

28 December 2021 (No. of pages:1)

Japanese report: 12 Jan 2021

What Government and Financial Institutions Should Do to Promote Asset Building in Japan

Interim Summary of Literacy Survey for Asset Building

Financial and Capital Market Research Dept.

Shungo Koreeda**Taisei Watanabe**

Summary

- In January 2020, Daiwa Institute of Research conducted a literacy survey for asset building to investigate the relationship between broad financial literacy, including taxation and pensions, and investment behavior.
- In reports published up to now, we can see that literacy improvement is likely to be connected to types of investment behavior, that people who collect economic and financial information mainly on TV are less literate and have less investment experience, and hence have a need for financial education. The younger the generation, the stronger the preference amongst couples for making joint decisions regarding budget managements, and this can be a factor that makes investing difficult.
- Based on the analyses conducted so far, this paper estimates the relationship between literacy and the investment experience ratio and finds that even in the case of those who use television as the main source of information, increased literacy is highly likely to lead to investment, and that even when couples make joint decisions on budget managements, when literacy is high, this is not a factor in restraining investment.
- In light of these findings, in order to promote asset building amongst the Japanese, it is important for the government to conduct public relations activities through television and other means so that it can approach people whose main source of information is television, and to enhance the literacy of the average person. It is also important for financial institutions to provide information to customers who wish to invest so that they can gain the understanding and consent of their spouses and families, thereby supporting decision-making as a household.

Attention

This report is a summary translation. The official document is only in Japanese, included in the DIR Research Quarterly Review (Vol.41).