# Fin lit survey highlights deficit

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*Michael Hobbs*

ANZ is set to launch a number of adult financial literacy programs after a survey revealed Australians with low levels of financial literacy make riskier investment decisions and probably won't seek professional financial advice.

The report, which surveyed roughly 3,500 adult Australians, found those with below average financial literacy scores included 18-24 year olds, people over aged 70 years and over, those who finished school at Year 10, unemployed and those on government benefits.

It found just under three quarter of those with low financial literacy scores would not avoid investments that claimed to "return well above market rates with no risk", compared to 87 per cent of those with a high amount of financial literacy that would.

In addition, only 36 per cent of Australians with the lowest amount of financial literacy considered diversification important, against 65 per cent of those with a high level of financial literacy.

"The effects of low financial literacy come at a great cost to the economy and to the livelihood of Australian families and individuals. For example, according to the Australian Bureau of Statistics, last year Australians lost nearly $1 billion falling victim to fraud and scams," said Mike Smith, ANZ chief executive.

"Added to this, the current global financial turmoil highlights the importance of responsible lending, good advice and sound money management."

Almost nine in 10 respondents with a high level of financial literacy understood good investments fluctuate in value. Yet, just over one third of Australians with low levels of financial literacy understood the same concept.

Financial advice is less likely to be sought by those in the lowest quintile, with just 43 per cent likely to seek advice from an accountant or financial planner.

In response, ANZ is launching a number of financial literacy community programs including MoneyMinded and MoneyBusiness and savings programs, SaverPlus.

According to the bank, 70 per cent of SaverPlus participants who completed the program three years ago continued to save at or above levels they did during the program.