that	No – I am afraid of risk	No – for other reasons
			%	%	%	%
Total		996	2,6	49,8	4,5	39,7
Sex of the respondent	Female	510	2,7	54,1	5,3	33,5
	Male	486	2,5	45,3	3,7	46,1

Age groups	up to 25 years	169	4,7	44,4	4,7	37,3
	26 - 40 years	303	1,3	44,9	5,9	44,9
	41 - 60 /65 years <sup>a</sup>	404	3,0	53,7	3,5	38,4
	beyond retirement age <sup>b</sup>	118	1,7	56,8	3,4	34,7
Education	elementary or incomplete	151	,7	61,6	4,6	28,5
	basic vocational	369	1,1	58,0	5,1	33,1
	secondary and college	362	3,9	42,8	3,3	46,1
	graduate	114	6,1	29,8	6,1	55,3
Place of residence	city above 100 thousand inhabitants	301	4,3	44,5	2,0	46,2
	city of 51 – 100 thousand	118	4,2	46,6	7,6	37,3
	city of 21 – 50 thousand	97	1,0	43,3	6,2	46,4
	town up to 20 thousand	115	1,7	53,0	6,1	34,8
	Rural village – seat of municipality	106	,9	62,3	3,8	28,3
	Other rural village	259	1,5	53,3	5,0	37,5
A job	Employed for specific period	292	3,4	46,2	5,5	43,5
	Employed for unlimited period	129	3,1	46,5	4,7	41,9
	Self-employment / farming	103	1,9	39,8	6,8	51,5
	Student	73	4,1	34,2	2,7	41,1
	Household work	38	,0	52,6	7,9	36,8
	Pension	176	2,3	55,7	2,8	36,4
	Benefit	79	,0	67,1	,0	27,8
	Unemployment	80	1,3	65,0	3,8	27,5
	Employed for specific period	23	8,7	39,1	13,0	39,1
Level of income	Up to 1000 PLN	351	1,4	60,4	4,0	30,2
	1001 – 2000 PLN	295	2,4	49,8	5,1	41,4
	2001 – 3000 PLN	69	2,9	31,9	2,9	60,9
	3001 – 4000 PLN	17	11,8	23,5	17,6	47,1
	4001 – 5000 PLN	10	20,0	20,0	20,0	40,0
	5001 PLN and more	13	15,4	,0	,0	84,6

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 9 do not cover the items „I do not know” and “No answer”, constituting a total of 3,4% of provided responses. Responses presented for level of income do not cover those to refused to provide the answer (241 responses).

Only 10% of the surveyed group declared having investment fund units, 5% - shares and only 3% - bonds. In general men were more interested in having shares (6% vs. 3,9%) than women, who declared more often having investment fund units and bonds.

The level of education, employment status and income were – as in other cases – prevailing factors. Two observations are worth noticing – any of those instruments were held more often by young (or their households) and by people at the age from 41 to retirement. This may be explained by low risk aversion of younger and more stable situation of people from 41 to retirement, when they diversify their savings. In most cases people who were not using those financial instruments declared that they cannot afford (about 46-49%). Many of the surveyed (between 33-39%) stated not to have those instruments due to other reasons, but we may assume they preferred not to declare they cannot afford. This assumption is based on the results related to savings at the banks.

People that declared as being afraid of risk showed the proper risk perception – equities were treated as risky more often than investment funds and bonds.

## **5. Conclusions**

The executed survey confirmed that factors explaining financial exclusion in Poland are the same like for social exclusion. These include:

- low level of education,
- retirement age,
- low level of income,
- lack of stable employment or unemployment,
- living in a small locality, in particular a rural village.

However, no significant differences were found in the situation of women and men or a greater risk of financial exclusion for women. This can partially be related to the fact that the average level of education of women in Poland is slightly higher than that of men, hence due to the higher level of education they are less exposed to financial exclusion. Also, no large differences occur between a rural village being the seat of municipality and other villages. In assumptions, we expected that availability of financial services would be greater in larger villages. This was probably leveled out by high level of mobility of the population, which allows them to reach a bank outlet or other financial institution. Another reason for is quite well developed network of co-operative banks, operating mostly in rural areas.

The use of other services, except life insurance policies and home insurance, was quite low. Traditional savings at banks were declared only by nearly 35% and the use of other savings instruments did not exceed 10%.

Level of risk of financial exclusion is not affected by household size, with the exception of incomplete families, i.e. households comprised of one parent and children. In this case the level of risk of financial exclusion is generally high, and it additionally rises with the number of children and decrease of per capita income.

Risk of financial exclusion affects primarily persons obtaining low income. On one hand, they are unable to invest, have savings, or use overdraft in a current account, and on the other hand – banks are not interested in granting credits and loans to such persons. Use of bank services is limited in this case chiefly to payment of current bills, sometimes to use of a bank card. Persons practically financially excluded originate from the group of the lowest incomes. They are chiefly older persons with low level of education, sustaining themselves from low pensions, living in small towns. Distance to a bank outlet, other financial institution, ATM or post office is of no relevance here.

The group of seriously threatened with exclusion or directly affected includes also the unemployed aged over 40, also usually characterized by low level of education, and those benefit-takers, who do not work. Percentage of persons seriously at risk of financial exclusion may be estimated at 20 – 22%. Twice as many are persons affected by exclusion to a certain degree, for example rarely using a bank card, possessing only a debit card, not using such services as money transfer, rarely or not at all (e.g. once a month withdrawing entire pension or benefit) withdrawing money from an ATM.

## Annex

In the study, there occurred slight discrepancies between the assumed and executed sample. This was due to refusals of respondents. For example the percentage of women participating in the survey was 0.1 percentage point lower than in the assumed sample, and the percentage of persons with high-school and college education 0.2 percentage points higher. The largest differences with respect to the assumed sample were noted in case of classes of localities and were caused by refusals to participate in the survey. Financial issues are reluctantly taken up by respondents in questionnaire surveys in Poland. Overall, the differences did not exceed 2 percentage points, therefore the selection may be considered executed in line with the research plan.

Table 1. Sample selection according to voivodships

Voivodship	Population	Percentage of population	Sample
Dolnośląskie	2199933	7.7	75
Kujawsko-pomorskie	1537884	5.4	55
Lubelskie	1589634	5.6	55
Lubuskie	756055	2.7	25
Łódzkie	1941152	6.8	70
Małopolskie	2404212	8.4	85
Mazowieckie	3863872	13.6	135
Opolskie	797072	2.8	30
Podkarpackie	1521272	5.3	50
Podlaskie	874393	3.1	30
Pomorskie	1634447	5.7	60
Śląskie	3600129	12.6	125
Świętokrzyskie	948023	3.3	30
Warmińsko-mazurskie	1051328	3.7	35
Wielkopolskie	2505731	8.8	90
Zachodniopomorskie	1278892	4.5	50
Polska ogółem	28504029	100.0	1000

Source: GUS data and own elaboration.

Table 2. Sample selection according to locality class

Place of residence	Number of population	Percentage of population	Sample
Rural area	10484093	37.0	370
City up to 20 thousand	3690578	13.0	130

inhabitants			
City of 21 – 100 thousand	5684872	19.5	195
City of 101 – 100 thousand	5163341	19.0	190
City above 500 thousand inhabitants	3481145	11.5	115
Total	28504029	100.0	1000

Source: GUS data and own elaboration.

Table 3. Sample selection according to sex of respondents

Sex	Number of population	Percentage of population	Sample
Male	13878055	48.7	487
Female	14625974	51.3	513
Total	28504029	100.0	1000

Source: GUS data and own elaboration.

Table 4. Sample selection according to age of respondents

Age	Number of population	Percentage of population	Sample
18-29	7586269	26.6	266
30-39	5202000	18.3	183
40-49	5420716	19.0	190
50-59	5557490	19.5	195
60-75	4737554	16.6	166
Ogółem	28504029	100.0	1000

Source: GUS data and own elaboration.

Table 5. Sample selection according to education level of respondents

Education level	Number of population	Percentage of population	Sample
Graduate	3126931	11.4	114
Secondary and college	9942574	36.1	361
Basic and vocational	14463926	52.5	525
Total	27533431	100.0	1000

Source: GUS data and own elaboration.

Table 6. Respondents according to main source of living and selected socio-demographic features

		N	Remuneration for employment	Income from self-employment / farming	Pension	Invalidity Sickness Family Social benefit	Unemployment benefit	Welfare
		%						
Total		996	64.3	16.3	25.6	15.2	1.7	3.5
Sex of the respondent	Female	510	63.3	13.1	27.6	14.5	2.2	4.9
	Male	486	65.2	19.5	23.5	15.8	1.2	2.1

Age groups	up to 25 years	169	80.5	14.8	13.6	11.2	1.8	1.8
	26 - 40 years	303	79.9	19.5	8.6	9.6	1.0	7.3
	41 - 60 /65 years <sup>a</sup>	404	59.9	17.8	25.2	21.0	2.2	2.2
	beyond retirement age <sup>b</sup>	118	16.9	3.4	88.1	15.3	1.7	0.8
Education	elementary or incomplete	151	40.4	19.2	46.4	24.5	2.0	7.3
	basic vocational	369	66.7	15.2	20.9	19.0	2.2	2.7
	secondary and college	362	68.2	16.3	22.9	9.9	1.7	2.8
	graduate	114	75.4	15.8	21.9	7.0	0.0	3.5
Place of residence	city above 100 thousand inhabitants	301	65.4	10.3	24.9	12.6	1.0	2.3
	city of 51 – 100 thousand	118	67.8	6.8	20.3	17.8	0.8	5.1
	city of 21 – 50 thousand	97	74.2	8.2	20.6	12.4	1.0	3.1
	town up to 20 thousand	115	65.2	10.4	31.3	12.2	4.3	4.3
	Rural village – seat of municipality	106	65.1	20.8	23.6	17.0	2.8	3.8
	Other rural village	259	56.8	31.3	29.0	18.5	1.5	3.9
Household's composition	Living alone	92	37.0	8.7	37.0	9.8	0.0	3.3
	Living with spouse only	160	43.1	11.3	50.0	17.5	1.9	1.9
	Living with spouse and children	410	72.9	21.5	16.3	11.5	1.7	3.7
	Living with children only	63	52.4	11.1	20.6	28.6	0.0	12.7
	Living with children and others	23	78.3	0.0	21.7	39.1	4.3	8.7
	Living with parents (both or one of them)	208	77.4	14.9	22.1	16.3	1.9	1.9
	Living with other persons only	40	65.0	25.0	25.0	15.0	5.0	0.0

Number of persons in household	1	92	37.0	8.7	37.0	9.8	0.0	3.3
	2	209	42.1	8.6	43.1	21.5	2.4	0.5
	3	226	72.1	11.5	23.0	13.7	1.3	2.7
	4	254	79.5	20.5	12.2	12.6	2.8	3.9
	5	112	76.8	25.9	15.2	13.4	0.9	6.3
	6	59	61.0	27.1	30.5	15.3	1.7	6.8
	7 and more	43	69.8	30.2	30.2	23.3	0.0	9.3

Source: GUS data and own elaboration.

Table 7. Respondents according to opinion possession of a current account is important for a household

Total		N	Yes	No
			%	
		996	71,5	28.2
Sex of the respondent	Female	510	68.8	31.0
	Male	486	74.3	25.3
Age groups	up to 25 years	169	70.4	28.4
	26 - 40 years	303	80.2	19.8
	41 - 60 /65 years <sup>a</sup>	404	72.3	27.7
	beyond retirement age <sup>b</sup>	118	47.5	51.7
Education	elementary or incomplete	151	51.0	48.3
	basic vocational	369	67.2	32.8
	secondary and college	362	79.8	19.6
	graduate	114	86.0	14.0
Place of residence	city above 100 thousand inhabitants	301	78.4	21.3
	city of 51 – 100 thousand	118	73.7	26.3
	city of 21 – 50 thousand	97	77.3	22.7
	town up to 20 thousand	115	70,4	29.6
	Rural village – seat of municipality	106	56.6	43.4
	Other rural village	259	66.8	32.4
A job	Employed for unlimited period	292	80.5	19.2
	Employed for specific period	129	83.7	16.3
	Self-employment / farming	103	74.8	25.2
	Student	73	74.0	24.7
	Household work	38	68.0	32.0
	Pension	176	54.0	45.5
	Benefit	79	69.6	30.4
	Unemployment	80	57.5	42.5
Level of income	Up to 1000 PLN	351	60.7	39.3
	1001 – 2000 PLN	295	79.0	20.7
	2001 PLN and more	106	87.5	12.5

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 7 concerns only those who think possession of a current account is important for a household, but does not cover the items „no data” and „hard to say”, constituting a total of 0.3% of provided responses.



Table 8. Respondents according to using of bank debit cards

Total		N	Yes	No	No account	I don't know
			%			
		996	60.3	16.5	21.6	0.8
Sex of the respondent	Female	510	56.5	17.8	24.1	0.6
	Male	486	64.4	15.0	18.9	1.0
Age groups	up to 25 years	169	62.1	12.4	21.9	1.9
	26 - 40 years	303	70.0	13.9	15.2	0.7
	41 - 60 /65 years <sup>a</sup>	404	61.6	18.1	19.1	0.7
	beyond retirement age <sup>b</sup>	118	29.7	22.0	46.6	0.8
Education	elementary or incomplete	151	31.1	26.5	39.1	2.0
	basic vocational	369	54.5	17.6	25.7	0.8
	secondary and college	362	70.7	13.8	14.9	0.3
	graduate	114	85.1	7.9	6.1	0.9
Place of residence	city above 100 thousand inhabitants	301	77.4	7.3	14.0	1.3
	city of 51 – 100 thousand	118	71.2	5.9	20.3	1.7
	city of 21 – 50 thousand	97	68.0	16.5	14.4	0.0
	town up to 20 thousand	115	57.4	18.3	24.3	0.0
	Rural village – seat of municipality	106	38.7	27.4	31.1	0.0
	Other rural village	259	42.9	26.6	28.6	0.8
A job	Employed for unlimited period	292	74.0	11.6	13.7	0.3
	Employed for specific period	129	77.5	9.3	13.2	0.0
	Self-employment / farming	103	58.3	28.2	12.6	0.0
	Student	73	60.3	12.3	21.9	1.4
	Household work	38	44.7	23.7	31.6	0.0
	Pension	176	38.6	22.7	37.5	0.6
	Benefit	79	58.2	11.4	27.8	2.5
	Unemployment	80	41.3	21.3	32.5	2.5
Level of income	Up to 1000 PLN	351	49.0	18.5	31.1	0.6
	1001 – 2000 PLN	295	65.1	16.9	17.3	0.3
	2001 PLN and more	106	85.0	7.5	7.5	0.0

<sup>a</sup> - age 41 – 60 years concerns women, and 41 – 65 years – men; <sup>b</sup> - 60 years and more for women; 65 years and more for men

Note: Data contained in table 8 concerns only those who use bank credit cards, but does not cover the items „no data”, constituting a total of 0.8% of provided responses.