

## Financial Literacy as an Important Skill for Household Financial Decision Making

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**Abstract :** Financial decision-making in the household is not simple, and it demands that the decision-maker has proper knowledge and skills. Usually, high uncertainty, risk, and stress surround household financial decision-making since it is extremely important and critical for household wealth accumulation and for the well-being of all household members. Generally, skilful people tend to have higher confidence in certain tasks they perform, and they achieve better results. Therefore, in the household context, the possession of certain skills by the ones who make financial decisions for the household is of particular importance. This paper addresses financial literacy as an important skill for household decision-making. Apart from financial literacy, the paper also considers other factors, such as employment, education, and age, as significant for household financial decision-making. The analysis is based on quantitative individual-level survey data. The data collection was conducted during January and February 2021 in Croatia through an online survey. To reach a wide variety of participants, the snowball sampling method was used. The result revealed interesting and somewhat puzzling results. Our results point to the importance of financial literacy skills for household decision-making.

**Keywords :** skill, financial literacy, decision-making, household financial decision making

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