

Research shows that consumers' financial literacy is low all over the world. These deficiencies translate into suboptimal financial behaviour, generating measurable economic costs. The adverse consequences of financial illiteracy are more likely for women as they score systematically worse in financial literacy tests. However, the research also shows that despite worse results in the tests, women do not perform necessarily worse financial behaviour. It is unclear what mechanism closes, and possibly reverses, the gender gap between financial literacy and behaviour. The scientific goal of this project is to investigate the mechanism and propose gender-unbiased measures of financial literacy and behaviour. The main reason for undertaking the topic of the gender differences in financial literacy and behaviour is, on the one hand, the rich empirical evidence suggesting that consumers require a targeted financial education and, on the other hand, the conviction that such intervention will never be effective without understanding what and how causes differences in the development of financial literacy and behaviour between women and men.

The theory of social identity will provide a broad theoretical framework for the study. It assumes the existence of certain behavioural prescriptions and socially desirable female and male roles imposed by cultural norms. Since their violation can be costly for the individual, both women and men try to act in accordance with the social norms and stereotypes that are assigned to their genders. In particular, this study will address one aspect of social identity theory that addresses a rarely studied barrier to the development of financial literacy and sound financial behaviour – the language barrier. The language of finance often refers to words associated with domains such as war, games, physical ability, competition which are traditionally considered to be mostly masculine. As a result, women who do not identify with these domains, may be less interested in financial matters and may be less familiar with the terminology specific to these domains. This may create a barrier to developing their financial competencies. Although the implications of the social identity theory were tested in relation to financial literacy, they were not tested in relation to sound financial behaviour. One cannot rule out the possibility that due to some omitted factors (e.g., the framing effect) or a measurement bias the language barrier weakens when women report their financial activity. For example, the language used in questions diagnosing financial behaviour does not only use financial terms, but often also refers to safety, prudence, security, etc. – i.e., to concepts that may be culturally closer to women's gender identity. Thus, the study planned under this project assumes that the mechanism that closes the gender gap between financial literacy and behaviour can be explained by referring to the language hypothesis.

This study will be divided into eight stages. In the first stage, a qualitative study (focus group interviews of men and women) will be conducted. Its purpose will be to collect the material necessary to develop measurement instruments (financial literacy and behaviour) and educational material. In particular, the qualitative study will aim to understand the specific language that women and men use when confronted with financial issues. In the second stage, instruments to measure financial literacy and behaviour will be designed and pre-tested. In the third stage, a short educational material will be designed. Both the educational material and the measurement instruments will be designed in three versions: one will use language borrowed from women, one will use language borrowed from men, and the third will be gender-undetermined in terms of language. In the fourth stage of the survey, a questionnaire will be administered to a sample representative of the adult Polish population to collect data on their financial literacy and behaviour. Three language versions of the questionnaire will be randomly assigned to respondents. In the fifth stage, respondents randomly assigned to the experimental group will be exposed to an educational intervention (with a randomised language version of the education), after which the entire sample (including both the experimental and control groups) will be assessed a second time for financial literacy and behaviour. In the sixth stage, the questionnaire measuring financial literacy and behaviour will be administered to respondents for a third time, with respondents in the control group receiving financial education shortly after this third wave of questionnaire testing. The eighth stage is a quantitative study, processing through statistical methods and econometric models the data collected through the questionnaire. In the last stage, three scientific articles will be prepared summarizing the results of the project.