



CENTRAL BANK OF CYPRUS
EUROSYSTEM



Results from a sampling survey on financial literacy in Cyprus

Dr. George Kyriacou

Director of the Central Bank of Cyprus Department for
Economic Analysis and Research

Translation from a presentation in Greek

Webinar, April 15, 2021



1. Introduction/background
2. Methodology and the questionnaire
3. Main results: a descriptive analysis of basic core questions
4. Main results: the level of financial literacy in Cyprus and comparison with other countries
5. Additional questions on financial literacy included in the CBC's questionnaire
6. Main conclusions from the survey
7. The design of a National Strategy for the promotion of financial literacy and education in Cyprus.



1. Introduction/background

- Financial literacy is a multidimensional concept
- Financial Literacy is defined by the OECD as a **combination** of combination of awareness, knowledge, skill, attitude and behaviour, necessary to make sound financial decisions and ultimately achieve individual financial wellbeing





1. Introduction/background

- Financial illiteracy has been internationally recognised as a serious obstacle to citizen's well-being.
- Since the global financial crisis of 2008, many countries have carried out studies and are implementing national strategies to enhance financial literacy and financial education.
- In 2012, G20 leaders adopted the basic principles on which each national strategy should be based. These principles have been developed by the OECD's International Network for Financial Literacy (OECD/INFE).
- In addition, the OECD has developed a questionnaire with the aim of establishing a common approach to the definition, measurement and analysis of the problem of financial illiteracy, internationally.



As far as Cyprus is concerned, recent experiences suggest that there is a need to improve financial literacy

- investment decisions during the 2000 stock market crisis
- the management of deposit/investment portfolios and debt prior to the 2013 crisis

Surveys with empirical findings about the level of financial literacy in Cyprus:

1. Cyprus Securities and Exchange Commission (2010), survey among investors
2. Financial Literacy Around the World (2015) *Standard & Poor's*, survey across population
3. Andreou and Philip (2018), survey among university students
4. Andreou and Anyfantaki (2020), survey across population.



The aforementioned studies are very useful in highlighting the existing problem of low financial literacy in Cyprus. However, they focus on specific aspects of financial literacy, mainly financial knowledge and cover either specific concepts or part of the population.

The Central Bank of Cyprus study covers holistically:

- ✓ all the relevant aspects of financial literacy, based on the OECD guidelines, allowing for comparisons with other countries
- ✓ all layers of the population in Cyprus for optimal representativeness and for the identification of group differences.



General conclusions of the survey:

- The results confirm the existing perception that financial literacy is a major issue in Cyprus and highlight specific parameters of the problem
- The results of the survey are very useful for the formulation and implementation of a targeted national strategy as they identify:
 - the categories of the population that need more information/assistance
 - certain weaknesses in key financial literacy concepts



Also, many of the main findings of the CBC's research are aligned with the results of existing literature, both domestic and international, e.g.:

- **Low levels of financial literacy in Cyprus, in general**

Around the same levels as the ones reported in Standard and Poor's survey (2015) and Andreou and Anyfantaki (2020)

- **Low levels of financial literacy among women**

International literature: Hasler and Lusardi (2017), Bucher-Koenen et al. (2016) etc.

Findings for Cyprus: Hasler and Lusardi (2017) and Andreou and Anyfantaki (2020)

- **Low rate of financial literacy among young people**

International literature: Lusardi and Oggero (2017), Lusardi, Mitchell and Curto (2010) etc.

Findings for Cyprus: Andreou and Anyfantaki (2020), Andreou and Phillip (2018)



- **Nationwide survey covering** all age categories
- **45 questions** covering among others:
 - demographic characteristics (province, age, gender, education, income, household size, employment status, etc.)
 - a) financial knowledge, b) behaviour, c) attitude
- **Sampling design**
 - 2011 census (stratified sampling based on urban/ rural area categorisation)
 - A net sample of 1,000 people successfully participated in the survey
- **Personal interviews (CAPI)** during the period November 2017 - March 2018 by Insights Market Research (IMR) Ltd.
- **Sampling weights:** calibration in population totals so that the selected sample becomes representative of the total population of Cyprus. Completion of the procedure: February 2019



Analysis of the individual basic core questions

Particular focus on young people, age group [18-29], mainly for the following reasons:

- Strong evidence of lack of financial literacy across university students in Cyprus (Andreou and Philip, 2018)
- Financial decisions at young ages can have a long-term effect.
- The age group is key to the state's actions to address financial illiteracy in Cyprus in the long term (through financial education)

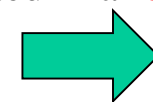
The presentation emphasizes the comparisons of other age groups with the age group [18-29]



3. Main results: (OECD-based core questions) financial knowledge

Question	Question	Total population			age (18-29)		
		Correct answer	Wrong answer	Don't know/ no answer	Correct answer	Wrong answer	Don't know/ no answer
1 (Q37)	Time value of money	54,6%	31,6%	13,9%	43,5%	31,4%	25,2%
2 (Q35)	Interest paid on loans	87,9%	3,8%	8,3%	93,0%	1,5%	5,5%
3(Q36a)	Calculation of interest plus principal	76,5%	11,9%	11,7%	69,0%	10,9%	20,1%
4 (Q36b)	Compound interest	44,7%	42,9%	12,5%	38,4%	42,4%	19,2%
5 (Q40a)	Risk and return	84,6%	12,6%	2,8%	79,1%	19,4%	1,5%
6 (Q40b)	Inflation	81,2%	11,2%	7,6%	62,0%	23,0%	15,0%
7 (Q40c)	Portfolio diversification	51,3%	41,4%	7,3%	58,3%	37,9%	3,7%

Note: The lowest percentage of correct answer between the two groups are presented in a red circle. The highest percentages of incorrect answers across all questions are presented in an orange circle





In general, young people performed worse than the general population (in 5 out of 7 questions)

Examples

Question 4: Compound interest

- Difficulties in understanding more complex concepts for interest rates (i.e. compound interest). It alludes to the lack of understanding or assessment of the negative impact of the interest burden in cases of non-performing loans (NPLs).

Question 6: Inflation

- The greatest difference between the two groups (62% compared to 81.2%)
- It is likely that young people, unlike older individuals, have no experience of the automatic indexation in wages that was widely in place until 2013.

Question 7: Portfolio diversification

- Disappointing levels for the entire population. It alludes to the recent crises of 2000 (stock market crisis) and 2012-2013 (financial/economic crisis). In both cases, the absence of diversification exacerbated the losses to investors/depositors



3. Main results: (OECD-based core questions) financial behaviour

Question Number	Question	Total population			age (18-29)		
		Participates in the household decision making process	Does not take part in decision making	Don't know/ no answer	Participates in the household decision making process	Does not take part in decision making	Don't know/ no answer
1 (Q17)	Who is responsible for day-to-day decisions about money in your household?	71,7%	28,2%	0,1%	20,1%	79,6%	0,3%

- Particularly low proportion of young individuals (age group 18-29) participate in the household decision-making process.
- May be due to the fact that about 3 out of 4 persons from the 18-29 age group live with their parents.



3. Main results: (OECD-based core questions) financial behaviour (cont.)

Question Number	Question	Total population			Age group 18-29		
		Yes	No	Don't know/ no answer	Yes	No	Don't know/ no answer
2 (Q21)	Do you have a budget for expenditure?	59,6%	39,4%	0,6%	49,4%	48,9%	1,7%

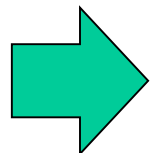
- 4 out of 10 individuals do not have appear to have a budget for their expenses
- Having a budget is less common in the younger age group (18-29).



3. Main results: (OECD-based core questions) financial behaviour (cont.)

Question Number	Question	Total population				Age group 18-29			
		Agree	Neutral	Disagree	Don't know	Agree	Neutral	Disagree	Don't know
3 (Q29.1)	Before I buy something I carefully consider whether I can afford it	92,0%	3,8%	4,2%	-	90,4%	4,8%	4,9%	-
4 (Q29.4)	I pay my bills on time	88,1%	6,5%	4,9%	0,4%	84,6%	7,0%	7,0%	1,5%
5 (Q29.6)	I keep a close personal watch on my financial affairs	78,5%	11,8%	9,7%	-	66,9%	16,1%	17,0%	-
6 (Q29.7)	I set long-term financial goals and strive to achieve them	58,8%	17,1%	23,8%	0,3%	52,0%	21,2%	26,8%	-

- Younger individuals tend to be less future oriented with their financial affairs than the general population.





Question Number	Question	Total population				Age group 18-29			
		Disagree	Neutral	Agree	Don't know	Disagree	Neutral	Agree	Don't know
1 (Q29.2)	I tend to live for today and let tomorrow take care of itself	53,0%	20,5%	26,4%	-	44,5%	28,8%	26,7%	-
2 (Q29.3)	I find it more satisfying to spend money than to save it for the long term	43,2%	28,9%	27,4%	0,6%	40,0%	32,2%	27,9%	-
3 (Q29.8)	Money is there to be spent	22,2%	28,2%	49,6%	-	17,5%	29,8%	52,7%	-

- Although around half of the individuals believe that money is there to be spent, only one out of four have a negative perception about savings.
- Holds for both young individuals as well as the whole population.



The financial literacy score is calculated following on the OECD guidelines (OECD/INFE 2015 Financial Literacy Survey)

The financial literacy score constitutes the sum of the following scores:

➤ **Financial knowledge score (0-7):**

The knowledge score is compared with the use of 7 financial knowledge questions.

➤ **Financial behaviour score (0-9):**

The behaviour score is computed with the use of 10 financial behaviour questions.

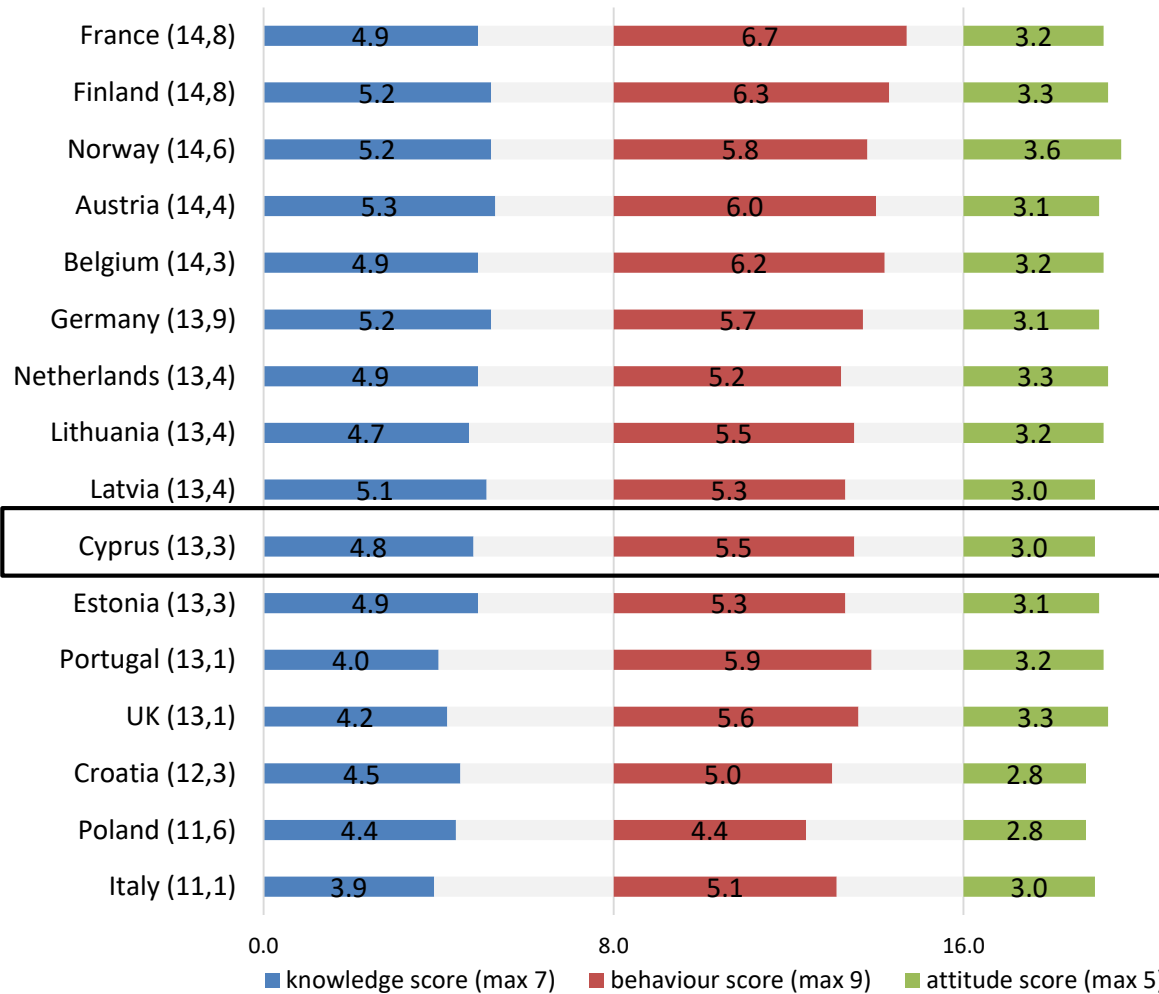
➤ **Financial attitude score (1-5):**

The attitude score is computed as the sum of the values for the three relevant statements.

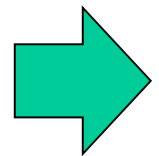


4. Level of Financial Literacy in Cyprus : comparison with EEA countries

Financial knowledge, attitudes and behaviour (average scores)
Stacked points (weighted data): all respondents, sorted by overall score (reported in parenthesis)



Cyprus ranks relatively low when compared to the rest of the EEA countries





4. Level of Financial Literacy in Cyprus : by age and gender

Financial literacy score by age and gender

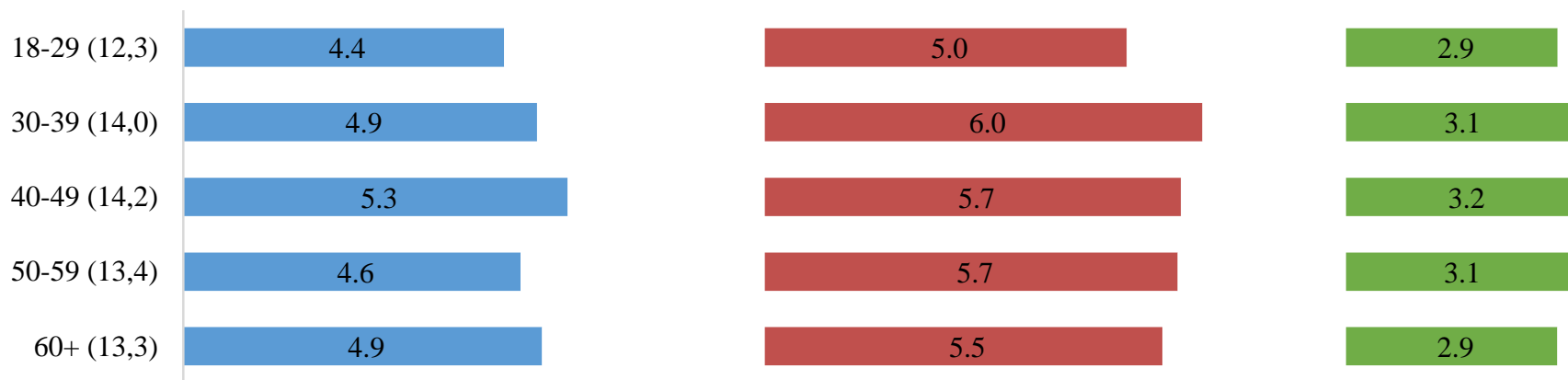
Financial knowledge, attitudes and behaviour (weighted scores)

Stacked points (weighted data): all respondents, sorted by overall score (reported in parenthesis)

Cyprus financial literacy score (13,3): knowledge score (4,8), behaviour score (5,5), attitude score (3,0)

breakdown by age

■ knowledge (max 7) ■ behaviour (max 9) ■ attitude (max 5)



breakdown by gender

■ knowledge (max 7) ■ behaviour (max 9) ■ attitude (max 5)

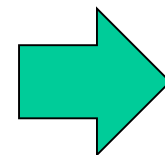




4. Level of Financial Literacy in Cyprus : by age and gender (cont.)

- Young people in relation to the rest of the population
 - The 18-29 age group exhibits the worst performance among all age groups. This is consistent with the international literature.
- Women in relation to men
 - Women perform worse than men especially in terms of financial knowledge.
 - The highest gender gap is observed within the 50+ age categories.

Analysis by age and gender





4. Level of Financial Literacy in Cyprus : Percentage of “Don’t Know” per Gender

Question	Male	Female	Difference
You lend €100 to a friend and he gives you €100 back the next month. How much interest has he paid on this loan?	14.40%	42.60%	28.20%
Assume that you have €100 in your savings account which has an interest rate of 2% annually. You do not make any payments in this account and you do not withdraw any cash. How much money will you have in this account at the end of the year with the accrual of interest?	9.30%	39.40%	30.10%
Assume that you have €100 in your savings account which has an interest rate of 2% annually. In five years from now how much money you will have in your account considering that you have not made a withdrawal? There are no fees or taxes.	5.90%	16.20%	10.30%
Imagine you’re are given a gift of €1,000. Now imagine that you have to wait for one year before receiving the gift and the inflation rate is 2%. How much would you be able to buy on average?	9.80%	20.60%	10.80%
If someone offers you an investment opportunity that is likely to have a high return it would likely have higher risk.	2.00%	15.70%	13.70%
High inflation means that the cost of living is increasing rapidly.	12.50%	26.60%	14.20%
It is likely that you will lose all or a significant part of your money if you invest in more than one financial products	4.30%	9.90%	5.60%

- The percentage of “Don’t Know” answers is calculated by dividing the number of “Don’t Know” answers with the number of non-correct answers for each question
- Women appear to be aware of their lack of financial knowledge
- According to the literature, this awareness makes women ideal candidates for financial education programs
- This is consistent with the results in the international literature



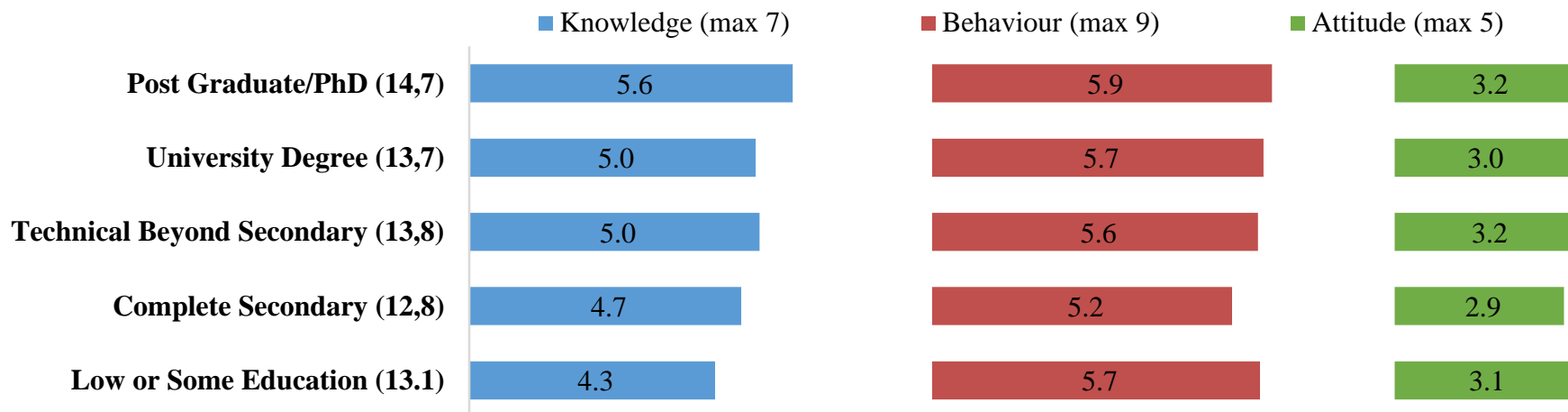
4. Level of Financial Literacy in Cyprus : by education

Financial literacy score by education

Financial knowledge, attitudes and behaviour (weighted scores)

Stacked points (weighted data): all respondents, sorted by overall score (reported in parenthesis)

Cyprus financial literacy score (13,3): knowledge score (4,8), behaviour score (5,5), attitude score (3,0)



*"Low or some education": no formal to some Secondary

- As expected, the higher the education level, the higher the financial literacy score.
 - This is more evident in the case of financial knowledge and less for behaviour and attitude.
- The above hold for both male and female participants. (unreported results)



4. Level of Financial Literacy in Cyprus : by high school field of study

Financial literacy score breakdown by high school field of study

Financial knowledge, attitudes and behaviour (weighted scores)

Stacked points (weighted data): all respondents, sorted by overall score (reported in parenthesis)

Cyprus financial literacy score (13,3): knowledge score (4,8), behaviour score (5,5), attitude score (3,0)

Total Population

■ knowledge (max 7)

■ behaviour (max 9)

■ attitude (max 5)

Accounting/Economics/Political Economy (14,0)

5.2

5.7

3.1

Maths/Physics/Chemistry/Biology (13,7)

5.1

5.5

3.1

Ancient Greek Language/Latin Language/History (12,9)

4.5

5.4

3.0

Other (13,1)

4.6

5.5

3.1

- Lower performance for participants with classical studies at High School.
- Those with relatively more quantitative skills (accounting, economics, mathematics) perform relatively better.
- The results provide useful information for the formulation of the National Strategy, especially in respect to financial education at school level.



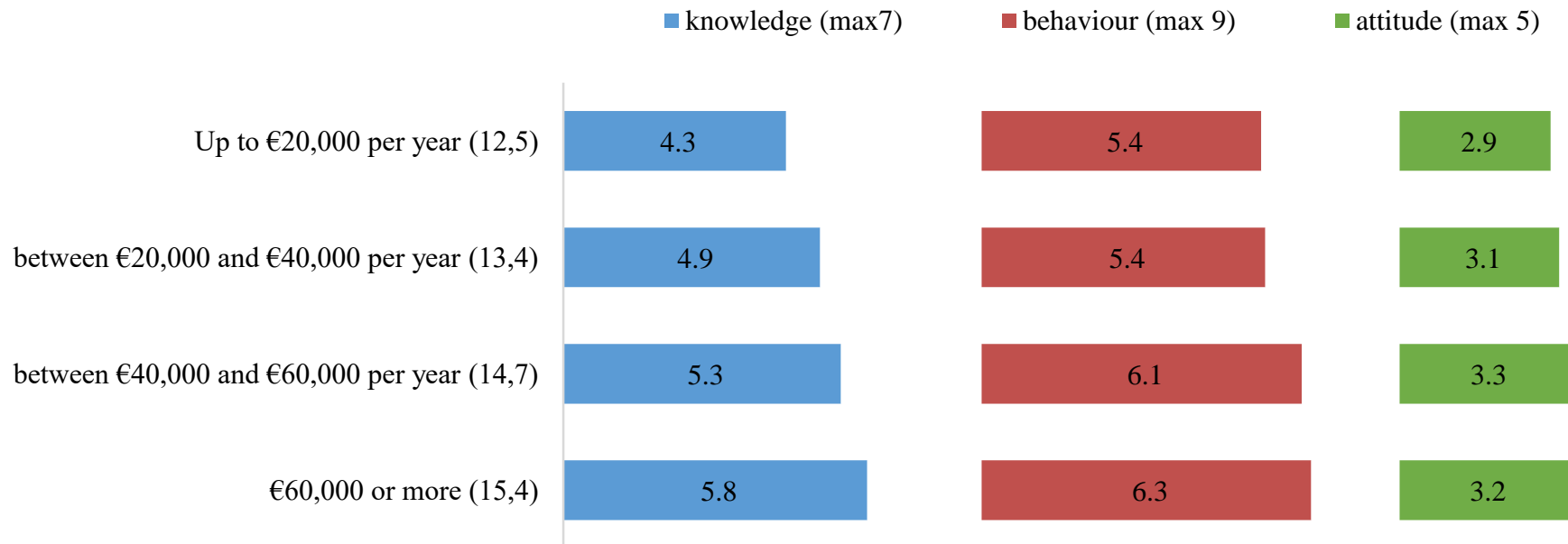
4. Level of Financial Literacy in Cyprus : by household income

Financial literacy score by household income

Financial knowledge, attitudes and behaviour (weighted scores)

Stacked points (weighted data): all respondents, sorted by overall score (reported in parenthesis)

Cyprus financial literacy score (13,3): knowledge score (4,8), behaviour score (5,5), attitude score (3,0)



- The higher the household income bracket the higher the financial literacy score.
- Even though this is not surprising, it is a worrisome finding suggesting unhealthy dynamics for income inequality in Cyprus.



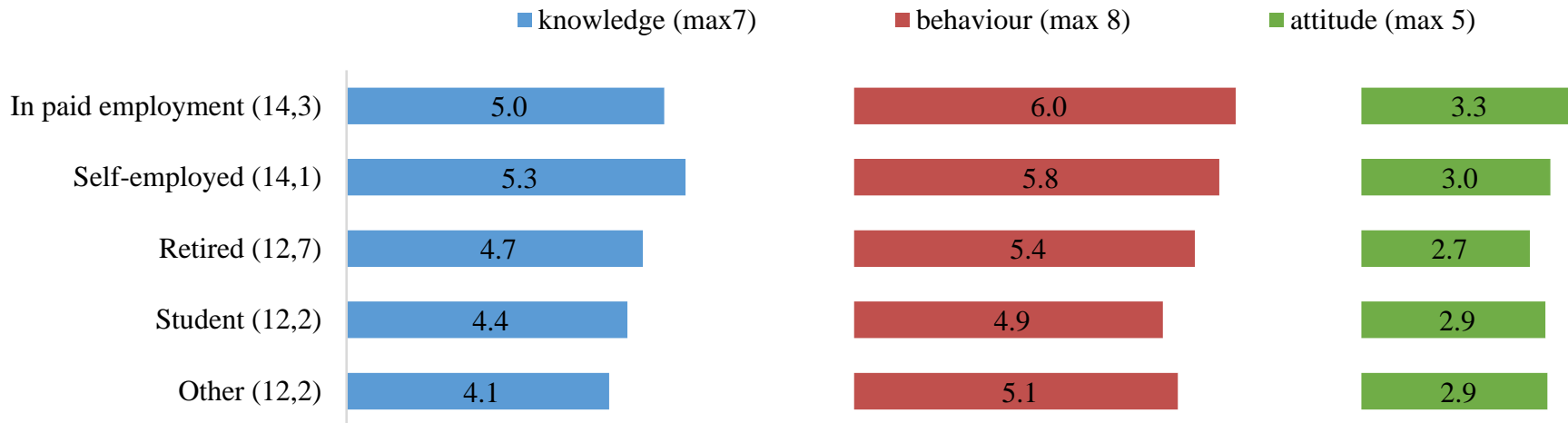
4. Level of Financial Literacy in Cyprus : by employment status

Financial literacy score by employment status

Financial knowledge, attitudes and behaviour (weighted scores)

Stacked points (weighted data): all respondents, sorted by overall score (reported in parenthesis)

Cyprus financial literacy score (13,3): knowledge score (4,8), behaviour score (5,5), attitude score (3,0)



Note: "Other" refers to people looking after the home, looking for work, not working and not looking for work, and unable to work

- In general, people who are in paid employment or are self-employed perform better than people who are not employed (retired, unemployed, other).
- This holds for both male and female participants and most age categories (unreported results).
- The results underline the importance of learning by doing in acquiring financial competencies.



4. Level of Financial Literacy in Cyprus : by employment status

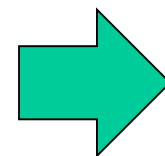
- In general, people who are in paid employment or are self-employed perform better than people who are not employed (retired, unemployed, other).
- This holds for both male and female participants.
- Those who participate in the labour market perform better. This alludes to the importance of empirical learning (learning by doing)





5. Additional questions on financial literacy included in the CBC's questionnaire

- Very disappointing levels of knowledge, especially among young people, for basic concepts such as:
 - Annual percentage rate of charge (APR)
 - Insured deposits
- Despite the fact that a bail-in took place in 2013 involving the two largest banks in Cyprus, only 47,8% of the population appears to be familiar with the level of the deposit insurance scheme coverage in Cyprus.
- The only encouraging result is the awareness that a permanent increase in the level of government spending should lead to an increase in taxation.





Overall the survey confirms the existing perception that financial literacy is a major issue in Cyprus and highlights specific parameters of the problem.

More specifically:

- The level of financial literacy in Cyprus (13,3) is **relatively low**, compared to most EEA countries
- The financial literacy score in Cyprus appears to be driven by financial **behaviour** and financial **attitude**.
- The score of **financial knowledge** is 4,8, which is also the **average score** of EEA countries. **but:**
 - In two very important knowledge categories (**diversification** and **interest compounding**) the percentage of correct answers was disappointing
 - These results can be associated with the problems surfaced during the 2000 and 2013 crises in Cyprus.



Some more specific main results of the survey include the following:

- Younger individuals (18-29) have a **lower score** than the whole population in **all three financial literacy categories**. Moreover, younger individuals **do not** participate in household financial decisions
- **Women score lower than men** in terms of financial literacy. The gender gap is higher in age categories **higher than 50**
- Women **are aware of their lack** of financial knowledge and thus are ideal candidates for financial education programs
- **Employment** also seems to have important role on the level of financial literacy.
- **Higher education** is **positively** associated with the level of financial literacy
- The high school **field of study** also plays an important role.
- Higher **household income** is associated with higher financial literacy score.



According to OECD every country should follow four basic principles for the design and implementation of the National Strategy to enhance financial literacy and financial education:

- 1 • Detailed evaluation of the level of financial literacy/developing a diagnosis to inform the national strategy
- 2 • Establishing institutional and governing arrangements
- 3 • Setting and achieving objectives, evaluating and funding the national strategy
- 4 • Ensuring effective and innovative provision of financial education





7. Design of National Strategy and the way forward (con't)

- On the basis of the four principles, an Ad-hoc Committee was established aiming to formulate and propose a National Strategy for the promotion of financial literacy and education in Cyprus
- The Ad-hoc Committee consists of members from the Central Bank of Cyprus, which has the coordinating role, the Ministry of Education and Culture, the Ministry of Finance Cyprus University of Technology, the University of Cyprus and Cyprus Security and Exchange Commission
- The CBC has a coordinating role
- The Committee is currently drafting a report which will be submitted to the Council of Ministers for the adoption of the National Strategy





7. Design of National Strategy and the way forward (con't)

- The Committee has commenced its work and the first meetings have already taken place
- Communication with the stakeholders
- Cooperation with external collaborators who will assist the work of the Committee
- Further analysis of the survey results will be included in the proposal for the adoption of the National Strategy for the promotion of financial literacy and education
- The Committee will formulate the National Strategy and concrete and targeted proposals based on the findings of the analysis



For the final analysis of the results and the preparation of the presentation:

- **Christiana Argyridou, Ioanna Evangelou, Dr. Theodosios Kallenos, Charis Charalambous (CBC)**

For the organisation of the webinar

- **Christiana Argyridou, Dr. Theodosios Kallenos, Marina Constantinou (CBC)**

For the organisation and monitoring the progress of the survey:

- **Insights Market Research Ltd (IMR), Christia Doritou, Charis Charalambous (CBC), Angelos Roussos (Former CBC)**

For participation in the design of the questionnaire and analysis of the first results:

- **Dr. Pani Karamanou (CBC), Angelos Roussos (Former CBC)**
- **Dr. Panagiotis Andreou (Cyprus University of Technology)**
- **Dr. Dennis Philip (Durham University Business School)**

For supporting the webinar and the presentation by preparing relevant texts

- **Lena Cleanthous (CBC), Marios Louca (CBC)**



CENTRAL BANK OF CYPRUS
EUROSYSTEM



Thank you!

FinLitSecretariat@centralbank.cy

www.centralbank.cy

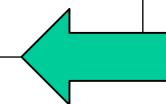


Appendix



Main results: (OECD-based core questions) financial knowledge

Question	Short Description	Question
1 (QK3)	Time value of money	Imagine you're given a gift of €1,000. Now imagine that you have to wait for one year before receiving the gift and the inflation rate is 2%. How much would you be able to buy on average?
2 (QK4)	Interest paid on loan	You lend €100 to a friend and he gives you €100 back the next month. How much interest has he paid on this loan?
3(QK5)	Calculation of interest plus principal	Assume that you have €100 in your savings account which has an interest rate of 2% annually. You do not make any payments in this account and you do not withdraw any cash. How much money will you have in this account at the end of the year with the accrual of interest?
4 (QK6)	Compound interest	Assume that you have €100 in your savings account which has an interest rate of 2% annually. In five years from now how much money you will have in your account considering that you have not made a withdrawal? There are no fees or taxes.
5 (QK7a)	Risk and return	If someone offers you an investment opportunity that is likely to have a high return it would likely have higher risk.
6 (QK7b)	Inflation	High inflation means that the cost of living is increasing rapidly.
7 (QK7c)	Diversification	It is likely that you will lose all or a significant part of your money if you invest in more than one financial products

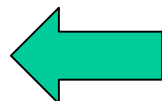




3. Main results: (OECD-based core questions) financial behaviour (cont.)

Question (33) If main income was lost, how long could you make ends meet without borrowing?	Total population	Age group 18-29
More than six months	33,5%	23,7%
At least three months, but not six months	14,8%	14,9%
At least one month, but not three months	17,4%	15,8%
At least a week, but not one month	17,5%	23,8%
Less than a week	11,2%	12,0%
Don't know /refused	5,6%	9,8%

- The majority of young people do not have sufficient savings to cover living expenses for more than six months, if their main income was lost.



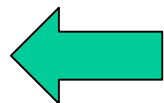


4. Comparison with other EEA countries: (OECD-based core questions) financial knowledge

Financial Knowledge

Question number	Time Value of money		Interest paid on loan		Calculation of interest plus principal		Compounding over 5 years actual response		Risk and return		Definition of inflation		Diversification	
	QK3	Rank	QK4	Rank	QK5	Rank	QK6	Rank	QK7a	Rank	QK7b	Rank	QK7c	Rank
Austria	66%	8	86%	10	68%	7	44%	9	86%	3	85%	5	62%	8
Belgium	73%	7	91%	4	63%	9	50%	7	83%	7	80%	7	56%	10
Croatia	54%	13	80%	12	62%	10	33%	13	69%	14	74%	9	66%	4
Cyprus	55%	11	88%	8	76%	4	42%	11	85%	5	81%	6	51%	14
Estonia	83%	1	89%	6	79%	2	43%	10	85%	6	88%	1	65%	6
Finland	83%	1	98%	1	79%	2	58%	3	89%	1	58%	14	66%	4
France	59%	10	94%	2	57%	13	54%	4	87%	2	87%	2	75%	1
Latvia	75%	5	89%	6	72%	6	48%	8	82%	8	86%	4	64%	7
Lithuania	75%	5	79%	13	68%	7	51%	6	75%	11	67%	13	75%	1
Netherlands	65%	9	92%	3	76%	5	61%	2	73%	13	74%	9	53%	12
Norway	76%	4	91%	4	80%	1	65%	1	86%	3	74%	9	59%	9
Poland	80%	3	77%	14	61%	11	30%	14	77%	10	69%	12	56%	10
Portugal	55%	12	87%	9	61%	11	41%	12	82%	8	87%	2	73%	3
United Kingdom	38%	14	83%	11	57%	13	52%	5	74%	12	80%	7	52%	13
Average (all countries)	67%		87%		69%		48%		81%		78%		62%	

Worst relative performance for Cyprus: Portfolio diversification
Relatively good performance for Cyprus: Inflation





4. Financial literacy score in Cyprus: by age and gender (cont.)

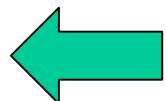
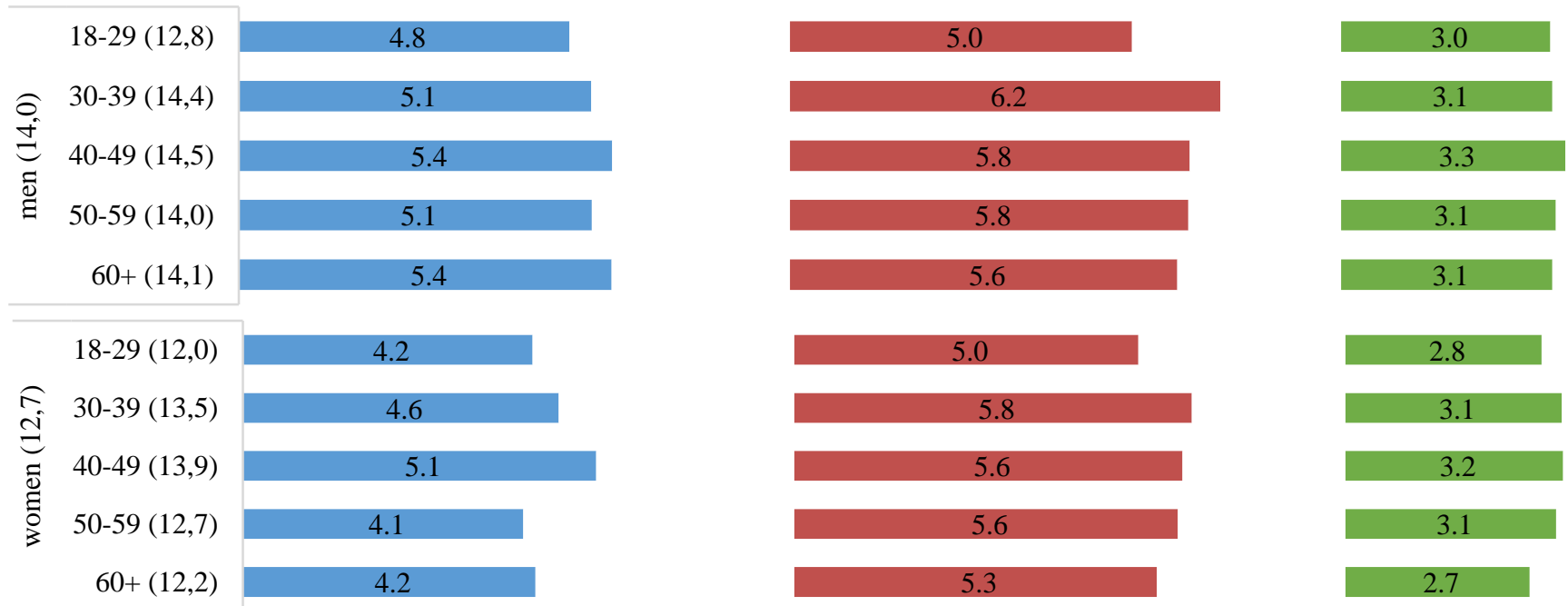
Financial literacy score by gender and age

Financial knowledge, attitudes and behaviour (weighted scores)

Stacked points (weighted data): all respondents, sorted by overall score (reported in parenthesis)

Cyprus financial literacy score (13,3): knowledge score (4,8), behaviour score (5,5), attitude score (3,0)

■ knowledge (max 7) ■ behaviour (max 9) ■ attitude (max 5)





5. Additional questions on financial literacy included in the CBC's questionnaire

	Question	Total Population			Age group (18-29)		
		Correct answer	Wrong answer	Don't know/refused	Correct answer	Wrong answer	Don't know/refused
1	If there is a permanent increase in the level of government spending, can we expect an increase in taxation?	85,9%	11,8%	2,2%	83,7%	12,7%	3,6%
2	If the interest rate on your savings account is 1% per year and the inflation rate is 2% per year, after a year how much could you buy, on average, with the money you have gathered in your account?	57,5%	24,9%	17,6%	46,0%	24,3%	29,8%
3	Let's say that you owe €3,000 to your credit card. Each month you pay €30. If the interest rate is 12% per annum (or 1% per month), how long will it take you to repay the amount you owe if you do not make any other transactions?	22,9%	60,4%	16,7%	16,1%	68,0%	15,9%
4	What is the current limit of deposit insurance coverage in Cyprus per depositor per credit institution?	47,8%	10,0%	42,2%	20,9%	4,8%	74,4%
5	The bank lending interest rate is less than the Euribor	33,6%	15,7%	50,8%	14,9%	14,8%	70,3%
6	The annual percentage rate (APR) does not include possible bank charges in its calculation	24,8%	29,6%	45,6%	14,8%	29,8%	55,4%
7	The APR is the most appropriate tool for comparing loan schemes across different banking institutions	43,5%	7,4%	49,1%	30,8%	5,0%	64,2%
8	Inflation measures the purchasing power of money	78,2%	8,7%	13,0%	68,0%	12,1%	19,9%
9	When wages in Cyprus increase systematically at a higher rate than in the euro area, then competitiveness in Cyprus is positively affected	30,4%	56,9%	12,8%	19,5%	70,5%	10,0%

