

## Determinants of the level of financial literacy among owners of small agricultural holdings in the Małopolskie Voivodeship

### Determinanty poziomu wiedzy finansowej właścicieli drobnych gospodarstw rolnych w województwie małopolskim

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**Abstract.** The study attempted to define the level of financial literacy among owners of small agricultural holdings and to identify the factors that determine the level of financial skills in this group of consumers as compared with the other groups of retail customers of financial institutions, identified on the basis of their main source of income. The primary information from our own studies was the main source of data for analyses and conclusions. The basic investigating tool was a questionnaire designed to conduct direct interviews with rural inhabitants. The research was carried out in the Małopolskie Voivodeship and covered 600 people. A half of the respondents (300) were persons who generated their incomes mainly from work on their own agricultural farms; all of those were small farmers. In order to compare the level of financial knowledge of agriculture-dependent persons with that of other rural inhabitants, 300 interviews were additionally carried out with the non-agricultural population. The results of the analysis were presented in a descriptive, tabular and graphical form. The study determined both the actual and subjectively-perceived levels of financial literacy among owners of small agricultural holdings. The actual level of financial knowledge was found to be low for 40% of the interviewed farmers, medium for 35%, and high for 29% of them. The average level of financial knowledge among the non-agricultural population was higher. Comparison of these results with the respondents' subjective estimation of own financial literacy demonstrated that most of them tended to overrate their financial knowledge and skills. The factors determining the level of financial literacy in the group of farmers included gender, age, education level and income per capita in the farmer's household. A higher level of financial knowledge was observed in the case of men, people aged 35–44 years, best educated respondents and persons from households with highest incomes. Women,

oldest people, less-educated persons and those from households with lowest incomes showed a lower level of financial knowledge. One in three respondents declared a willingness to broaden their knowledge of personal finance issues; they were mainly interested in the financial instruments that are helpful in savings, the methods of rational household budget management, and the products providing retirement insurance.

**Key words:** financial knowledge • small agricultural holding • Małopolskie Voivodeship

**Streszczenie.** Celem pracy było określenie poziomu wiedzy finansowej właścicieli drobnych gospodarstw rolnych oraz identyfikacja czynników warunkujących poziom umiejętności finansowych tej grupy konsumentów w porównaniu z pozostałymi grupami klientów detalicznych instytucji finansowych, którzy zostali wyodrębnieni na podstawie ich podstawowego źródła dochodu. Głównym źródłem danych do analizy i wnioskowania były informacje pierwotne pochodzące z badań własnych. Podstawowym narzędziem badawczym był kwestionariusz przeznaczony do prowadzenia wywiadu bezpośredniego z mieszkańcami obszarów wiejskich. Badania wykonano na terenie województwa małopolskiego. Objęto nimi 600 osób. Połowa respondentów (300) to osoby, których dochód pochodził głównie z pracy we własnym gospodarstwie rolnym. Wszyscy badani rolnicy prowadzili drobne gospodarstwa rolne. Aby porównać poziom wiedzy finansowej właścicieli drobnych gospodarstw rolnych i pozostałych mieszkańców obszarów wiejskich, przeprowadzono również 300 wywiadów wśród ludności nierolniczej. Wyniki analizy przedstawiono w formie opisowej, tabelarycznej i graficznej. W badaniach określono subiektywny i obiektywny poziom wiedzy finansowej właścicieli drobnych gospodarstw rolnych w Małopolsce. Prawie 40% badanych rolników wykazało się wiedzą finansową na poziomie niskim, 35% na średnim, a 29% na wysokim. Ludność nierolnicza cechowała się przeciętnie wyższym poziomem wiedzy finansowej. Porównując te wyniki z subiektywną oceną poziomu wiedzy finansowej respondentów zauważono, że większość badanych przeciętnie zbyt wysoko oceniła swoją wiedzę i umiejętności z zakresu finansów. Czynniki determinującymi poziom umiejętności finansowych w grupie rolników były płeć, wiek i poziom wykształcenia respondenta oraz wysokość dochodu przypadająca na osobę w rodzinie. Wyższym poziomem wiedzy finansowej cechowali się mężczyźni, osoby w wieku 35–44 lat, respondenci najlepiej wykształceni oraz osoby z rodzin, w których dochód netto na członka gospodarstwa domowego był najwyższy. Niższy poziom wiedzy finansowej miały kobiety, osoby najstarsze, gorzej wykształcone oraz respondenci z gospodarstw domowych, w których dochód netto na osobę w rodzinie był najniższy. Tylko co trzeci respondent deklarował chęć pogłębienia wiedzy z zakresu finansów osobistych; grupa ta była głównie zainteresowana instrumentami finansowymi umożliwiającymi oszczędzanie, sposobami racjonalnego zarządzania budżetem domowym oraz produktami zabezpieczenia na okres emerytury.

**Słowa kluczowe:** wiedza finansowa • drobne gospodarstwo rolne • województwo małopolskie

## Introduction

Financial literacy is the consumers' ability to make informed choices about money management. Only informed consumers are able to make use of innovations provided by the modern financial services market. Without adequate knowledge of both the benefits and risks associated with the purchase of financial services, customers of

financial organisations (or institutions) cannot select the products that would optimally match their needs and the financial situation of their households.

Studies conducted by researchers from numerous centres both in Poland and worldwide have shown that a low level of financial literacy results in the increasing risk of financial exclusion. Financial exclusion is a situation in which individuals face problems in getting access to, and/or using financial services to the extent that matches their needs and allows them to lead a normal social life<sup>1</sup>. The problem of financial exclusion refers to all categories of financial services, including access to current bank accounts, deposit products, loan services, insurance services and retirement insurance services.

Financial education plays a key role in limiting financial exclusion, as well as in shaping the society's elementary financial skills (Kulawik 2008, p. 81). According to Penczar (2014, p. 15), financial education should be provided to all households. However, each group of households requires different educational support due to the fact that the consumers' financial behaviours on the market are not homogenous, and their needs differ. Therefore, it is important to know specific features, needs and requirements of various groups of the beneficiaries of actions in the field of financial education.

The purpose of this study was to define the level of financial literacy among owners of small agricultural holdings and to identify the factors that determine the level of financial skills in this group of consumers as compared with the other groups of retail customers of financial institutions, identified on the basis of their main source of income<sup>2</sup>. The results of the research can be used for the purposes of developing proper educational materials, training programmes and workshops on the mechanisms of financial markets and financial instruments dedicated to the customer group in question.

## Material and methods

The primary information from our own studies was the main source of data for analyses and conclusions. The basic investigating tool was a questionnaire designed to conduct direct interviews with rural inhabitants. In preparing the survey questionnaire we followed a set of good practices concerning the development of questionnaires for testing the financial literacy of society, as recommended by the OECD (Atkinson and Messy 2012, pp. 13–14).

The research was conducted in the Małopolskie Voivodeship and covered 600 people. A half of the respondents (300) were persons who generated their incomes mainly from work on their own agricultural farms; all of the surveyed farmers ran small farms. The influence of the knowledge and financial competences of the respon-

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<sup>1</sup> Financial services provision and prevention of financial exclusion, 2008, p. 9 ([www.fininc.eu](http://www.fininc.eu), accessed 29.11.2014).

<sup>2</sup> The present study constitutes a follow-up to the research project no. NN112203137, entitled "Factors determining the financial knowledge level of the residents of rural areas upon the example of Małopolskie Voivodeship", conducted in 2009–2011 by the Department of Management and Marketing in Agribusiness of the University of Agriculture in Krakow.

dents on the economic efficiency of farming was not discussed in the paper. In order to compare the level of financial knowledge of agriculture-dependent persons with the other rural inhabitants, 300 interviews were additionally carried out with the non-agricultural population.

The results of the analysis were presented in a descriptive, tabular and graphical form. Due to the insufficient number of interviews, those results cannot be considered as representative of the entire voivodeship; they should only be treated as a preliminary to further in-depth research on the issues addressed in the paper.

## Financial literacy and skills

In the literature on the subject, financial literacy is most often defined as a skill to analyse, manage and communicate in the scope of personal finance (O'Connell 2007, p. 2). According to Penczar (2014, p. 14), financial literacy is the knowledge necessary to evaluate the benefits of purchasing financial services. A solid knowledge of personal finance among citizens brings benefits of personal, social and economic nature. The personal benefits include a rational selection of financial services that match the citizens' needs and financial means, a proper evaluation of the financial risk connected with a product, and a better planning of their financial future (e.g. retirement or periods of unemployment). The social benefits include a reduction in financial exclusion. The financial exclusion manifests itself in a limited or hindered access to financial services which are necessary to people in order for them to function normally within society (e.g. bank accounts, insurances, access to cheap credit) (Kata 2011, p. 162). According to the National Bank of Poland, the percentage of financially excluded customers (i.e. individuals who do not use or have no access to the basic financial products available on the market) in Poland is about 25% of the population. The problem mainly concerns Poles below 25 years of age, pensioners, people with low income, uneducated and unemployed people, as well as residents of rural areas<sup>3</sup>. The economic benefits include a better stability of the financial system (due to the reduced rate of default on financial liabilities), a diversification of financial products, and an increased tendency of financial institutions to offer innovative solutions.

The results of studies evaluating the financial literacy levels of citizens, which were conducted both in Poland and abroad, point out to a relatively low financial literacy and education of consumers in Poland. According to the studies by Pentor, only one in ten Poles declares a high level of knowledge of financial issues<sup>4</sup>. The figures provided by the Kronenberg Foundation are even lower. As follows from the "Financial Literacy among Poles" report by the Foundation (Stan wiedzy... 2009, p. 7), only one in 20 respondents declares having knowledge of financial rules. The pilot studies carried out by the OECD in 14 countries also found the responses of Polish consumers to be, in many aspects, more incorrect than the responses of consumers from most of the developed European countries (Table 1).

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<sup>3</sup> [www.edunews.pl](http://www.edunews.pl) (accessed 29.11.2014)

<sup>4</sup> *Zmiana trendu? Monitor Bankowy*, 8/2009, p. 6.

**Table 1.** Level of the financial competences of citizens in selected countries (% of respondents with a high level of financial competences)**Tabela 1.** Poziom kompetencji finansowych obywateli w wybranych krajach (% respondentów o wysokim poziomie kompetencji finansowych)

Country / Państwo	Financial knowledge Wiedza finansowa	Financial behaviour Zachowania finansowe	Attitude Postawy
Albania / Albania	45%	39%	69%
Armenia / Armenia	46%	41%	11%
Czech Republic / Czechy	57%	48%	62%
Estonia / Estonia	61%	27%	46%
Germany / Niemcy	58%	67%	63%
Hungary / Węgry	69%	38%	69%
Ireland / Irlandia	60%	57%	49%
Malaysia / Malezja	51%	67%	53%
Norway / Norwegia	40%	59%	57%
Peru / Peru	41%	60%	71%
Poland / Polska	49%	43%	27%
South Africa / RPA	33%	43%	54%
United Kingdom / Wielka Brytania	53%	51%	49%
British Virgin Islands Brytyjskie Wyspy Dziewicze	57%	71%	67%

Source: Atkinson and Messy (2012)

Źródło: Atkinson i Messy (2012)

The levels of financial literacy in society can be improved by financial education. Such education is a set of various activities aimed at disseminating knowledge in the scope of finances and shaping positive habits in society, which would enable citizens to make informed decisions on personal finance, reflecting their present and future economic needs (Alińska 2011, p. 20). According to Penczar (2014, p. 13), a complex approach to financial education covers three levels of financial competences (Table 2). At the first stage of financial education, a consumer should acquire the elementary knowledge of products and processes on the financial services market. Consumers should comprehend the basic financial terminology and the technical, legal and mathematical processes connected with finances (e.g. elements of the percentage theory). The sources of financial knowledge at this stage include school education, training courses, and the passive acquisition of information from various sources. At the second stage, consumers should acquire skills which allow them to use their knowledge in practice. The skills developed at that stage of education are connected with the collection of financial information, a proper evaluation of the collected information, and a comparison of various products. The final stage

is connected with spreading financial responsibility among consumers. Financial literacy alone is not enough for consumers to manage their finance. They also have to show willingness and readiness to use this knowledge, which depends, to a large degree, on their attitudes.

**Table 2.** Stages in the acquisition of financial literacy and skills  
**Tabela 2.** Etapy nabywania wiedzy i umiejętności finansowych

Stage Etap	Name / Nazwa	Component of financial competences Składnik kompetencji finansowych	Share in total financial competences Udział w całkowitych kompetencjach finansowych (%)
1	Elementary financial literacy Elementarna wiedza finansowa	Knowledge of basic facts Znajomość podstawowych faktów	7
		Observing simple instructions Przestrzeganie prostych instrukcji	26
2	Financial skills Umiejętności w dziedzinie finansów	Making good decisions Podejmowanie dobrych decyzji	39
		Anticipating the consequences of financial decisions Przewidywanie następstw podjętych decyzji finansowych	20
3	Financial responsibility Odpowiedzialność finansowa	Financial responsibility Odpowiedzialność finansowa	8

Source: Author's calculations based on: Pelczar (2014)

Źródło: Obliczenia własne na podstawie: Pelczar (2014)

The OECD and the European Commission have for several years stimulated activities promoting economic and financial education. The OECD has set up a special group whose aim is to create an international platform for the measurement of efforts for financial education. The OECD encourages the member states to develop and implement national strategies on financial education. Some European countries, such as Austria, Croatia, the Czech Republic, Ireland, Spain, the Netherlands, Slovakia, Hungary and the UK, have developed their own programmes of financial education. No general financial education programme has been developed in Poland yet.

In the years 2005–2012, the OECD published six documents in which it included recommendations concerning the principles and good practices in the field of citizens' financial education:

- Recommendation on Principles and Good Practices for Financial Awareness and Education (OECD 2005),
- Recommendation on Good Practices for Financial Education Relating to Private Pensions (OECD 2008a),
- Recommendation on Good Practices for Enhanced Risk Awareness and Education on Insurance Issues (OECD 2008b),
- Recommendation on Good Practices for Financial Education and Awareness Relating to Credit (OECD 2009),
- Principles on the Evaluation of Financial Education Programmes and Dedicated Guides on Evaluation (OECD/INFE 2011),
- Guidelines for Financial Education in Schools (OECD/INFE 2012a),
- OECD/INFE High-level Principles on National Strategies for Financial Education (OECD/INFE 2012b, p. 3).

The above-listed documents provide national governments and all other interested parties (e.g. financial institutions, associations, independent organisations) with guidance as to the efforts in financial education and their fair support.

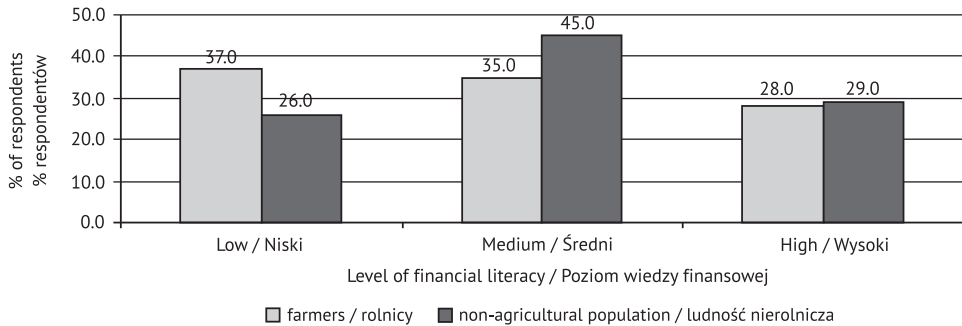
On the European Union level, the issue of financial education has been regulated in the European Commission's White Paper on Financial Services Policy 2005–2010 COM(2005) 629; the Green Paper on Retail Financial Services in the Single Market COM(2007) 226; the Working Document "Initiatives in the Scope of Retail Financial Services"; the amendment to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 20 November 2007 entitled "A single market for 21st century Europe" SEC(2007) 1520; and the communication "Financial Education", in which the European Commission calls the member states and all interested parties to undertake and unify all means of improving financial skills among the EU citizens. The European Commission has also developed basic recommendations to be considered by the member states when developing efficient programmes of financial education (8 principles). The recommendations in question are consistent with the OECD Recommendations on Principles and Good Practices for Financial Education (Szafrńska 2011, p. 451).

## Level of financial literacy among owners of small agricultural holdings in the Małopolskie Voivodeship

Among the respondents, about 70% were men, and nearly 30% women. Almost one-third of the respondents were 54 years old or older. Young farmers accounted for 27% of all the respondents. Persons with a high-school education formed the largest group. Farmers with vocational education constituted one-third of the surveyed population. One in ten farmers had a university education. Nearly 40% of farmers' households consisted of four members, and 34%, of five and more people. The monthly net income

per capita did not exceed PLN 500 in almost 40% of the farmers' households. In slightly more than one-third of the households it was up to PLN 1000. Most of the respondents considered their material situation as average, and one-fourth as bad. In the surveyed group almost two-thirds of farmers had two occupations, meaning that apart from running a farm they had regular jobs. One in five farmers had a temporary job, and 13%, a disability pension or retirement pension.

The study assessed both the subjectively-perceived and the actual levels of the financial literacy of respondents. The actual financial literacy levels were assessed on the basis of a test comprising 20 questions about basic financial concepts and products. The answers were grouped into three categories: low, intermediate, and high level of financial literacy. The results are presented in Figure 1. It was found that nearly 40% of small farm holders exhibited a low level of financial literacy, one-third of the respondents, an intermediate level, and 28% of the farmers showed a high level of financial literacy. A comparison of these results with those obtained for other residents of rural areas indicates that the non-agricultural population, on the average, had a broader financial knowledge.



**Fig. 1.** Financial literacy level of the respondents (n = 600)

**Ryc. 1.** Poziom wiedzy finansowej respondentów (n = 600)

Source: Author's study

Źródło: Badania własne

The actual level of financial literacy is determined by many factors, among them gender. Women running agricultural holdings, on the average, were financially less literate than men. 19% of them showed a high financial literacy level, and 40%, an intermediate level. In the group of men, one-third exhibited a high level of financial literacy. A similar pattern emerged in the Kronenberg Foundation research (Stan wiedzy... 2009, p. 124).

Age is another determinant of financial literacy. Each respondent was assigned to one of four age groups. The oldest respondents showed the poorest financial literacy; its level was low for nearly half of them. People in the age group "up to 34" performed best in the test. Over 40% of such respondents exhibited a high financial literacy level. It should be noted here that the members of the latter group have completed an



obligatory "Introduction to Business" course in their high schools, which obviously had a positive influence on their financial knowledge. Moreover, most of the financial education initiatives in Poland are aimed at young people.

The financial literacy of the respondents depended also on the level of their education. The higher they were educated, the higher level of financial literacy they achieved. Nearly 90% of the respondents with higher education exhibited a high or intermediate financial literacy level, compared to 67% of the persons with the lowest level of education.

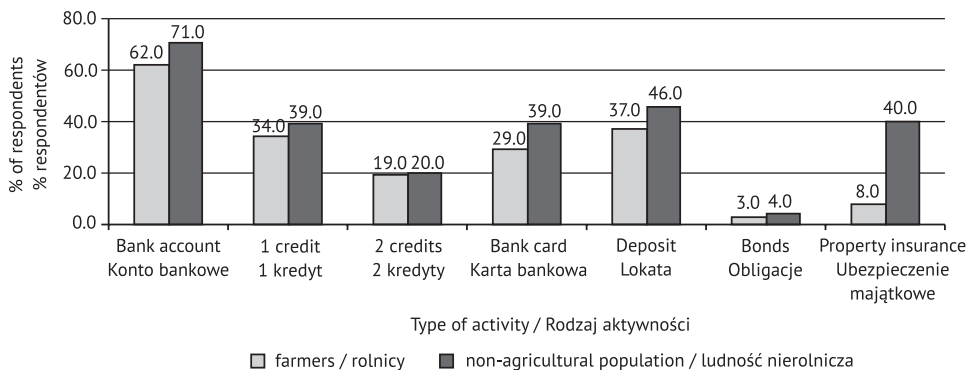
The percentage of incorrect answers was highest in households with lowest incomes. Only one-third of all the respondents from such households showed a high financial literacy level. To compare, almost all the respondents in the group with highest incomes reached a high level of financial literacy. Consequently, all the activities in the scope of financial education and household budget management planned by various entities and organisations should mainly be aimed at households with lowest incomes, as their members are more at risk of poverty than any other individuals. According to GUS (Polish Central Statistical Office), the risk of poverty among the residents of rural areas in Poland is much higher than among the residents of urban areas. In agricultural households, one in nine persons faced in 2012 the risk of extreme poverty (GUS 2013, p. 12).

The level of financial literacy is also strongly influenced by the degree to which one uses financial tools. An analysis of the problem revealed that persons active on the financial market tended to have a better financial literacy. In the group of respondents not using any financial products in the period of the study, one in three persons had a high level of financial literacy. By contrast, in the group of respondents very active on the financial market, three in four persons showed a high financial literacy level.

The basic product used by the respondents was a checking and saving bank account. Among the owners of small agricultural holdings, 62% had bank accounts (Fig. 2). The studies concerned only bank accounts of physical persons. No current accounts of farms were taken into consideration.

Apart from basic bank accounts, the respondents used also credit services. More than a half (53%) of farmers had one or two loans in the research period (Fig. 2). Those were mostly consumer loans. One in three respondents used a bank card (a credit card or a debit card). Most of the farmers, however, failed to answer the question about whether the card was a debit card or a credit card, it was therefore impossible to establish the percentage of respondents using credit cards. The results clearly indicate that small farmers have a limited knowledge of basic financial products.

Nearly 40% of the interviewed farmers had savings. These results are similar to those of the Social Diagnosis 2013 study, according to which only 41% of Polish households had savings (Czapiński and Panek 2014, p. 40). Nearly 75% of the people with savings used time deposits and saving accounts, while the remaining respondents kept their savings at home. A small proportion of the farmers (3%) owned also securities, namely State Treasury bonds. The discussed group of farmers was comparable to the other rural households in the level of the use of saving products and in saving tendencies.



**Fig. 2.** Activity of the respondents on the financial services market (n = 600, multiple selection)

**Ryc. 2.** Aktywność respondentów na rynku usług finansowych (n = 600, wybór wielokrotny)

Source: Author's study

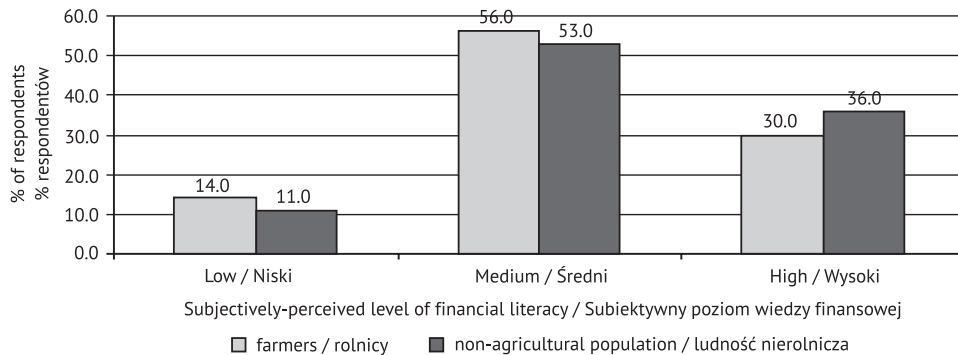
Źródło: Badania własne

In order to determine the financial awareness of the risks inherent in saving products among the respondents, they were asked to choose a financial product used for saving purposes which poses the highest risk for a consumer. About 43% of the interviewed small farmers selected a correct answer, 10% a wrong answer, and 47% answered "I don't know." For non-agricultural households, the proportion of correct answers was 51%.

As follows from an analysis of the respondent's activity on the insurance services market, the owners of small agricultural holdings rarely use such services, particularly property insurance. Only 8% of those respondents used such financial products, compared with 40% of non-agricultural households.

The study investigated also the level of financial literacy perceived subjectively by the respondents. More than a half of the interviewed farmers (56%) considered their knowledge of financial issues to be at medium level (Fig. 3). One in three described it as high, and 14% farmers, as low. Comparing the results with those on the actual financial knowledge and skills, we can state that the majority of the respondents unrealistically evaluated their level of financial literacy. A considerable number of the interviewed persons in both groups (farmers and non-farmers) declared having a medium level of financial literacy, while their real financial literacy was poor.

Only 30% of farmers felt that they needed a financial education. The remaining respondents believed that their financial literacy level was sufficient (41%) or they did not have an opinion on this matter (29%). The group of respondents that wished to improve or broaden their knowledge of personal finance included the youngest farmers (46%), women (33%), the best-educated persons (38% of those with a higher education) and people that scored high in the test (44%). This group has probably a demand for more advanced knowledge of financial issues. There were no significant differences in the opinions about the necessity to broaden the knowledge of personal finance issues between the farmers and the other residents of rural areas.



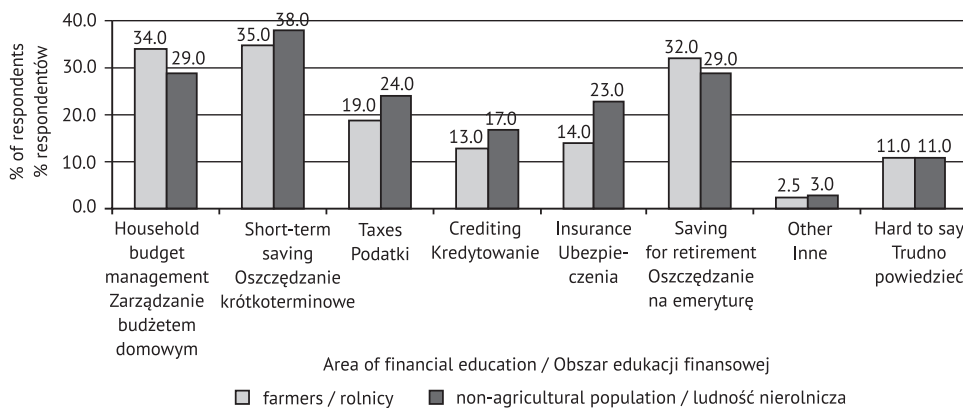
**Fig. 3.** Subjectively-perceived financial literacy level of the respondents (n = 600)

**Ryc. 3.** Subiektywny poziom wiedzy finansowej respondentów (n = 600)

Source: Author’s study

Źródło: Badania własne

The need for financial education, expressed by the studied population, concerned most often the learning about financial instruments for short-term savings (35% respondents), the skills of proper household budget management (34%) and the learning about financial instruments that allow one to build up the highest possible savings for retirement (32%). About 10% of the respondents were not able to name any issue in the scope of personal finance in which they would like to broaden their knowledge. Compared with the non-agricultural population, farmers showed less interest in the education relating to insurance services (Fig. 4).



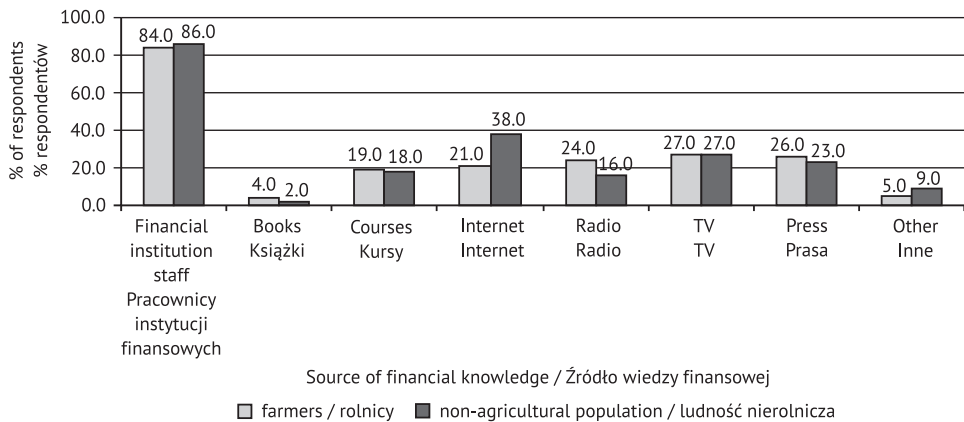
**Fig. 4.** Interest shown by the respondents in financial education about basic financial products (n = 600, multiple selection)

**Ryc. 4.** Zainteresowanie respondentów edukacją finansową z zakresu podstawowych produktów finansowych

Source: Author’s study

Źródło: Badania własne

For farmers, the preferred sources of information about issues connected with personal finance were: information received from the staff of a bank/financial institution (84%), TV programmes (27%), daily papers and magazines (26%) and radio broadcasts (24%) (Fig. 5). The Internet appeared to be much less important for farmers' families than for the other rural residents (difference 17 p.p.). As found by a study conducted by the European Fund for the Development of Polish Villages, only 40% of farmers used the Internet, regardless of whether there was access to the web in a given area<sup>5</sup>. This group of respondents tended to mention the radio as a preferred channel of financial knowledge more often than the other residents of rural areas.



**Fig. 5.** Sources of financial knowledge preferred by the respondents (n = 600, multiple selection)

**Ryc. 5.** Preferowane przez respondentów źródła wiedzy finansowej

Source: Author's study

Źródło: Badania własne

## Conclusions

A high level of the financial literacy of citizens plays a crucial role in limiting the phenomenon of financial exclusion. Properly developed educational programmes, designed for all social groups and all life stages, allow acquiring skills that are necessary to efficiently navigate the financial services markets and make rational decisions.

The study evaluated both the actual and subjectively-perceived levels of financial literacy among owners of small agricultural holdings in the Małopolskie Voivodeship. The actual levels of financial literacy in this social group were found to be not high. Nearly 40% of the interviewed farmers showed a low level, 35% a medium level, and 29% a high level of financial knowledge. The average level of financial knowledge among the non-agricultural population was higher. Comparison of the above figures

<sup>5</sup> [www.efrwp.pl](http://www.efrwp.pl) (accessed 29.11.2014)

with the respondents' subjective estimation of own financial literacy demonstrated that most of them tended to overrate their financial knowledge and skills. The answers to detailed questions about the basic financial products and skills necessary on the financial market revealed serious deficiencies in the farmers' financial education.

The factors determining the level of financial literacy in the group of farmers included gender, age, education level and income per capita in the farmer's household. Men, persons aged 35–44 years, best-educated respondents and people from households with highest incomes showed higher financial literacy levels. Women, oldest persons, respondents with a lowest education and those from households with lowest incomes exhibited lower financial literacy levels. This particular group should be involved in educational initiatives in the first place. The level of financial literacy was also found to greatly depend on the extent to which financial tools are being used. Respondents who actively participated in the financial market and used diverse financial instruments (time deposits, loans, bank cards, etc.) showed higher financial literacy levels.

Only one in three respondents declared a willingness to broaden their knowledge of personal finance, the group, however, was highly diversified. The willingness to broaden the knowledge was declared by persons with poor financial literacy, but also by those with high financial literacy levels. According to the Recommendation on Principles and Good Practices for Financial Awareness and Education of citizens published by the OECD, particular social groups should be considered when designing educational activities, and the educational programmes should be highly individualised, as citizens have different needs in the scope of financial education. Moreover, it is important to bear in mind that the knowledge of personal finance should be updated every now and then due to the frequently changing situation on the financial market.

The owners of small agricultural holdings show a willingness to broaden their knowledge of the financial instruments of saving, rational household budget management, and pension insurance. The fact that farmers showed little interest in the education about insurance services is worrying.

Nearly 85% of the respondents considered the staff of financial institutions as the main source of knowledge about issues connected with personal finance. Other important sources of such information included TV programmes, press articles and radio broadcasts. There was a difference in preferences between small farmers and the other residents of rural areas: the farmers pointed more often to the radio as a source of financial information while showing less interest in the Internet, which most probably resulted from their lower Digital Access Index and poorer computer skills.

In conclusion, the group of small farmers, due to a low level of financial literacy, appears to constitute a segment of the potential beneficiaries of educational activities at which the education efforts should be targeted first.

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