

2021 SURVEY OF SMALL ENTERPRISES'
FINANCIAL LITERACY: MAIN RESULTS

2021

BANCO DE **ESPAÑA**
Eurosistema

Documentos Ocasionales
N.º 2129

Brindusa Anghel, Aitor Lacuesta and Federico Tagliati

2021 SURVEY OF SMALL ENTERPRISES' FINANCIAL LITERACY: MAIN RESULTS

Brindusa Anghel

BANCO DE ESPAÑA

Aitor Lacuesta

BANCO DE ESPAÑA

Federico Tagliati

BANCO DE ESPAÑA

The Occasional Paper Series seeks to disseminate work conducted at the Banco de España, in the performance of its functions, that may be of general interest.

The opinions and analyses in the Occasional Paper Series are the responsibility of the authors and, therefore, do not necessarily coincide with those of the Banco de España or the Eurosystem.

The Banco de España disseminates its main reports and most of its publications via the Internet on its website at: <http://www.bde.es>.

Reproduction for educational and non-commercial purposes is permitted provided that the source is acknowledged.

© BANCO DE ESPAÑA, Madrid, 2021

ISSN: 1696-2230 (on-line edition)

Abstract

This paper analyses the financial literacy of Spanish enterprises with fewer than 50 employees (small enterprises) based on a survey conducted by the Banco de España between March and May 2021 as part of a project launched by the Organisation for Economic Co-operation and Development's International Network on Financial Education. The survey includes a series of questions aimed at measuring firms' financial literacy (financial knowledge, attitudes and behaviour) and the financial instruments held by them, the impact of the COVID-19 crisis on their activity and their level of digitalisation. The business owners should answer these questions as long as they are involved in taking financial decisions for the business.

The main results of the survey suggest that, in Spain, owners of enterprises with fewer than 20 employees have little financial knowledge compared with those of enterprises with 20 to 49 employees. The same is true of firms in the accommodation and food service activities, construction and real estate activities, and other personal services sectors (the latter being a mixed group of sectors which would include firms in education, repairs, laundry services, etc.) compared with firms in other sectors. In terms of financial attitudes, business owners with ten or more employees have a greater tendency to set long-term financial goals than owners of firms with fewer than ten employees. Some financial behaviours (such as having strategies to cope with theft or considering different options for their financial product and service providers) are less widespread among smaller firms, especially those with fewer than five employees. Lastly, the percentage of Spanish small enterprises, regardless of size, whose owners have thought about how they will fund their own retirement is remarkably low. The use of capital instruments and other more recent types of financing (such as sustainable bonds, business angels or crowdfunding) is marginal in small Spanish enterprises. Likewise, the use of property and, particularly, business interruption insurance is limited among these firms.

There are no discernible, significant differences in financial knowledge, attitudes or behaviours in terms of the gender of the business owner. Also, in general, the average financial literacy of small enterprises improves with the level of educational attainment only if the owner has specific training in business, economics or finance. Other characteristics positively associated with financial competencies, irrespective of educational attainment, are having more than ten years' experience as a business owner or having a business owner for a parent.

The impact of the COVID-19 crisis on the level of turnover, profit and debt was quite similar for firms with different degrees of financial literacy. However, the negative impact on employment and liquidity was somewhat lower for the higher quartiles of owners' financial literacy. Additionally, higher financial knowledge was associated with being more likely to apply for and obtain a new loan or benefit from a public guarantee. Firms with less financial knowledge did make greater use of income transfers¹ and rental moratoria. Lastly,

¹ Income transfers mean direct grants to the self-employed and firms, including subsidies and other benefits such as those for suspension of activity.

there is a positive correlation between financial literacy and a higher pre-pandemic level of digitalisation in the firm. However, there is no such correlation between financial literacy and digital activities following COVID-19.

Keywords: financial literacy, small enterprises, online survey, COVID-19, digitalisation.

JEL classification: C81, D25.

Resumen

Este documento analiza las competencias financieras de las empresas españolas de menos de 50 trabajadores (pequeñas empresas) a partir de una encuesta elaborada por el Banco de España entre marzo y mayo de 2021, que se engloba dentro de un proyecto desarrollado por la Organización para la Cooperación y el Desarrollo Económicos (OCDE): International Network on Financial Education (OCDE/INFE). La encuesta incluye una serie de preguntas con el objetivo de medir las competencias financieras de las empresas (conocimientos, actitudes y comportamientos financieros), así como la tenencia de instrumentos financieros, el impacto de la crisis del COVID-19 sobre su actividad o el nivel de digitalización de la empresa. Estas preguntas deben de ser contestadas por el propietario de la empresa, siempre que tome alguna decisión financiera en relación con aquella.

Los principales resultados de la encuesta apuntan a que, en general, en España los propietarios de las empresas con menos de 20 trabajadores y las empresas de servicios de alojamiento y hostelería, construcción y otros servicios personales (grupo heterogéneo de ramas, que incluiría empresas de educación, reparaciones o lavandería, entre otras) presentan unos conocimientos financieros bajos en comparación con las empresas de entre 20 y 49 trabajadores y con las del resto de los sectores. En cuanto a las actitudes financieras, los propietarios de las empresas de más de 10 trabajadores presentan una mayor tendencia a establecer objetivos financieros a largo plazo respecto a los propietarios de empresas de menos de 10 trabajadores. Algunos comportamientos financieros están menos generalizados en las empresas de menor tamaño (y especialmente en las de menos de 5 trabajadores), como, por ejemplo, disponer de estrategias en caso de robo y considerar opciones de distintos proveedores de productos o de servicios financieros. Finalmente, las pequeñas empresas españolas, independientemente de su tamaño, sobresalen por el bajo porcentaje de propietarios que han pensado en la financiación de su jubilación. El uso de los instrumentos de capital y de otras formas de financiación más recientes (como los bonos sostenibles, los business angels o la financiación participativa) es marginal en las pequeñas empresas españolas. Asimismo, es limitado en estas empresas el empleo del seguro de daños materiales, y principalmente del de interrupción de negocio.

No se observan diferencias importantes en los conocimientos, actitudes y comportamientos financieros según el género del propietario de la empresa. Además, en general, las competencias financieras medias en las pequeñas empresas mejoran con el nivel educativo tan solo si el propietario tiene formación concreta en temas relacionados con la empresa, la economía o las finanzas. Otras características que se asocian positivamente con las capacidades financieras, independientemente del nivel educativo, son disponer de 10 años de experiencia empresarial o tener un progenitor empresario.

El impacto de la crisis del COVID-19 en el nivel de facturación, en los beneficios y en la deuda fue bastante similar en empresas con distintos grados de competencias financieras. Sin embargo, los efectos negativos en el empleo y en la liquidez fueron algo menores para los cuartiles más altos de competencias financieras de los propietarios. Adicionalmente, mayores conocimientos financieros estuvieron asociados a una probabilidad superior de solicitar y de obtener un nuevo préstamo o de beneficiarse de un aval público. Las empresas con menores conocimientos financieros sí utilizaron en mayor medida transferencias de

renta¹, así como moratorias de alquiler. Finalmente, existe una relación positiva entre competencias financieras y mayor nivel de digitalización en la empresa con anterioridad a la pandemia. Sin embargo, no existe correlación de competencias financieras y un incremento de las actividades digitales tras el COVID-19.

Palabras clave: competencias financieras, pequeñas empresas, encuesta online, COVID-19, digitalización.

Códigos JEL: C81, D25.

¹ Por transferencias de renta se entienden las ayudas directas a autónomos y a empresas, incluidos subsidios y otras prestaciones, como las de cese de actividad.

Index

Abstract 5

Resumen 7

1 Introduction 10

2 Characteristics of the sample 11

3 Financial knowledge of small enterprises in Spain 14

4 Financial attitudes 18

5 Financial behaviour 20

6 Ownership of financial instruments 24

Box 1 Financial literacy by demographic characteristics of the business owner 29

Box 2 Financial literacy and its impact on mitigating the COVID-19 crisis 35

1 Introduction

This paper presents the results of the 2021 Survey of Small Enterprises' Financial Literacy in Spain. The survey is conducted as part of the International Network on Financial Education (INFE) project launched by the Organisation for Economic Co-operation and Development (OECD),¹ and includes a series of questions aimed at measuring the enterprises' financial literacy (financial knowledge, attitudes and behaviour), their ownership of financial instruments, the impact of the COVID-19 crisis on their activity and their level of digitalisation.

The target population of the survey are owners of independent for-profit businesses, employing fewer than 50 employees, involved in taking financial decisions for the business.² Financial decisions for the business may include decisions around taking a loan for the business, looking for sources of funding, paying taxes, deciding how to solve cash flow issues, etc.

The paper is structured as follows. Section 2 describes the data collection process and the survey sample. Sections 3, 4 and 5 present the results of the questionnaire modules on financial knowledge, attitudes and behaviour, respectively. Section 6 describes the ownership of financial instruments at small enterprises. Lastly, the paper includes two boxes whose content is somewhat more analytical. Box 1 analyses financial literacy by the characteristics of the owner, and Box 2 studies the mitigating effect of financial literacy in the COVID-19 crisis.

¹ The survey's questionnaire is available at the following link: <https://www.oecd.org/financial/education/2020-survey-to-measure-msme-financial-literacy.pdf>.

² 90% of respondents answer that they are the business owner and that they are involved in taking financial decisions for it. The remainder are other individuals different from the owner that are, however, involved in taking financial decisions for the business. Given that most respondents defined themselves as business owners, the term "business owner" shall be used throughout this paper to refer to all survey respondents.

2 Characteristics of the sample

The survey questionnaire was designed through an iterative process during several meetings with the OECD/INFE in 2017 and 2018 and was revised after a pilot test in seven volunteering countries in 2018-2019. The questionnaire was ultimately revised again in 2020 to take into account the implications of the COVID-19 crisis for small enterprises and so that it could be used under circumstances of limited physical contact (by telephone or online). The OECD requires around 1,000 completed surveys.

We used business information from the Banco de España Central Balance Sheet Date Office 2018, which only includes non-financial corporations, to construct the sample of firms of this target population.³ Therefore, no data on the self-employed are available. Specifically, we created a database with enterprises with fewer than 50 employees, excluding those that regularly respond or that have occasionally responded to any Banco de España survey.⁴ Those enterprises whose email address may have been a personal email address were also eliminated from the sample.⁵ From this database, we extracted a random sample that replicated the distribution, by size and sector, of the National Statistics Institute's Central Business Register as at 1 January 2018.⁶

Emails were sent to these enterprises in two batches, between 22 March and 21 May 2021. First, 25,539 emails were sent over the course of several consecutive days, to reduce the possibility of the messaging systems filing the emails as spam. The email was signed by the Banco de España's Director General Economics, Statistics and Research and contained a brief presentation of the reasons for conducting the survey, a link to the OECD website with the standard questionnaire used by that institution in the project internationally, and another link to the Spanish-language online questionnaire adapted by the Banco de España to the Spanish economic context. To make the email seem more credible, it also stated that this initiative would be announced via the Banco de España Twitter account. This happened on the first day of bulk emailing. The first batch served to fine-tune the email in order to maximise the final survey response rate.⁷ A further 22,069 emails were sent in the second batch in order to achieve the target responses agreed with the OECD of 1,000 complete interviews.

A total of 38.7% of the close to 50,000 emails sent were read. In turn, 13.9% of the emails read resulted in the link to the questionnaire being clicked (5.4% of all the emails sent). Lastly, 43.8% of all those who decided to click the link completed the survey, resulting in a sample of 1,120 complete questionnaires, i.e. 2.4% of the emails sent and 6.1% of those read.

3 For more information, see <https://www.bde.es/bde/en/areas/cenbal/>.

4 These businesses were eliminated to prevent their owners from having to respond to too many surveys.

5 Specifically, all gmail, hotmail, yahoo, telefonica, terra, orange and outlook domains.

6 The replicated distribution by size has the following categories: no employees; 1 to 2 employees, 3 to 5 employees, 6 to 9 employees, 10 to 19 employees and 20 to 49 employees. The sectoral categorisation to be replicated is two-digit NACE Rev. 2 codes.

7 Specifically, the emails in the first batch asked for an email address to which to send definitive access to the questionnaire. After observing that this prior filter disproportionately reduced the response rate, it was eliminated.

This paper presents the results by enterprise size and by sector. In order for the sample of businesses that responded to the survey to be representative of the total population of enterprises with fewer than 50 employees in Spain, weights were constructed based on the population of businesses with fewer than 50 employees, obtained from the Statistics on Social Security-registered firms (*Estadística de empresas inscritas en la Seguridad Social*). December 2020 was considered the reference date for this figure, given that the sample of firms was constructed and the field work was undertaken in the early months of 2021. Central Business Register data were not used to calculate the weights because they refer to 1 January 2020 and are obsolete for the total current population of small enterprises, which has undergone many changes as a result of the health crisis. Weights for 36 groups were calculated: four business-size groups (1-2, 3-5, 6-9 and 10-49 employees) and nine sectors of activity. Specifically, the probability of selection for each of the 36 groups was calculated as the ratio of the number of enterprises in the final sample to the number of enterprises in the total population. Lastly, the weights are the inverse of this probability of selection.

Table 1 compares the distribution by size (employees) and sector of the sample collected with the distribution that would result from the Statistics on Social Security-registered firms at December 2020.

Despite the sample potentially having a selection bias, given the limited response rate, few differences are observed between the two distributions (see Table 1.1). Specifically, in the two distributions almost one-half of the businesses in the sample have between one and two employees, while one-quarter of them have between three and five employees. By sector, the differences are somewhat greater. In the two distributions, wholesale and retail trade accounts for around 20% of the total. The sizes of other sectors accounting for more than 10% of the total, such as construction and real estate activities, are also similar. Yet while in the sample enterprises in business services stand out (21% versus 8%), in the Statistics on Social Security-registered firms accommodation and food service activities and other personal services – a mixed group of sectors including education, repairs and laundry, etc. – stand out with 14% and 7% respectively, versus 9% and 4% in the sample.⁸

Table 1.2 presents the distribution by enterprise size according to sector of activity. In this regard, when comparing the distribution of the sample with that according to the Statistics on Social Security-registered firms, the breakdown is similar, except for in manufacturing, where enterprises with between one and two employees account for a smaller share of the sample than in the total population, while those with between three and five and six and nine employees account for a larger share in the sample than in the total population.

⁸ The “Other” category is included among the sectors for completeness, but it is not analysed in the same way as the other categories since it is a mixed group of sectors. This category includes the other economic sectors: mining and quarrying; electricity, gas, steam and air conditioning supply; water supply, sewerage and waste management; financial and insurance activities; administrative and support service activities; human health and social work activities; arts, entertainment and recreation; activities of households as employers of domestic personnel; and activities of extraterritorial organisations and bodies.

Table 1

COMPARISON OF THE SAMPLE WITH STATISTICS ON SOCIAL SECURITY-REGISTERED FIRMS

1.1 DISTRIBUTION, BY SIZE AND SECTOR

Size (employees)	% in the Statistics on Social Security-registered firms at December 2020 (b)	
	% in the sample (a)	
1 to 2	48.9	55.1
3 to 5	24.3	22.9
6 to 9	12.0	10.2
10 to 49	14.8	11.9
Total	100.0	100.0
Sector		
Manufacturing	5.2	8.1
Construction and real estate activities	20.1	13.9
Wholesale and retail trade	19.4	24.9
Transportation, distribution and storage	5.2	5.2
Accommodation and food service activities	7.1	13.7
Other personal services	3.5	9.2
Information and communication	4.6	1.8
Business services (legal, accounting, advertising and cleaning services)	20.6	7.9
Other	14.4	15.3
Total	100.0	100.0

1.2 COMBINED SIZE AND SECTOR DISTRIBUTION

	% in the sample (a)					% in the Statistics on Social Security-registered firms at December 2020 (b)				
	1 to 2	3 to 5	6 to 9	10 to 49	Total	1 to 2	3 to 5	6 to 9	10 to 49	Total
Manufacturing	17.2	31.0	22.4	29.3	100.0	36.7	24.1	14.7	24.5	100.0
Construction and real estate activities	60.9	20.4	6.7	12.0	100.0	57.6	22.3	9.7	10.4	100.0
Wholesale and retail trade	44.2	26.7	14.7	14.3	100.0	55.9	24.3	9.9	9.8	100.0
Transportation, distribution and storage	37.9	25.9	13.8	22.4	100.0	56.5	19.0	9.9	14.6	100.0
Accommodation and food service activities	31.6	31.6	20.3	16.5	100.0	49.7	27.8	12.2	10.2	100.0
Other personal services	46.2	25.6	17.9	10.3	100.0	62.5	20.4	7.6	9.5	100.0
Information and communication	48.1	17.3	13.5	21.2	100.0	45.5	22.0	12.4	20.2	100.0
Business services (legal, accounting, advertising and cleaning services)	57.1	23.4	11.3	8.2	100.0	57.0	23.3	9.9	9.8	100.0
Other	50.9	23.0	6.8	19.3	100.0	61.0	18.7	8.2	12.2	100.0

SOURCES: Banco de España (2021 Survey of Small Enterprises' Financial Literacy) and Ministerio de Trabajo y Economía Social (Statistics on Social Security-registered firms at December 2020).

a Including the percentages of each group in the sample of enterprises collected, unweighted.

b These percentages match those of the weighted sample of enterprises, since they were constructed on the basis of the distribution by enterprise.

In any event, it should be highlighted that the analysis presented below accounts for the weights constructed to replicate the sectoral and size distribution in the Statistics on Social Security-registered firms at December 2020. Consequently, the results of this paper should be interpreted as representative of the population of small enterprises in Spain.

3 Financial knowledge of small enterprises in Spain

One of the components of small enterprises' financial literacy is the financial knowledge of the owner involved in taking financial decisions for the business. The survey measures financial knowledge on the basis of correct responses to five questions.⁹ Correctly answering the first question entails understanding what dividends are. Correctly answering the second question requires understanding the meaning of equity and the ownership right over the enterprise that it grants. Responding correctly to the third question requires knowledge of the trade-off between risk and return. To provide the correct response to the fourth question requires the respondent to understand that an amount of money loses purchasing power when prices rise (inflation). Lastly, the fifth question entails understanding the relationship between the interest on a loan and the life of a loan.

Overall, over 79% of enterprises with fewer than 50 employees correctly responded to all the questions, except for the question on equity (see Table 2).¹⁰ 89% of small enterprise owners understand what dividends are (correctly responding false to the statement "Dividends are part of what a business pays to a bank to repay a loan"). Most respondents correctly answer the questions on inflation (83.8%) and the trade-off between risk and reward (84%). A slightly lower percentage of respondents correctly answered the question on the relationship between interest on a loan and the life of a loan (79.1%). Lastly, 53.2% of respondents demonstrate that they understand the concepts of equity and ownership rights over the enterprise.

Based on the number of employees at the enterprise, there is a consistent pattern in all the questions (see Chart 1). Specifically, enterprises with between 20 and 49 employees achieved a higher percentage of correct responses than those with fewer than 20 employees. More than 94% of business owners employing between 20 and 49 employees understood what dividends are, the trade-off between risk and return and the meaning of inflation. The percentage of correct answers falls to 87.7% when business owners were asked about the relationship between interest on a loan and the life of a loan. Around 63% of the business owners in this group correctly answered the question on equity and ownership of the enterprise. When comparing the percentage of correct responses by business owners

9 The questions to be answered and the correct response (true or false) are as follows: i) "Dividends are part of what a business pays to a bank to repay a loan" (false); ii) "When a company obtains equity from an investor it gives the investor part of the ownership of the company" (true); iii) "If a financial investment offers the chance to make a lot of money it is likely that there is also a chance to lose a lot of money" (true); iv) "High inflation means that the cost of living is increasing rapidly" (true); and v) "A 15-year loan typically requires higher monthly payments than a 30-year loan, but the total interest paid over the life of the loan will be less" (true).

10 Around 53% of the total correctly answered the question on equity and ownership of the enterprise. The question refers to equity (*capital* in the Spanish-language version of the questionnaire), i.e. the amount contributed by shareholders, whereas it seems some of the respondents understood another meaning of *capital*, i.e. any amount of money lent for a return, but which does not necessarily entail an ownership right, as would be the case in the narrower context of a share. This ambiguity may have led to an incorrect interpretation and to disproportionate errors from some of the respondents. However, the international comparison of the survey results shows that the percentage of correct responses to this question in Spain is very similar to that of other countries whose questionnaire clearly indicated the English word equity, which should lead to fewer mistakes (see OECD (2021), *G20/OECD-INFE Report Navigating the Storm: MSMEs' Financial and Digital Competencies in COVID-19 times*, <https://www.oecd.org/daf/fin/financial-education/navigating-the-storm-msmesfinancial-anddigital-competencies-in-covid-19-times.htm>).

Table 2

PERCENTAGES OF RESPONSES TO QUESTIONS ON FINANCIAL KNOWLEDGE, BY CHARACTERISTICS OF THE ENTERPRISE

	Dividend				Equity and ownership of the enterprise				Risk and return			
	Correct	Incorrect	Don't know	Refused	Correct	Incorrect	Don't know	Refused	Correct	Incorrect	Don't know	Refused
Total	89.5	2.3	5.2	3.0	53.2	35.1	7.7	4.0	84.0	5.9	6.3	3.8
Size (employees)												
1	91.2	1.4	5.0	2.4	50.7	38.5	7.0	3.7	84.4	6.5	5.4	3.7
2 to 4	87.6	2.3	7.1	3.0	54.0	31.7	10.7	3.6	82.5	4.7	9.4	3.4
5 to 9	91.2	3.9	2.0	2.9	56.7	34.9	5.5	2.9	85.3	7.2	3.3	4.2
10 to 19	85.2	3.4	5.8	5.6	50.6	37.8	3.5	8.1	80.7	9.3	2.9	7.1
20 to 49	94.2	2.4	0.0	3.4	62.8	28.8	0.0	8.4	95.6	1.2	1.6	1.6
Sector												
Manufacturing	83.2	2.5	12.8	1.5	58.0	33.1	7.4	1.5	86.0	5.0	6.1	2.8
Construction and real estate activities	88.7	0.4	7.2	3.7	47.2	39.6	9.1	4.1	83.4	5.8	6.7	4.1
Wholesale and retail trade	93.8	3.2	1.2	1.9	52.3	39.8	5.1	2.8	88.6	6.3	2.5	2.6
Transportation, distribution and storage	92.1	2.6	5.2	0.0	50.8	37.6	11.7	0.0	85.9	6.2	7.9	0.0
Accommodation and food service activities	81.2	5.1	7.0	6.7	55.7	25.7	11.2	7.5	75.3	7.1	10.9	6.7
Other personal services	91.9	0.0	8.1	0.0	54.3	30.8	11.3	3.6	77.6	5.8	13.0	3.6
Information and communication	92.1	6.1	1.8	0.0	57.9	37.7	0.0	4.4	92.1	6.1	0.0	1.8
Business services (legal, accounting, advertising and cleaning services)	94.4	1.3	3.5	0.9	60.2	33.4	4.2	2.2	87.9	8.7	2.6	0.9
Other	88.9	1.2	4.a	5.8	51.3	35.0	6.2	7.5	83.4	3.4	6.2	7.0

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

employing fewer than 20 employees with the 20-49 employee group, the smallest difference is seen in the question on dividends. 89.4% of business owners employing fewer than 20 employees understood this concept, 4.8 percentage points (pp) less than in the case of the bigger enterprises. In the other cases, the percentage of correct responses by business owners employing fewer than 20 employees was around 10 pp lower than the percentage of business owners employing 20 to 49 employees.

By sector (see Table 2), the small enterprises in the business services sector and the information and communication sector obtained the best results in the financial knowledge questions, with percentages of correct responses above the average for all the sectors in all the questions. By contrast, the respondents in the other personal services, accommodation and food service activities, and construction and real estate activities sectors have a percentage of correct responses below the average for all the sectors in at least three of the

Table 2

PERCENTAGES OF RESPONSES TO QUESTIONS ON FINANCIAL KNOWLEDGE, BY CHARACTERISTICS OF THE ENTERPRISE (cont'd)

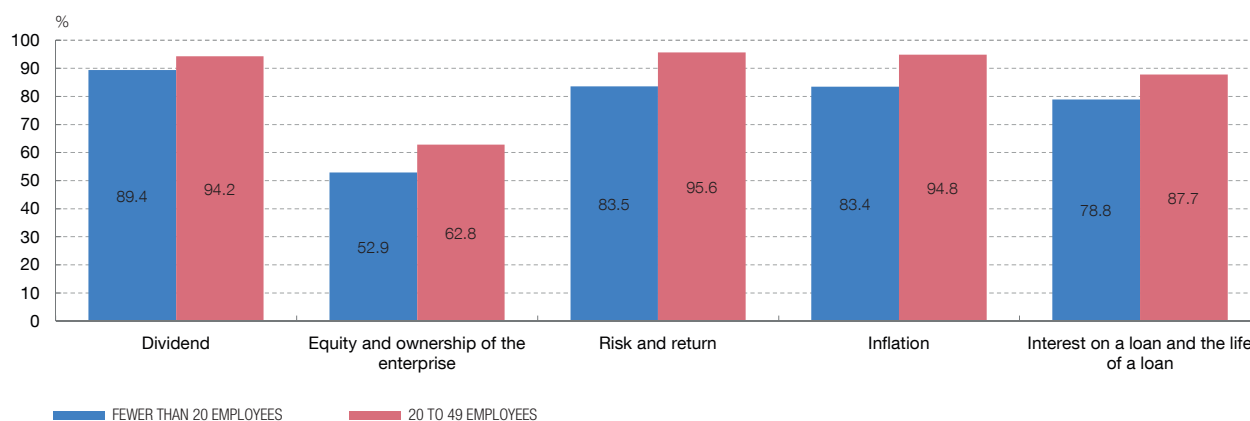
	Inflation				Interest on a loan and the life of a loan			
	Correct	Incorrect	Don't know	Refused	Correct	Incorrect	Don't know	Refused
Total	83.8	5.5	6.9	3.8	79.1	13.5	4.3	3.1
Size (employees)								
1	83.7	6.6	6.0	3.7	79.8	13.4	4.4	2.4
2 to 4	82.8	5.3	8.6	3.3	76.7	14.5	5.7	3.1
5 to 9	83.6	4.5	7.7	4.1	81.8	12.8	1.9	3.5
10 to 19	84.5	4.0	3.7	7.8	78.8	11.9	3.0	6.3
20 to 49	94.8	3.6	0.0	1.6	87.7	10.7	0.0	1.6
Sector								
Manufacturing	83.9	0.0	14.6	1.4	76.2	15.0	7.3	1.4
Construction and real estate activities	80.8	5.7	8.2	5.2	76.3	14.4	5.7	3.7
Wholesale and retail trade	86.8	7.7	3.3	2.2	81.8	15.4	0.6	2.2
Transportation, distribution and storage	85.6	5.2	9.2	0.0	76.7	15.4	7.9	0.0
Accommodation and food service activities	79.6	3.2	9.8	7.5	77.3	9.1	7.0	6.7
Other personal services	83.2	9.5	3.6	3.6	69.7	22.4	7.9	0.0
Information and communication	86.0	12.2	0.0	1.8	89.1	9.1	0.0	1.8
Business services (legal, accounting, advertising and cleaning services)	92.9	3.2	3.0	0.9	86.6	9.9	2.6	0.9
Other	79.8	5.0	8.6	6.6	81.7	9.5	3.0	5.9

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

Chart 1

PROPORTION OF CORRECT RESPONSES TO QUESTIONS ON FINANCIAL KNOWLEDGE, BY NUMBER OF EMPLOYEES

Enterprises with 20 to 49 employees obtain higher percentages of correct responses to the questions on financial knowledge than those with fewer than 20 employees.



SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

five questions. Specifically, in the other personal services sector, 77.6% (6.4 pp below the average) of small business owners correctly answered the question on risk and return, and 69.7% (9.4 pp below the average) the question on the relationship between interest on a loan and the life of a loan. In the case of respondents in the accommodation and food service activities sector, the shares of correct responses to these two questions are 75.3% (8.7 pp below the average) and 77.3% (1.8 pp below the average), respectively. Lastly, in the case of businesses in the construction and real estate activities sector, the differences compared with the average are smaller than in the two above-mentioned cases, although it is the only sector whose percentage of correct responses is lower than the average in all five questions.

4 Financial attitudes

In addition to financial knowledge, another component of the enterprises' financial literacy is the owner's attitude towards the enterprise's financial position. In this paper, financial attitudes are assessed on the basis of three questions that the owners must answer by stating whether or not they agree with a specific statement using a scale of 1 to 4, where 4 indicates that they strongly agree, 3 that they agree, 2 that they disagree and 1 that they strongly disagree. First, the owner is asked whether they set long-term financial goals for the business and strive to achieve them. This question aims to collect data on the existence of a plan beyond the short term. Second, the owner is asked whether they are confident to approach banks and external investors to obtain business finance. Third, the business owner is asked whether they prefer to follow their instinct rather than to make detailed financial plans for their business. This question aims to collect data on whether the business owner makes detailed financial plans.

According to the survey (see Table 3), 79.3% of the respondents agree or strongly agree with the statement "I set long-term financial goals for the business and strive to achieve them". 71.8% of small enterprise owners respond that they agree or strongly agree with the statement regarding confidence to obtain business finance. Lastly, a lower percentage (64.3%) of owners respond that they disagree or strongly disagree with the statement that they prefer to follow their instinct rather than to make detailed financial plans.

This pattern (of agreeing with setting long-term financial goals and being confident to obtain business finance and of disagreeing with preferring their instinct over detailed plans) is observed more often at bigger enterprises. Almost 95% of business owners employing 10 to 19 employees and 89.5% of owners of businesses with 20 or more employees agree with the statement that they set long-term financial goals for their business. This percentage falls to below 85% of smaller enterprises and slips to 74% for enterprises with one employee. More than 90% of business owners employing 10 to 19 employees and 84.1% of owners of businesses with 20 or more employees agree with the statement that they can obtain business finance. This percentage falls to below 72% of enterprises with fewer than five employees and slips to 63.6% for enterprises with one employee. As regards the question on making detailed financial plans for the business, a higher percentage of business owners agree with this statement in the group of businesses with 20 to 49 employees (87.9%) than in the group with 10 to 19 employees (76.1%) and in the group with fewer than ten employees (less than 63%).

By sector of activity, some interesting differences are observed among the small enterprises. Taking into account the above-mentioned pattern, information and communication enterprises' high values in the three areas (with above-average response percentages) should be noted: 87.8% (8.6 pp above the average) of business owners in this sector respond that they set long-term financial goals and strive to achieve them; 75.7% (3.9 pp above the average) respond that they are confident to obtain business finance; and 69.7% (5.4 pp above the average) disagree with the statement "I prefer to follow my instinct rather

Table 3

PERCENTAGES OF RESPONSES TO QUESTIONS ON FINANCIAL ATTITUDES, BY CHARACTERISTICS OF THE ENTERPRISE

	Agree and strongly agree with setting long-term financial goals for the business and striving to achieve them	Agree and strongly agree with being confident to approach banks and external investors to obtain business finance	Disagree and strongly disagree with preferring to follow their instinct rather than to make detailed financial plans for their business
Total	79.3	71.8	64.3
Size (employees)			
1	74.0	63.6	58.3
2 to 4	78.3	71.2	63.0
5 to 9	84.9	81.6	71.2
10 to 19	94.6	90.5	76.1
20 to 49	89.5	84.1	87.9
Sector			
Manufacturing	80.1	68.0	57.8
Construction and real estate activities	75.9	70.1	67.5
Wholesale and retail trade	85.2	77.5	67.6
Transportation, distribution and storage	74.5	73.6	71.0
Accommodation and food service activities	79.3	64.5	52.2
Other personal services	70.2	58.1	59.3
Information and communication	87.8	75.7	69.7
Business services (legal, accounting, advertising and cleaning services)	78.3	80.4	69.5
Other	78.6	75.1	68.0

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

than to make detailed financial plans for my business". This particular pattern is also more widespread among wholesale and retail trade enterprises, as they have higher-than-average percentages in the three aforementioned areas (85.2%, 77.5 % and 67.6%, respectively).

By contrast, the above-mentioned attitude pattern is less common at enterprises in the other personal services sector, as they have lower-than-average response percentages for the three questions on financial attitudes: 70.2% (9.1 pp below the average) of the respondents from this sector state that they set long-term financial goals and strive to achieve them; 58.1% (13.7 pp below the average) state that they are confident to approach banks and external investors to obtain business finance; and 59.3% (5 pp below the average) prefer to make detailed financial plans rather than to follow their instinct. Something similar occurs at enterprises in the accommodation and food service activities sector (79.3%, 64.5% and 52.2 %, respectively, in the three aforementioned financial attitudes), although in this case the percentage of business owners that set long-term goals and strive to achieve them is equal to, not lower than, the average.

5 Financial behaviour

Besides knowledge of general financial concepts and the aforementioned financial attitudes, another component of financial literacy is related to certain “financially savvy” behaviours by business owners. Financial behaviour is measured in this paper on the basis of answers to nine questions (see Table 4). The first five are qualitative multiple-choice questions. The business owner must respond by choosing the option which most closely resembles their behaviour or way of thinking. First, the business owner is asked whether they use a separate savings account for their household and for their business (separation account). Second, they are asked whether they considered several options from different financial providers before making their decision about a financial product or service (shopping around). Third, they are asked whether, and if so how, they keep track of the financial records of the business (in electronic format, in paper form, in their head, someone else does it for them or in another way). The fourth question asks whether the business owner has thought about how they will fund their own retirement or maintain themselves when they no longer work due to old age. The fifth question asks the business owner what they would do if they discovered that most of the equipment that they need to operate the business (computers, vehicles or other equipment) has been stolen. For the final four questions (6 to 9), the business owner must respond by indicating whether they agree or not with a specific statement using a scale of 1 to 4 where 4 indicates that they strongly agree, 3 that they agree, 2 that they disagree and 1 that they strongly disagree. Question 6 asks the business owner whether they keep secure data and information about the business. The seventh question refers to whether the business owner compares the cost of different sources of finance for the business before making a decision. The eighth question asks whether the business owner forecasts the profitability of the business regularly. Lastly, question 9 refers to whether they adjust their planning according to the changes in economic factors.

The percentages of business owners displaying the different financial behaviours described above vary (see Chart 2). Based on these varying percentages, “financially savvy” behaviours can be split into three groups. There is a first group of behaviours common to virtually all owners of businesses with fewer than 50 employees in which practically all of them state that they keep track of the financial records (98.6%), keep secure data and information (94.3%), and have separate household and business accounts (93.1%). Second, there are other financial behaviours which are somewhat less widespread. Specifically, 82.3% of business owners indicate that they compare the cost of different sources of finance for the business. In addition, 79.2% forecast profitability regularly and 78.0% adjust their planning to changes in economic factors. Lastly, there is a third group of less frequent financial behaviours. First, 72.2% of small enterprise owners have strategies to cope with theft and 66.3% considered several options from different financial providers before making their decision. Finally, 55.3% of small enterprise owners think about how they will fund their own retirement.

By enterprise size, and excluding planning for retirement, while the percentage of owners of businesses with five or more employees that display each of the aforementioned

Table 4

DEFINITION OF AND VALUES FOR THE QUESTIONS ON FINANCIAL BEHAVIOUR

	Question	Value for analysis
1	Do you have separate accounts for your household and for your business?	1 if the business owner responds that they use strictly separate accounts and 0 in all other cases, including the possibility that, while having separate accounts for their household and their business, they find it quite difficult to manage household and business finances separately
2	Do you shop around for financial products and services?	1 if the business owner considered several options from different financial providers before making their decision, or was looking for them but did not find them, and 0 in all other cases, including the consideration of various options from one financial provider
3	Do you keep track of the financial records?	1 if the business owner keeps track of them in electronic format, in paper form, if someone else does it for them and in another way
4	Have you thought about how you will fund your own retirement?	1 if the business owner has thought about their own retirement
5	Do you have strategies to cope with theft?	1 if the business owner has foreseen this contingency and, consequently, responds that either they would use money that their business has set aside for emergencies or that they would claim insurance on all or part of the equipment. 0 if the business owner would take a loan to buy new equipment, would use some personal or household funds, would ask family members or friends to lend them money or equipment, would stop their business temporarily or for good or that they have never thought about how they would cope
6	Do you keep secure data and information about the business?	1 if the business owner responds "Agree" or "Strongly agree" with the statement "I keep secure data and information about the business " and 0 in all other cases
7	Do you compare the cost of different sources of finance for the business?	1 if the business owner responds that they "Agree" or "Strongly agree" with the statement "I compare the cost of different sources of finance for the business" and 0 in all other cases
8	Do you forecast the profitability of the business regularly?	1 if the business owner responds that they "Agree" or "Strongly agree" with the statement "I forecast the profitability of the business regularly" and 0 in all other cases
9	Do you adjust your planning according to the changes in economic factors?	1 if the business owner responds that they "Agree" or "Strongly agree" with the statement "I adjust my planning according to the changes in economic factors" and 0 in all other cases

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

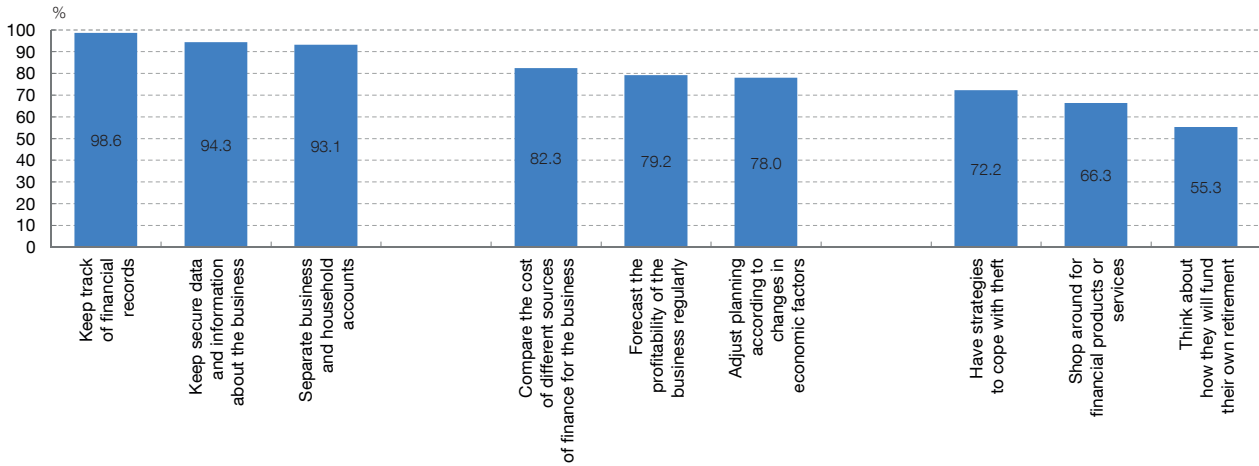
financially savvy behaviours is greater than the average for all enterprises, this is not the case for smaller businesses (see Table 5). It should be noted that, irrespective of size, more than 90% of owners of businesses with fewer than 50 employees keep track of the business's financial records, keep secure data and information, and have separate household and business accounts. With regard to the second group of behaviours analysed above (comparing different sources of finance, forecasting profitability regularly and adjusting planning to economic changes), fewer owners of businesses with fewer than five employees display these different behaviours than owners of bigger enterprises: the share of enterprises from this group that displays these financial behaviours is below 80%.

However, where there appear to be more size-based differences between enterprises is in the behaviours in the third group of questions. 55.3% of enterprises with one employee (11 pp below the average for all businesses) shop around for different financial products and services. This figure increases to 66.6% (similar to the average for all businesses) for owners of businesses with two to four employees. Also, 61% of enterprises with one employee (11.2 pp below the average) have strategies to cope with theft. This figure rises to 76% for owners of

Chart 2

RESPONSES TO QUESTIONS ON FINANCIAL BEHAVIOUR

Small enterprises' least frequent financial behaviour is having strategies to cope with theft, shopping around for financial products and services before making a decision and having thought about how to fund their retirement.



SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

businesses with two to four employees.¹¹ By contrast, more than 79% of business owners employing five or more employees shop around for different financial products and services and have strategies to cope with theft. These percentages are above the average for all businesses. Lastly, irrespective of size, between 50.7% and 56.1% of owners think about how they will fund their own retirement or maintain themselves when they no longer work. In this case, a higher and above-average percentage of business owners employing fewer than five employees state that they have thought about these matters.

With regard to sector of activity, owners of manufacturing enterprises are the only ones with percentages in excess of 80% in terms of displaying all the considered behaviours, except for planning for their own retirement. In all sectors, except for transportation, distribution and storage, more than 90% of business owners keep separate household and business accounts. In the transportation, distribution and storage sector, 86% of business owners (11 pp below the average for all sectors) state that they do so. The same occurs when considering enterprise-size groups, regardless of sector of activity: more than 90% of business owners keep track of their businesses' financial records and keep secure data and information about the business. Owners of accommodation and food service activities and other personal services businesses are those who least compare the costs

¹¹ In an additional regression analysis an equation was estimated measuring the multiple correlation between the two financial behaviour indicators with the greatest business size-based difference (shopping around and strategies to cope with theft) and an indicator of financial literacy (calculated as the sum of the indicators of the three components, i.e. knowledge, attitudes and behaviours), business size groups and sector of activity. The results of the estimation indicate that the differences between the group of enterprises with one employee with respect to the group of business owners employing two to four employees and the group of business owners employing five or more employees remain even when taking into account other variables, such as the level of financial literacy and sector of activity.

Table 5

PERCENTAGES OF RESPONSES TO QUESTIONS ON FINANCIAL BEHAVIOUR, BY CHARACTERISTICS OF THE ENTERPRISE

	Keeps track of the financial records	Keeps secure data and information about the business	Has separate accounts for their household and for their business	Compares the cost of different sources of finance for the business	Forecasts the profitability of the business regularly	Adjusts their planning according to the changes in economic factors	Has strategies to cope with theft	Shops around for financial products and services	Thinks about how they will fund their own retirement
Total	98.6	94.3	93.1	82.3	79.2	78.0	72.2	66.3	55.3
Size (employees)									
1	97.8	94.8	91.4	78.6	74.6	77.1	61.0	55.3	56.1
2 to 4	98.5	93.5	92.7	80.7	79.1	74.1	76.0	66.6	55.7
5 to 9	99.7	95.5	95.6	89.9	83.1	82.2	82.1	79.0	53.6
10 to 19	100.0	94.5	96.8	91.6	91.6	89.0	83.2	85.3	54.0
20 to 49	100.0	92.8	97.6	89.2	86.2	87.0	88.5	87.2	50.7
Sector									
Manufacturing	100.0	97.3	100.0	86.2	82.7	81.1	80.1	80.1	50.3
Construction and real estate activities	98.7	91.9	90.4	81.6	76.0	70.5	66.6	68.2	56.4
Wholesale and retail trade	98.0	95.0	93.7	82.9	81.8	82.8	73.9	72.0	55.1
Transportation, distribution and storage	97.4	91.0	85.9	84.4	85.9	80.7	71.9	59.3	53.8
Accommodation and food service activities	98.1	93.6	90.3	79.5	71.1	73.3	66.9	61.8	49.0
Other personal services	100.0	94.2	96.5	76.7	72.8	69.7	75.1	55.2	54.0
Information and communication	97.6	90.3	90.3	81.8	89.1	89.1	72.7	71.6	78.8
Business services (legal, accounting, advertising and cleaning services)	99.1	95.6	92.7	81.5	80.4	78.2	77.1	60.8	66.4
Other	98.5	95.7	94.5	85.9	83.0	82.0	71.0	63.0	55.3

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

of different sources of financing (less than 80%). In addition, in these two sectors, as in the construction and real estate activities sector, the share of business owners that forecast profitability regularly is smaller (less than 80%, below the average for all sectors). Enterprises in these three sectors (other personal services, construction and real estate activities, and accommodation and food service activities) adjust their planning according to changes in economic factors less than the average for all the sectors. It is also noteworthy that only 55.2% of owners of other personal services businesses (32 pp below the average) and 59.3% of owners of transportation, distribution and storage businesses (28 pp below the average) shop around for different financial services and products. Likewise, below-average percentages of business owners in the construction and real estate activities (66.6%) and accommodation and food service activities (66.9%) sectors state that they have strategies to cope with theft. Lastly, business owners display similar levels of concern for how they will fund their retirement across all sectors.

6 Ownership of financial instruments

The Survey of Small Enterprises' Financial Literacy provides data on the ownership of different financial instruments.

To facilitate their presentation, they are grouped into financing instruments, on the one hand, and insurance and derivatives, on the other. Among the former, a distinction is drawn between debt instruments (bank overdrafts or credit lines, business loans from a bank, invoice discounting, corporate bonds, sustainable bonds or loans, micro-credit, trade credit and working capital facilities), capital instruments (public equity, venture capital, business angels, crowdfunding, initial coin offerings¹² and mezzanine finance¹³) and other financing instruments (leasing and factoring). Insurance includes information on the insurance policies (property insurance, third-party liability insurance, business interruption insurance and life insurance for the owner) arranged. Derivatives include, among others, the ownership of options, futures and swaps.

Chart 3 shows that small enterprises in Spain are mainly financed via debt instruments, specifically bank lending (bank loans and credit lines). For instance, more than one-half of small enterprises use bank loans (52.7%) and these are the most used financing instruments, followed by credit lines in second place (used by 39.2% of enterprises with fewer than 50 employees). The third most used financing instrument is leasing (27.4%). Invoice discounting (20.8%), trade credit (19.8%) and working capital facilities (16.9%) are all used relatively less. These instruments are followed by corporate bonds (13.9%), factoring (11.6%) and micro-credit (10.6%). Lastly, small enterprises make marginal use of capital instruments and other newer forms of financing, such as sustainable bonds, crowdfunding, initial coin offerings and mezzanine finance.

Despite there not being a widespread obligation to do so, 70.4% of owners of small enterprises have arranged third-party liability insurance. A smaller percentage of enterprise owners with fewer than 50 employees state in the survey that they have taken out property insurance (53.4%) or life insurance for the owner (50%). Lastly, 17.9% of small enterprise owners have arranged business interruption insurance, while 3.1% use financial derivatives.

Use of financing instruments varies by enterprise size (see Table 6). Enterprises with fewer than ten employees (especially those with fewer than five) use credit lines, working capital facilities and invoice discounting less than the bigger enterprises.¹⁴ Among

¹² A type of cryptocurrency-based crowdfunding (that is often unregulated).

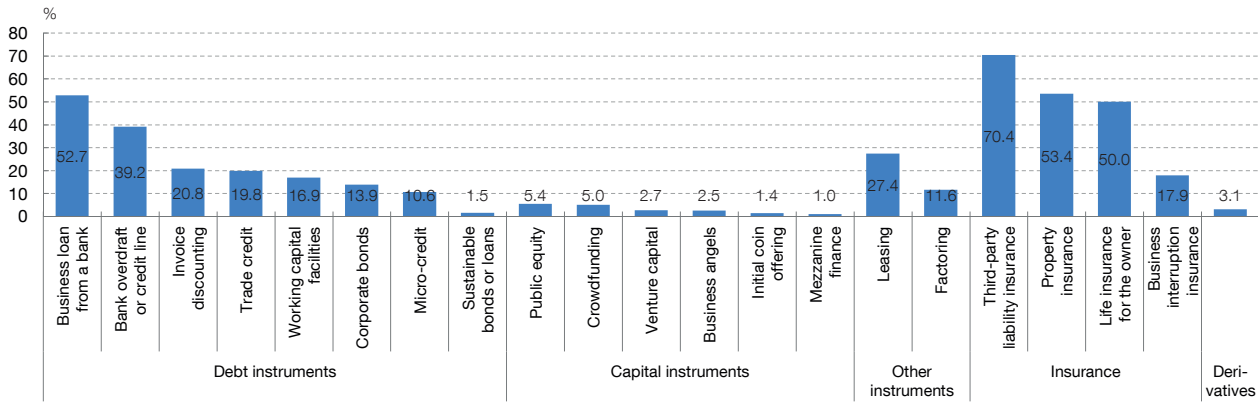
¹³ Mezzanine finance is a hybrid of debt and equity financing which grants the lender ownership rights or an equity interest in the business in the event of default, after venture capital firms and other senior lenders are paid.

¹⁴ In an additional analysis an equation was estimated where the dependent variable was each of the indicators of use of financial instruments – bank debt and other borrowing – (a dummy variable equal to 1 if the respondent answered that they use this instrument and 0 otherwise) and was regressed on an indicator of financial literacy (calculated as the sum of the indicators of the three components, i.e. knowledge, attitudes and behaviours), business size groups and sector of activity. The results of the estimation indicate that the differences between the enterprises with fewer than five employees and those with five or more remain even when comparing enterprises in the same sector with identical financial literacy levels.

Chart 3

PERCENTAGES OF RESPONDENTS THAT HAVE USED OR USE FINANCIAL INSTRUMENTS

The most common financing instruments used by small enterprises are bank loans, bank overdrafts or credit lines, and leasing; use of capital instruments, however, is marginal. More than 70% of small enterprises have arranged third-party liability insurance, just over 50% property insurance and 17.9% business interruption insurance.



SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

the former, bank lending stands out very significantly as the main source of primary funding. However, for the enterprises with ten or more employees (especially those with 20 or more employees) use of credit lines is almost as widespread as that of loans. Among the capital instruments, enterprises with 20 or more employees use both public equity and venture capital more than smaller ones. Meanwhile, enterprises with fewer than ten employees use crowdfunding, business angels, initial coin offerings and mezzanine finance more than bigger ones, although the incidence of these instruments among small enterprises is quite limited (below 6%). With regard to the other instruments, no significant differences, by enterprise size, are observed in the use of micro-credit, while leasing, factoring, trade credit and corporate bonds are all used more by the bigger firms, as is the case for bank debt instruments.

There is little use of insurance by enterprises with one employee. Specifically, third-party liability insurance is used by 54.9% of enterprises with one employee, compared with an average of 70.4% for all enterprises; life insurance for the owner by 41.1%, compared with an average of 50%; property insurance by 39.5%, compared with an average of 53.4%; and business interruption insurance by 12.6%, compared with an average of 17.9%. A higher proportion of enterprise owners employing 20 or more employees use property insurance (81.7%, versus an average of 53.4%) and third-party liability insurance (88.7%, versus an average of 70.4%). Just 22.3% of owners of bigger enterprises use business interruption insurance and, regardless of enterprise size, there is scant use of derivatives.

Use of financial instruments is highly uneven across the different sectors (see Table 6). The survey indicates that small manufacturing enterprises are those that use the

Table 6

PERCENTAGES OF THE RESPONDENTS THAT HAVE USED OR USE FINANCIAL INSTRUMENTS, BY CHARACTERISTICS OF THE ENTERPRISE

	Bank overdraft or credit line	Business loan from a bank	Invoice discounting	Corporate bonds	Sustainable bonds or loans	Micro-credit	Trade credit	Working capital facilities	Public equity	Venture capital	Business angels
Total	39.2	52.7	20.8	13.9	1.5	10.6	19.8	16.9	5.4	2.7	2.5
Size (employees)											
1	28.0	40.7	12.6	8.0	1.4	9.0	13.4	9.2	6.1	3.2	2.8
2 to 4	40.3	54.3	18.5	14.0	2.0	12.8	19.8	16.6	4.7	2.3	2.4
5 to 9	46.9	64.8	31.7	17.8	0.6	10.1	22.9	19.8	2.9	1.4	3.8
10 to 19	61.8	74.7	42.2	31.5	1.2	10.1	34.0	37.2	6.6	1.2	0.0
20 to 49	69.4	71.7	43.8	23.3	1.9	8.6	48.2	47.8	13.4	8.2	0.0
Sector											
Manufacturing	50.7	62.1	33.8	24.6	0.0	15.9	27.7	27.5	1.7	0.0	1.3
Construction and real estate activities	36.8	54.0	20.3	14.2	2.1	7.7	17.4	15.5	6.2	3.0	1.6
Wholesale and retail trade	45.9	52.4	30.8	19.6	1.4	12.7	33.1	25.3	7.6	3.8	3.5
Transportation, distribution and storage	33.8	59.7	18.8	13.4	1.3	10.1	22.6	10.5	1.3	4.3	0.0
Accommodation and food service activities	43.4	56.4	11.2	10.8	1.2	15.5	16.4	12.0	4.5	2.4	2.1
Other personal services	31.5	42.9	5.4	5.1	2.5	5.1	5.3	6.4	2.5	2.5	4.9
Information and communication	32.6	48.7	20.1	11.9	2.5	6.3	22.1	25.2	6.4	4.4	0.0
Business services (legal, accounting, advertising and cleaning services)	30.2	41.1	14.3	6.8	0.9	6.8	10.6	12.9	6.5	2.7	2.6
Other	32.0	54.1	18.8	10.4	2.3	8.7	10.9	12.3	5.9	1.4	2.3

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

most financing instruments and in a higher proportion. They are mainly funded via bank debt, arranging loans (62.1%), credit lines (50.7%) and invoice discounting (33.8%). The percentage of businesses in this sector using this type of financing instrument is greater than the average. Their use of trade credit (27.7%), leasing (33.2%), working capital facilities (27.5%) and micro-credit (15.9%) is also above average. Compared with the other sectors, manufacturing enterprises use corporate bonds (24.6%) and factoring (25.3%) the most. At the other end of the scale, other personal services enterprises use financing instruments (bank debt, borrowing from other agents or capital instruments) to a lesser extent: 42.9% of small enterprises in this sector use bank loans (9.8 pp below the average for all sectors); 31.5% use credit lines (7.7 pp below the average); and 16.9% use leasing (10.5 pp below the average). The other financing instruments are used by less than 6.4% of small enterprises in the other personal services sector.

With regard to the other sectors, a very similar-to-average proportion of wholesale and retail trade, and information and communication enterprises use the following instruments:

Table 6

PERCENTAGES OF THE RESPONDENTS THAT HAVE USED OR USE FINANCIAL INSTRUMENTS, BY CHARACTERISTICS OF THE ENTERPRISE (cont'd)

	Crowdfunding	Initial coin offering	Mezzanine finance	Leasing	Factoring	Property insurance	Third-party liability insurance	Business interruption insurance	Life insurance for the owner	Derivatives
Total	5.0	1.4	1.0	27.4	11.6	53.4	70.4	17.9	50.0	3.1
Size (employees)										
1	5.5	2.3	0.9	16.8	6.8	39.5	54.9	12.6	41.1	3.3
2 to 4	5.8	1.4	1.8	26.6	8.6	57.4	77.1	20.3	53.3	3.3
5 to 9	3.3	0.2	0.0	39.0	20.1	64.5	81.1	20.6	55.6	1.8
10 to 19	4.4	0.0	0.0	49.4	28.4	69.5	84.7	26.5	63.5	3.0
20 to 49	0.0	0.0	0.0	54.7	24.8	81.7	88.7	22.3	58.9	3.9
Sector										
Manufacturing	1.3	0.0	0.0	33.2	25.3	61.5	68.8	21.8	44.8	0.0
Construction and real estate activities	6.7	1.6	1.2	26.6	10.8	48.8	70.2	13.2	44.9	4.4
Wholesale and retail trade	6.5	1.9	0.9	29.7	14.5	61.9	70.9	22.3	55.7	4.1
Transportation, distribution and storage	0.0	0.0	0.0	48.0	14.4	53.5	77.5	16.4	53.8	1.3
Accommodation and food service activities	5.7	1.2	1.2	17.9	3.2	63.9	76.0	20.4	54.8	1.2
Other personal services	6.2	2.5	2.5	16.9	3.8	31.9	59.7	18.8	48.8	2.5
Information and communication	4.4	2.5	2.5	22.1	13.8	35.9	72.2	10.1	45.2	6.3
Business services (legal, accounting, advertising and cleaning services)	4.4	0.9	0.5	27.6	10.0	43.8	67.9	11.3	43.7	1.8
Other	3.7	1.4	0.8	29.3	12.0	49.6	70.0	15.4	47.1	4.9

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

credit lines (45.9% and 32.6%, respectively, compared with the average of 39.2%); invoice discounting (30.8% and 20.1%, respectively, compared with the average of 20.8%); trade credit (27.7% and 22.1%, respectively, compared with the average of 19.8%); and working capital facilities (25.3% and 25.2%, compared with the average of 16.9%). Given the type of service they provide, in the transportation, distribution and storage sector use of leasing stands out, with 48% of small enterprises funded through this channel, compared with an average of 27.4%. In the accommodation and food service activities sector the use of micro-credit is noteworthy (15.5%, versus an average of 10.6%). By contrast there is a lower relative use of invoice discounting (11.2%, versus an average of 20.8%), leasing (17.9%, versus an average of 27.4%) and factoring (3.2%, versus an average of 11.6%).

With regard to insurance, fewer enterprises in the other personal services sector have arranged third-party liability insurance (59.7%, compared with an average of 70.4%). Also, fewer enterprises in this and the information and communication sector have property insurance (31.9% in the former and 35.9% in the latter, compared with an average of 53.4%).

Use of business interruption insurance is also uneven. In particular, more than 20% of small enterprises in the wholesale and retail trade, manufacturing and accommodation and food service activities sectors have arranged business interruption insurance. Meanwhile, less than 15% of enterprises in the information and communication, business services and construction and real estate activities sectors have done so. There are no noteworthy differences in the use of life insurance across the sectors. Lastly, while they are thin on the ground, as in no case do they exceed 7% of enterprises, financial derivatives are used mainly in information and communication (6.3%), in construction and real estate activities (4.4%) and in wholesale and retail trade (4.1%).

FINANCIAL LITERACY BY DEMOGRAPHIC CHARACTERISTICS OF THE BUSINESS OWNER

The main text of the paper provides data on the components of financial literacy (financial knowledge, attitudes and behaviour) of small enterprises by size and sector of activity. This box analyses financial literacy by the demographic characteristics of their owners. In the sample, most business owners (77.7%) are men. Almost 70% of the business owners are aged 40-59, and around 70% have a university degree. More than three-quarters of the business owners with a university degree have received education in subjects related to economics.¹ Furthermore, data are available on the years of professional experience and whether the business owner's parents currently own a business, or have owned one in the past.

First, with regard to financial knowledge, Table 1 presents the percentage of correct responses to the questions on dividends, equity and ownership of the enterprise, the trade-off between risk and return, inflation and the relationship between interest on a loan and the life of a loan. No important differences in the percentage of correct responses are observed by gender or by age group. However, a higher percentage of women report that they don't know or refuse to answer the question.² Differences by educational attainment level are observed. Specifically, the percentage of correct responses by small enterprise owners who have not completed compulsory secondary education (lower secondary education or below) is, depending on the question, between 7.9 pp and 17.8 pp smaller than that of the group with a university or post-graduate education. The proportion of correct responses in the group of business owners with the lowest educational attainment level is below average in the questions on dividends (78.1%, compared with an average of 89.5%), on the trade-off between risk and return (75%, compared with an average of 84%) and on inflation (72%, versus an average of 83.8%), while this proportion in the group of business owners with a university education is above average. In the question on the relationship between interest on a loan and the life of the loan, 65.1% of the group with the lowest educational attainment level answered correctly (10 pp below average), while in the question on equity and ownership of the enterprise, 49% (4 pp below average) answered correctly.

It is interesting to observe that no important differences exist between the owners with, at most, an upper secondary school

education and those with a university degree without subjects related to economics. In this regard, note that the questionnaire does not enable comparisons of the financial knowledge of some specific university degrees which, despite not including any subjects related to economics, could have a significant mathematics component, such as engineering degrees. Accordingly, this result should be interpreted with caution. Lastly, university graduates that have taken subjects related to economics have higher percentages of correct answers in all areas. Specifically, their percentage of correct answers is 5.8 pp to 12.9 pp higher than that of university graduates that have not taken any subjects related to economics. Those owners with more than 10 years of professional experience and those with at least one parent who owns or has owned a business also have greater financial knowledge. This descriptive analysis does not disentangle the owners' different characteristics. Therefore, a regression analysis is performed subsequently to take into account the interconnectedness between them.

Table 2 presents the three financial attitudes analysed in Section 4 of the main text of this paper, by the socio-demographic characteristics of the business owners. There are no differences by gender or by age. By educational attainment level, there are no important differences in the question on whether the business owner is confident to obtain business finance. However, there do appear to be differences in the other two questions on financial attitudes. Specifically, a lower proportion of business owners with the lowest level of educational attainment respond that they set long-term financial goals and strive to achieve them (63.2%, almost 20 pp less than business owners with a university or post-graduate education). In addition, 38.4% of this group of business owners report that they disagree with the statement "I prefer to follow my instinct rather than to make detailed financial plans for my business", compared with 70.1% of the group of business owners with the highest educational attainment level. Lastly, by level of experience and having a business owner for a parent, there are no significant differences between the three attitudes analysed.

The nine financial behaviours presented in Section 5 are analysed in Table 3, by the characteristics of the business owners. By gender, there are no noticeable differences in the responses

-
- 1 No reliable source for small enterprise owners' socio-demographic characteristics exists with which to compare these figures. The Living Conditions Survey (LCS) enables the obtainment of data on the employers (business owners with employees) and self-employed workers group. However, information on the enterprise's number of employees is required to be able to compare this group with that of the small enterprise owners in the Financial Literacy Survey, but the LCS does not have reliable information on enterprise size. Even so, if we compare the demographic characteristics of the employers and self-employed workers group according to the 2020 LCS, there are no differences by gender, while differences do exist by age and by educational attainment level. In the LCS there is a higher proportion of young business owners aged 20-39 (16.4% in the LCS, versus 8.7% in the Financial Literacy Survey) and of business owners aged 70 and over (25.8% in the LCS, versus 2.8% in the Financial Literacy Survey). The LCS has a lower proportion of university graduates (29.8%, compared with 68.3% in the survey) and a higher proportion of respondents who have not completed lower secondary education (47.2%, compared with 11.3% in the survey).
 - 2 In the 2016 Survey of Financial Competencies, a higher percentage of women than men reported that they did not know the answer. See O. Bover, L. Hospido and E. Villanueva, "Survey of Financial Competencies 2016. Main results", Table 2, Banco de España.

FINANCIAL LITERACY BY DEMOGRAPHIC CHARACTERISTICS OF THE BUSINESS OWNER (cont'd)

Table 1
PERCENTAGES OF RESPONSES TO QUESTIONS ON FINANCIAL KNOWLEDGE, BY DEMOGRAPHIC CHARACTERISTICS OF THE OWNER

	Dividend				Equity and ownership of the enterprise				Risk and return			
	Correct	Incorrect	Don't know	Refused	Correct	Incorrect	Don't know	Refused	Correct	Incorrect	Don't know	Refused
Total	89.5	2.3	5.2	3.0	53.2	35.1	7.7	4.0	84.0	5.9	6.3	3.8
Age												
20-39	81.3	3.8	9.6	5.3	57.8	28.6	8.0	5.6	81.0	8.2	5.0	5.8
40-49	89.3	2.2	5.0	3.4	54.3	31.7	9.9	4.1	82.7	6.6	6.9	3.7
50-59	91.8	1.9	4.1	2.2	53.1	39.0	5.2	2.6	88.3	4.9	4.0	2.8
60-69	90.9	2.6	4.7	1.8	50.5	37.9	8.0	3.5	81.9	6.8	8.2	3.1
70 or over	95.4	4.6	0.0	0.0	58.3	39.2	0.0	2.5	92.6	6.1	1.3	0.0
Educational attainment level												
Lower secondary education or below	78.1	4.1	15.1	2.7	49.0	26.8	21.8	2.4	75.0	7.2	15.5	2.4
Upper secondary education	87.3	4.7	4.7	3.2	47.0	41.9	6.3	4.9	85.7	4.0	5.2	5.0
University or post-graduate	94.1	1.1	3.1	1.8	56.9	35.3	4.9	3.0	86.3	6.6	4.8	2.4
University or post-graduate, with subjects related to economics	97.0	1.0	0.7	1.2	60.9	34.1	2.4	2.6	89.1	6.3	2.5	2.2
University or post-graduate, without subjects related to economics	88.1	1.3	8.7	1.9	48.0	38.6	11.2	2.2	80.5	8.0	10.0	1.5
Gender												
Female	88.6	2.2	5.7	3.5	51.5	33.2	9.9	5.4	81.1	4.5	8.8	5.7
Male	89.9	2.3	5.0	2.8	53.8	35.7	6.9	3.6	84.9	6.3	5.4	3.3
Business experience												
< 5 years	86.3	1.4	8.3	4.0	54.7	32.5	8.8	4.0	80.0	8.9	6.4	4.7
5-10 years	86.8	2.3	5.1	5.8	49.4	34.7	8.0	7.9	85.1	3.3	4.1	7.5
> 10 years	92.1	2.5	3.7	1.6	54.8	36.6	6.2	2.5	85.8	6.4	5.8	2.0
Business owners for parents												
At least one parent owns or has owned a business	94.0	1.9	2.5	1.6	60.2	33.7	3.8	2.3	88.9	6.4	2.7	2.0
None	88.0	3.0	6.5	2.5	50.0	36.7	9.2	4.2	82.2	5.6	8.6	3.5

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

to the questions on financial behaviours. Irrespective of age, keeping track of financial records is widespread. Having separate household and business accounts is a widespread behaviour, although business owners aged 60 and over do so to a lesser extent (slightly below 90%). Keeping secure data and information on the business is another widespread behaviour across all age groups, although to a lesser extent among business owners aged 20-39 (89.8%, compared with an average of 94.3%). Furthermore,

as business owners get older, they are less likely to shop around for financial products: 80.2% of business owners aged 20-39 respond that they have assessed different options from different financial service and product providers before making a decision, compared with 56.1% of owners aged 60-69 and 59.9% of business owners aged 70 and over. With regard to whether they have thought about how they will fund their own retirement, the proportion increases as business owners get older, with the highest proportion of responses

FINANCIAL LITERACY BY DEMOGRAPHIC CHARACTERISTICS OF THE BUSINESS OWNER (cont'd)

Table 1
PERCENTAGES OF RESPONSES TO QUESTIONS ON FINANCIAL KNOWLEDGE, BY DEMOGRAPHIC CHARACTERISTICS OF THE OWNER (cont'd)

	Inflation				Interest on a loan and life of a loan			
	Correct	Incorrect	Don't know	Refused	Correct	Incorrect	Don't know	Refused
Total	83.8	5.5	6.9	3.8	79.1	13.5	4.3	3.1
Age								
20-39	83.6	4.3	7.6	4.6	82.9	6.6	5.9	4.5
40-49	79.6	7.3	8.8	4.4	79.8	12.4	4.3	3.5
50-59	88.0	4.7	4.8	2.4	81.0	14.4	2.3	2.4
60-69	85.8	5.0	6.3	2.9	74.1	17.3	6.3	2.3
70 or over	84.5	10.6	2.5	2.5	83.6	16.4	0.0	0.0
Educational attainment level								
Lower secondary education or below	72.0	7.3	18.4	2.4	65.1	19.3	13.2	2.4
Upper secondary education	80.6	6.5	7.5	5.4	78.2	14.7	3.7	3.4
University or post-graduate	88.3	5.1	4.3	2.3	82.9	12.6	2.6	1.9
University or post-graduate, with subjects related to economics	91.3	5.5	1.5	1.8	85.3	12.4	0.8	1.5
University or post-graduate, without subjects related to economics	82.2	4.3	11.1	2.4	79.5	13.3	5.8	1.5
Gender								
Female	79.3	6.5	9.2	5.0	77.0	14.6	4.8	3.6
Male	85.2	5.3	6.1	3.5	79.8	13.2	4.0	2.9
Business experience								
< 5 years	82.4	9.6	4.2	3.7	73.5	19.3	3.5	3.7
5-10 years	79.1	4.1	8.5	8.4	75.3	14.5	4.3	5.9
> 10 years	86.7	5.3	5.7	2.3	81.8	13.2	3.3	1.7
Business owners for parents								
At least one parent owns or has owned a business	88.0	5.5	4.6	1.9	83.2	13.9	1.3	1.6
None	82.9	5.7	7.6	3.8	77.9	13.4	6.0	2.7

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

stating that they agree with the statement among business owners aged 50 and over (more than 60% state that they have thought about this matter, compared with 41.1% for the 40-49 age group and 33.9% for the 20-39 age group). A below-average percentage of business owners with the lowest educational attainment level report keeping secure data and information about the business (90.6%, compared with an average of 94.3%) and forecasting profitability regularly (68.1%, compared with an average of 79.2%). The business owners with a university or post-graduate education that have also taken subjects related to economics have the highest percentages for comparing the cost of different sources of financing (88%), forecasting profitability

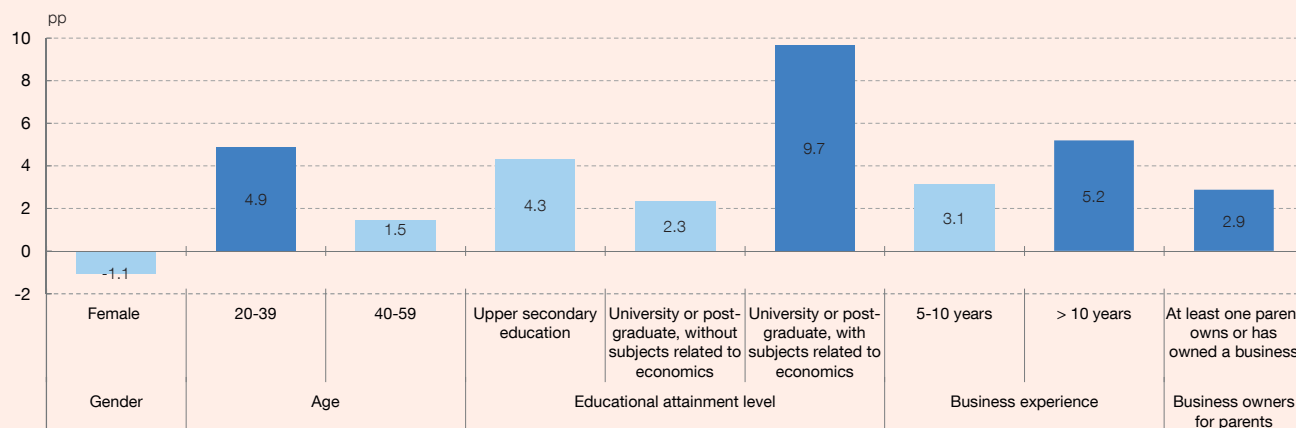
regularly (84.3%), adjusting planning according to the changes in economic factors (82.7%), shopping around for different financing providers (70.1%) and having strategies to cope with theft (77.9%). For the same behaviours, except for shopping around for different financing providers, business owners with more than 10 years of business experience and those with at least one parent who owns or has owned a business have a higher proportion of affirmative responses than the other groups.

After this unconditional analysis of knowledge, attitudes and behaviour by characteristics, it is useful to measure the degree of association between a composite indicator of small enterprises'

FINANCIAL LITERACY BY DEMOGRAPHIC CHARACTERISTICS OF THE BUSINESS OWNER (cont'd)

Chart 1
DIFFERENCE IN THE COMPOSITE FINANCIAL LITERACY INDICATOR BETWEEN OWNERS WITH DIFFERENT SOCIO-DEMOGRAPHIC CHARACTERISTICS

The level of small enterprises' financial literacy varies depending on some of the demographic characteristics of their owners. The other demographic characteristics remaining constant, business owners aged 20-39, owners with a university or post-graduate level education with subjects related to economics, owners with more than 10 years' business experience and owners with at least one parent who owns or has owned a business are all more financially literate. No gender differences are observed, however.



SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

NOTE: The bars depict the coefficients obtained by regressing the indicator of small enterprises' financial literacy on the demographic characteristics of the business owner: gender, age (20-39, 40-59), educational attainment level (upper secondary education, university with subjects related to economics, university without subjects related to economics), business experience (5-10 years, more than 10 years) and a dummy variable with the value 1 if at least one parent owns or has owned a business. The omitted categories are: male, age (60 or over), educational attainment level (lower secondary education or below) and business experience (< 5 years).

The light blue bars denote coefficients that are not statistically significant at a 90% significance level.

financial literacy³ and each owner's different demographic characteristics (gender, age educational attainment level, business experience and whether at least one of their parents owns or has owned a business), with the other characteristics remaining constant. Each bar in Chart 1 denotes the difference in the score (out of 100) between the group shown in the chart and the group omitted (by gender, men are the omitted group; by age, business owners aged 60 and over; by educational attainment level, business owners that have not completed upper secondary education; by business experience, owners with less than five years of experience; and by business owners for a parent, the owners without a business owner for a parent). Thus, when comparing men and women with the same above-mentioned demographic characteristics, we see that women score 1.1 points less in the financial literacy indicator than men with identical

socio-demographic characteristics. However, this difference is not statistically significant (light blue colour). This result is different from that in the Survey of Financial Competencies conducted in 2016 on the adult population, where a significant financial literacy gender gap was observed.⁴ Business owners aged 20-39 are more financially literate than older business owners; specifically, they score an average of 4.9 points more in the financial literacy indicator than business owners aged 60 and over. Unlike for business owners aged 40-59, the difference compared with the omitted group is significant (dark blue bar). This result also contrasts with that in the Survey of Financial Competencies, where 18 to 34 year olds were less financially literate than the other age groups. By educational level, no statistically significant differences exist in the financial literacy of business owners that have completed upper secondary education and of those with a university education that have not

³ To construct this composite indicator of the enterprise's financial literacy using survey data, the OECD proposes to add up all the values for the financial knowledge, attitudes and behaviour questions (17 questions), divide the sum by 17 and express the resulting score out of 100 (see OECD (2021), *G20/OECD-INFE Report Navigating the Storm: MSMEs' financial and digital competencies in COVID-19 times*, <https://www.oecd.org/daf/fin/financial-education/navigating-the-storm-msmes-financial-and-digital-competencies-in-covid-19-times.htm>). This indicator was used in Boxes 1 and 2 of this paper.

⁴ See O. Bover, L. Hospido and E. Villanueva, "Survey of Financial Competencies 2016. Main results", Box 4, Banco de España.

FINANCIAL LITERACY BY DEMOGRAPHIC CHARACTERISTICS OF THE BUSINESS OWNER (cont'd)

Table 2
PERCENTAGES OF RESPONSES TO QUESTIONS ON FINANCIAL ATTITUDES, BY DEMOGRAPHIC CHARACTERISTICS OF THE OWNER

	Agree and strongly agree with setting long-term financial goals for the business and striving to achieve them	Agree and strongly agree with being confident to approach banks and external investors to obtain business finance	Disagree and strongly disagree with preferring to follow their instinct rather than to make detailed financial plans for their business
Total	79.3	71.8	64.3
Age			
20-39	82.0	73.9	71.9
40-49	79.5	70.6	64.1
50-59	81.9	72.0	68.2
60-69	72.9	68.2	58.5
70 or over	77.3	95.6	63.8
Educational attainment level			
Lower secondary education or below	63.2	71.0	38.4
Upper secondary education	80.6	67.8	64.0
University or post-graduate	82.3	73.4	70.1
University or post-graduate, with subjects related to economics	85.4	77.6	76.2
University or post-graduate, without subjects related to economics	75.9	61.2	53.6
Gender			
Female	78.3	74.3	62.0
Male	79.6	70.9	65.0
Business experience			
< 5 years	79.7	69.3	65.1
5-10 years	78.3	68.1	64.9
> 10 years	80.2	72.3	63.3
Business owners for parents			
At least one parent owns or has owned a business	81.3	72.7	67.6
None	77.9	71.3	63.9

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

taken subjects related to economics, compared with the group of business owners with an educational attainment level equal to lower secondary education or below.⁵ However, business owners with a university education that have taken subjects related to economics are more financially literate: specifically, they score 9.7 points more in the financial literacy indicator than business owners with an educational attainment level equal to lower secondary education or below. Lastly,

there are other characteristics that are correlated with higher levels of financial literacy: having more than ten years of business experience increases the level of financial literacy by 5.2 points compared with the group of business owners with less than five years of experience, or having at least one parent who owns a business increases the financial literacy indicator by almost 3 points compared with business owners neither of whose parents are business owners.

⁵ As mentioned above, this result must be treated with caution, as a more detailed breakdown by type of degree, which could show high unevenness across different university degrees, is not available.

FINANCIAL LITERACY BY DEMOGRAPHIC CHARACTERISTICS OF THE BUSINESS OWNER (cont'd)

Table 3

PERCENTAGES OF RESPONSES TO QUESTIONS ON FINANCIAL BEHAVIOURS, BY DEMOGRAPHIC CHARACTERISTICS OF THE OWNER

	Keeps track of the financial records	Keeps secure data and information about the business	Has separate accounts for their household and for their business	Compares the cost of different sources of finance for the business	Forecasts the profitability of the business regularly	Adjusts their planning according to the changes in economic factors	Has strategies to cope with theft	Shops around for financial products and services	Thinks about how they will fund their own retirement
Total	98.6	94.3	93.1	82.3	79.2	78.0	72.2	66.3	55.3
Age									
20-39	99.5	89.8	94.8	84.2	82.5	74.8	80.6	80.2	33.9
40-49	98.7	93.1	92.9	79.0	76.1	77.0	72.7	69.1	41.1
50-59	99.7	96.8	95.3	84.6	84.0	79.9	75.3	67.9	60.9
60-69	96.3	93.9	89.6	83.5	70.4	76.1	62.3	56.1	77.2
70 or over	100.0	95.6	81.4	91.4	97.4	92.9	81.5	59.9	88.7
Educational attainment level									
Lower secondary education or below	96.9	90.6	93.0	77.1	68.1	71.3	69.0	62.5	59.9
Upper secondary education	99.0	96.7	90.3	82.9	79.3	76.7	69.2	65.0	54.0
University or post-graduate	99.1	95.0	94.2	83.7	81.4	80.0	75.1	68.4	56.7
University or post-graduate, with subjects related to economics	99.3	95.8	94.1	88.0	84.3	82.7	77.9	70.1	58.6
University or post-graduate, without subjects related to economics	99.0	95.0	94.0	71.9	73.9	72.7	67.2	63.0	53.9
Gender									
Female	99.2	95.3	94.8	81.8	77.3	81.6	73.1	61.5	44.2
Male	98.4	94.1	92.6	82.5	79.7	77.0	72.2	67.8	58.5
Business experience									
< 5 years	96.6	89.3	95.7	77.2	77.4	71.1	68.6	65.7	41.2
5-10 years	100.0	94.2	93.7	77.9	76.9	78.2	68.0	65.0	43.6
> 10 years	98.8	95.3	92.6	83.5	79.1	78.6	74.0	65.9	63.0
Business owners for parents									
At least one parent owns or has owned a business	99.1	95.1	94.0	84.5	81.8	80.0	76.1	68.0	59.9
None	98.3	94.6	92.2	80.4	77.0	76.6	70.0	65.2	55.6

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

FINANCIAL LITERACY AND ITS IMPACT ON MITIGATING THE COVID-19 CRISIS

The COVID-19 health crisis is having an unprecedented economic impact on the Spanish economy. The adverse effects have been severe for enterprises with fewer than 50 employees, as shown by the year-on-year decrease in turnover (18% in 2020 Q4).¹ This box analyses the results of a specific survey module on the behaviour of small enterprises during the pandemic, and how this is connected to their owners' financial literacy.

Based on the survey presented in this paper, more than 65% of small enterprises saw a decline in turnover and in profit owing to the health crisis (see Table 1). However, the drop in employment was somewhat smaller, as it affected only 27.0% of enterprises. Around 37.7% of enterprises recorded an increase in their debt and 47.9% had liquidity problems. Broadly speaking, enterprises with between two and nine employees were hit harder than

relatively bigger firms (10 to 49 employees), especially in terms of profit and liquidity. Furthermore, the uneven nature of the crisis was evident when analysing the results of the different sectors. Accommodation and food service activities was by far the most affected sector, with 85.2% of enterprises reporting a drop in turnover and 54.2% a reduction in employment.

One interesting matter that can be analysed on the basis of the survey data is the extent to which better financial literacy mitigated the adverse effects of the crisis. This relationship could mainly arise through two channels.² First, business owners with high levels of financial knowledge might know of and use instruments that are better suited to the enterprise's new needs. Second, their enterprises might have a sounder pre-crisis financial position. In order to investigate the uneven impact of the crisis by different

Table 1
PERCENTAGE OF ENTERPRISES ADVERSELY IMPACTED BY THE COVID-19 CRISIS, BY CHARACTERISTICS OF THE ENTERPRISE

	Adverse impact on				Lack of liquidity
	Turnover	Profit	Number of employees	Debt	
Total	65.2	65.3	27.0	37.7	47.9
Size (employees)					
1	62.4	62.8	22.0	24.6	41.1
2 to 4	69.4	68.7	30.6	43.2	55.6
5 to 9	68.7	70.6	31.5	50.9	52.0
10 to 19	52.4	53.3	24.7	46.3	39.2
20 to 49	64.6	57.8	27.1	45.8	39.8
Sector					
Manufacturing	69.6	64.4	16.9	52.4	44.8
Construction and real estate activities	56.1	59.9	16.7	32.1	38.0
Wholesale and retail trade	58.9	59.4	22.2	39.8	45.4
Transportation, distribution and storage	72.8	66.4	28.6	40.3	50.4
Accommodation and food service activities	85.2	87.6	54.2	49.4	71.5
Other personal services	76.1	72.9	34.2	32.0	52.1
Information and communication	66.7	68.5	20.6	32.1	30.3
Business services (legal, accounting, advertising and cleaning services)	53.9	55.7	15.5	25.2	31.4
Other	60.4	59.7	27.1	30.9	48.8

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

- 1 By contrast, enterprises with 50 or more employees saw a year-on-year decline in turnover of 12.5%. See A. Fernández Cerezo, B. González, M. Izquierdo and E. Moral-Benito (2021), "The economic impact of COVID-19 on Spanish firms according to the Banco de España Business Activity Survey (EBAE)", Analytical Articles, *Economic Bulletin* 1/2021, Banco de España.
- 2 It should be highlighted that the analysis in this box is aimed at investigating the existence of a correlation between financial literacy and the impact of the COVID-19 crisis rather than at identifying the causal mechanisms.

FINANCIAL LITERACY AND ITS IMPACT ON MITIGATING THE COVID-19 CRISIS (cont'd)

levels of financial literacy, in the following analysis the sample of small enterprises was divided into four groups, based on the quartiles of a composite indicator of financial literacy capturing the information on the owners' financial knowledge, attitudes and behaviour.³ Chart 1 shows the percentage of enterprises reporting an adverse impact on different indicators of economic activity for each financial literacy quartile.⁴ While the effects of the crisis on the level of turnover and of debt are quite similar at enterprises with different levels of financial literacy, the crisis has had a somewhat smaller impact on profit and a quite smaller impact on employment and cash flows for enterprises in the upper quartiles of financial literacy.

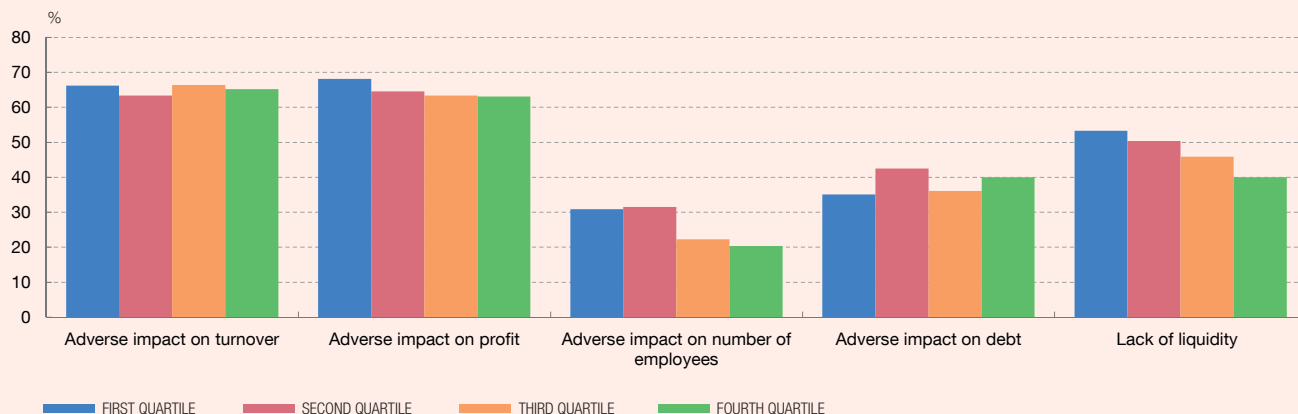
The uneven impact of the crisis across different financial literacy levels could also reflect differences in enterprise size or belonging to sectors that experienced a sharper decline in their economic activity (such as accommodation and food service activities). To control for these factors, Chart 2 depicts the results of a regression analysis establishing the relationship between the probability of suffering an adverse impact on a certain economic indicator and the different financial literacy levels of the business owners, once the enterprise's size and sector of activity are taken into account. The chart's bars

denote the difference, in percentage points, in the probability of being adversely impacted compared with the enterprises in the first financial literacy quartile. A light colour denotes that these differences are not statistically significant, while a dark colour denotes that they are. Based on the results associated with the different financial literacy quartiles, the differences are not statistically significant in terms of the impact of the crisis on turnover, profit and debt, once the enterprise's size and sector have been taken into account. However, a high financial literacy level (the uppermost quartile) appears to be associated with a smaller probability that the crisis has had an adverse impact on employment and liquidity, even among enterprises of the same size and in the same sector. Specifically, an enterprise in the uppermost financial literacy quartile is 9 pp less likely to have been impacted adversely in employment than an enterprise in the first quartile, while the impact on the probability of suffering a lack of cash is around -12 pp.

The smaller impact of the crisis on certain economic indicators among more financially literate business owners appears to be related to a greater use of financial instruments or support schemes implemented by the Government to counter the adverse

Chart 1
IMPACT OF COVID-19, BY FINANCIAL LITERACY QUARTILE

The COVID-19 crisis has had a somewhat smaller impact on employment and liquidity at those enterprises whose owners are more financially literate. However, the impact on turnover, profit and debt is similar among small enterprises, regardless of the owner's financial literacy.



SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

NOTE: If all the enterprises are ordered by their financial literacy indicator level, the first quartile refers to the 25% of enterprises with the lowest indicator, the second quartile to those between 25% and 50%, the third to those between 50% and 75% and the fourth to enterprises between 75% and 100% with the highest indicator.

³ See Box 1 for an explanation of this indicator.

⁴ If all the enterprises are ordered by their financial literacy indicator level, the first quartile refers to the 25% of enterprises with the lowest indicator, the second to enterprises between 25% and 50%, the third to those between 50% and 75%, and the fourth to those from 75% upwards with the highest financial literacy indicator.

FINANCIAL LITERACY AND ITS IMPACT ON MITIGATING THE COVID-19 CRISIS (cont'd)

effects of the crisis. In order to analyse in depth the mitigation strategies used by the enterprises, Table 2 presents, by sector and by size, the percentage of enterprises that applied for and were granted a new loan, or that resorted to various government support schemes (income transfers,⁵ government loan guarantee schemes, debt moratoria, furlough schemes (ERTE by their Spanish initials), tax moratoria, rental moratoria, change in utilities provider, etc.). 41.3% of the enterprises in the sample applied for a new loan, which was granted in full to 78.8% of the applicants.⁶ Tax moratoria and furlough schemes were the support schemes from which most businesses benefited (31.8% and 29.0% of enterprises, respectively). Bigger enterprises (20 or more employees) resorted to external financing via new loans more than smaller ones. By contrast, the firms with between five and nine employees were those that most benefited, in relative terms, from government loan guarantee schemes, furlough schemes and tax and rental moratoria. Lastly, enterprises with fewer than five employees were those that benefited the most from income transfers.

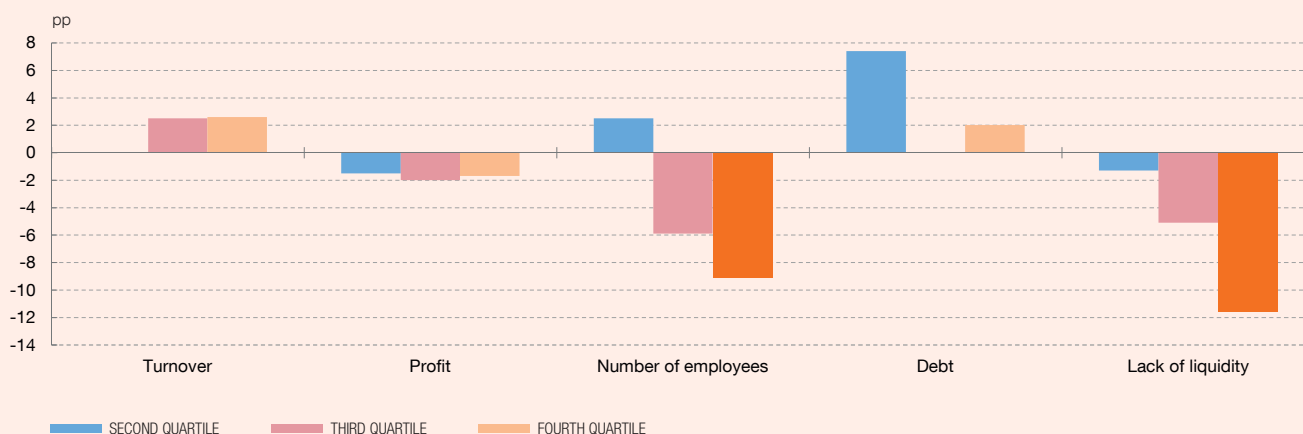
With regard to cross-sector heterogeneity, the probability of applying for a loan or benefiting from the government

support programmes is related to the decline in economic activity in different sectors. For example, while 56.6% of the accommodation and food service activities enterprises furloughed employees, just 9.4% of business services enterprises and 12.7% of information and communication enterprises did so. Similarly, 42.5% of accommodation and food service activities enterprises and 30.3% of other personal services enterprises benefited from income transfers, while those in the information and communication (1.8%) and manufacturing (2.9%) sectors made marginal use of this instrument.

To analyse whether there is a correlation between financial literacy and use of these instruments, Chart 3 depicts the results of a regression analysis similar to that depicted in Chart 2. Specifically, the chart provides information on whether the probability of applying for a loan, it being granted if applied for, or resorting to a government support programme is higher for the most financially literate enterprises (fourth quartile) in relation to the least financially literate (first quartile), for enterprises of the same size and in the same sector. Thus, a bar at 1 on the y axis would denote a 1 pp greater probability of the variable of analysis for enterprises in the fourth quartile compared with those in the

Chart 2
DIFFERENCES IN THE PROBABILITY OF BEING ADVERSELY IMPACTED AS A RESULT OF THE COVID-19 CRISIS COMPARED WITH THE ENTERPRISES IN THE FIRST FINANCIAL LITERACY QUARTILE

A high financial literacy level is associated with a lower probability of the crisis having had an adverse impact on employment and liquidity, even among enterprises of the same size and in the same sector.



SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

NOTE: The bars depict the coefficients of a regression of the probability of being adversely impacted in one of the economic indicators on the different quartiles of the financial literacy indicator (the omitted category is the first quartile) and the characteristics of the enterprises (sector and size). The light blue, red and orange bars denote coefficients that are not statistically significant at a 90% significance level.

5 Income transfers mean direct grants to enterprises, including subsidies and other benefits such as those for suspension of activity.

6 Among the other applicants, 14.3% were only granted part of the loan they applied for, 3.2% had their application rejected and 2.6% turned down the proposal as they considered the loan terms and conditions unsuitable.

FINANCIAL LITERACY AND ITS IMPACT ON MITIGATING THE COVID-19 CRISIS (cont'd)

first financial literacy quartile. A light colour denotes that these differences are not statistically significant, while a dark colour denotes that they are. The first two bars show that, among enterprises of the same size and in the same sector, being more financially literate is associated with a greater probability of applying for a loan and of the loan being granted if applied for. With regard to the government support programmes, the more financially literate enterprises are more likely to resort to government loan guarantee schemes. There is no statistically significant relationship between financial literacy and the use of furlough schemes or debt and tax moratoria. Furthermore,

income transfers and rental moratoria were used predominantly by the least financially literate enterprises.

Lastly, another strategy to mitigate the impact of the crisis that has been widely used throughout the pandemic is the digitalisation of business activity. As this strategy generally requires a significant amount of funds to be mobilised, it could be related to financial literacy. In order to analyse this possibility, indicators of the level of enterprise digitalisation were constructed both for the pre-COVID-19 crisis period and for the period corresponding to the date on which the owner responded to the survey.⁷

Table 2
PERCENTAGE OF ENTERPRISES THAT TOOK A LOAN OR USED A GOVERNMENT SUPPORT PROGRAMME, BY CHARACTERISTICS OF THE ENTERPRISE

	Applied for a new loan	Granted the loan in full (% of total of enterprise applicants)	Resorted to a government support programme						
			Income transfers	Government loan guarantee schemes	Debt moratoria	Furlough schemes	Tax moratoria	Rental moratoria	Change in utilities provider
Total	41.3	78.8	16.5	24.3	14.1	29.0	31.8	14.4	6.4
Size (employees)									
1	25.8	80.9	14.3	12.8	8.0	9.4	18.0	6.2	3.3
2 to 4	44.7	73.5	23.6	27.4	16.1	33.9	36.8	18.3	9.1
5 to 9	57.5	80.5	13.7	38.9	19.8	54.5	47.0	26.7	9.0
10 to 19	58.3	86.5	5.6	34.7	22.4	41.5	41.8	12.9	5.2
20 to 49	66.1	87.6	1.7	33.5	19.0	49.2	41.7	13.9	3.4
Sector									
Manufacturing	50.4	72.8	2.9	30.2	14.4	24.0	35.3	13.9	4.9
Construction and real estate activities	38.1	73.9	8.4	25.9	14.4	20.1	28.7	6.7	4.3
Wholesale and retail trade	42.9	83.4	13.4	22.1	12.4	26.8	29.4	12.1	5.3
Transportation, distribution and storage	50.7	92.6	14.9	38.8	11.2	34.3	37.0	15.2	4.7
Accommodation and food service activities	54.8	69.4	42.5	43.5	30.5	56.6	43.5	36.8	21.7
Other personal services	25.2	79.4	30.3	10.3	6.8	37.0	29.9	16.1	2.3
Information and communication	37.5	78.9	1.8	23.6	9.7	12.7	32.1	4.4	5.6
Business services (legal, accounting, advertising and cleaning services)	26.2	73.5	6.7	15.4	8.6	9.4	27.6	6.4	0.9
Other	39.5	86.4	12.9	16.9	11.9	25.0	28.5	9.8	4.4

SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

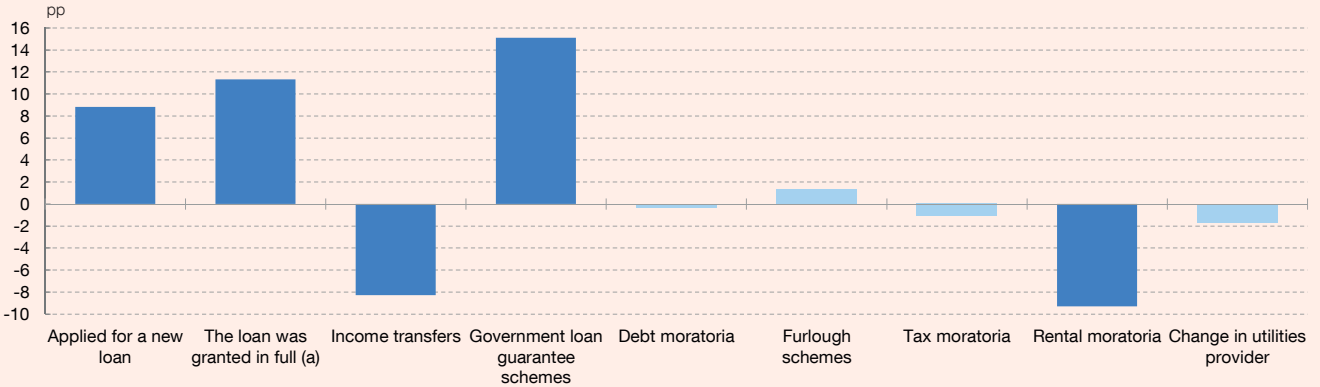
7 The indicators were constructed on the basis of 12 questions on digital activities related to financial products. Of the 12 questions, six are valued with 1 if the owner reports in the questionnaire that they have used a digital service, i.e. whether they have opened a bank account or signed an insurance contract completely online. The other six questions are qualitative and are valued with 1 if the owner considers "quite large" or "very large" the importance of a series of digital behaviours, such as those related to sales, payments and other services through their business's website or a digital platform. For all these questions, the owner had to respond by referring both to the pre-COVID-19-crisis period and to the period when they took the survey. The indicator is constructed by adding the 1s and 0s corresponding to the valuation of these twelve question. Accordingly, the level ranges from 0 for enterprises with little digitalisation to 12 for highly digitalised enterprises. In addition to the level of the indicator in the pre-pandemic period, the change in the indicator between the pre-pandemic period and thereafter is also calculated.

Box 2

FINANCIAL LITERACY AND ITS IMPACT ON MITIGATING THE COVID-19 CRISIS (cont'd)

Chart 3
DIFFERENCE IN THE PROBABILITY OF APPLYING FOR AND BEING GRANTED A LOAN, AND OF RESORTING TO GOVERNMENT SUPPORT SCHEMES BETWEEN ENTERPRISES WITH HIGH AND LOW LEVELS OF FINANCIAL LITERACY

Being more financially literate is associated with a higher probability of applying for a new loan, of it being granted and of resorting to government guarantees. Conversely, income transfers and rental moratoria have been used more frequently by less financially literate enterprises.



SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

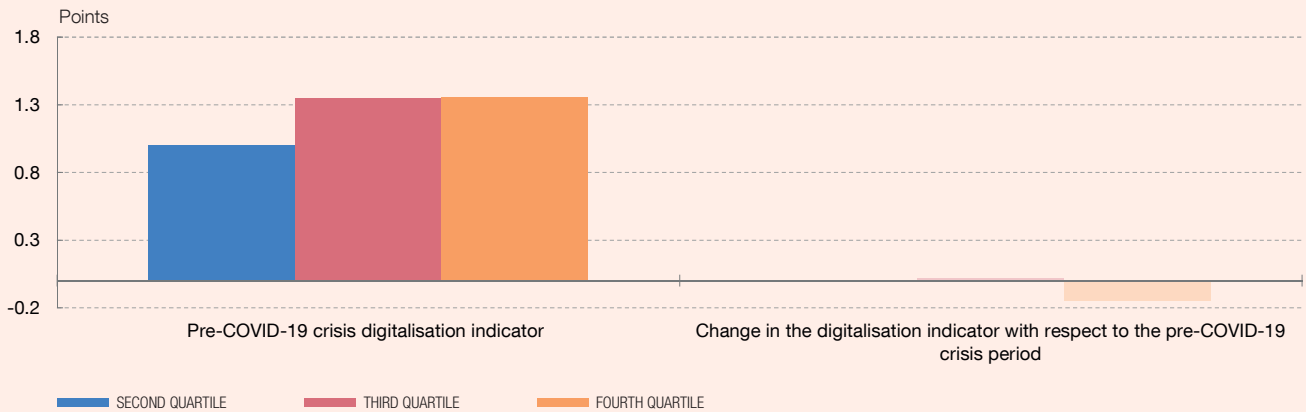
NOTE: The bars represent the coefficients of an indicator with the value 1 for enterprises that are in the fourth financial literacy indicator quartile, obtained through a regression of the probability of resorting to loans or government support programmes on: indicators for the second, third and fourth quartiles of the financial literacy indicator; dummy variables for the type of people involved in making financial decisions for the enterprise (accountant or external manager, external financial adviser, financial intermediary) and characteristics of the enterprise (size and sector). The category omitted in financial literacy is the first quartile of the financial literacy distribution.

The light blue bars denote coefficients that are not statistically significant at a 90% significance level.

a The sample used in the regression includes the enterprises that applied for a loan.

Chart 4
DIFFERENCE IN THE COMPOSITE INDICATOR OF DIGITAL COMPETENCIES COMPARED WITH ENTERPRISES IN THE FIRST FINANCIAL LITERACY QUARTILE

In the pre-crisis period, more financially literate enterprises tend to be more digitalised, with the sector and size remaining constant. However, financial literacy is not associated with the change in digitalisation between the current and pre-COVID-19 crisis periods.



SOURCE: Banco de España (2021 Survey of Small Enterprises' Financial Literacy).

NOTE: The bars denote the coefficients of three indicators with the value 1 for the enterprises that are in the second, third and fourth quartiles of the financial literacy indicator, obtained through regressions of a digitalisation indicator for the pre-COVID-19 period (l-h side) and of the change in the digitalisation indicators between the current and pre-crisis periods (r-h side) on indicators for the second, third and fourth quartiles of the financial literacy indicator and characteristics of the enterprise (size and sector). The omitted category in financial literacy is the first quartile of the distribution of financial literacy. The light blue, red and orange bars denote coefficients that are not statistically significant at a 90% significance level.

FINANCIAL LITERACY AND ITS IMPACT ON MITIGATING THE COVID-19 CRISIS (cont'd)

Chart 4 shows, via a regression analysis, that there is a significant positive correlation between the business owner's financial literacy and the pre-crisis level of digitalisation, for enterprises of the same size and in the same sector. Specifically, enterprises in the fourth financial literacy quartile have a digitalisation indicator that is on average 1.3 points greater. However, when

observing changes in digitalisation levels (constructed as the difference between the digitalisation indicators for the current and pre-crisis periods), enterprises whose owners are more financially literate do not appear to have significantly ramped up their digital activities compared with less financially literate business owners.

BANCO DE ESPAÑA PUBLICATIONS

OCCASIONAL PAPERS

- 2020 ROBERTO BLANCO, SERGIO MAYORDOMO, ÁLVARO MENÉNDEZ and MARISTELA MULINO: Spanish non-financial corporations' liquidity needs and solvency after the COVID-19 shock. (There is a Spanish version of this edition with the same number).
- 2021 MAR DELGADO-TÉLLEZ, IVÁN KATARYNIUK, FERNANDO LÓPEZ-VICENTE and JAVIER J. PÉREZ: Supranational debt and financing needs in the European Union. (There is a Spanish version of this edition with the same number).
- 2022 EDUARDO GUTIÉRREZ and ENRIQUE MORAL-BENITO: Containment measures, employment and the spread of COVID-19 in Spanish municipalities. (There is a Spanish version of this edition with the same number).
- 2023 PABLO HERNÁNDEZ DE COS: The Spanish economy and the COVID-19 crisis. Appearance before the Parliamentary Economic Affairs and Digital Transformation Committee – 18 May 2020. (There is a Spanish version of this edition with the same number).
- 2024 PABLO HERNÁNDEZ DE COS: The main post-pandemic challenges for the Spanish economy. Appearance before the Parliamentary Committee for the Economic and Social Reconstruction of Spain after COVID-19/Congress of Deputies – 23 June 2020. (There is a Spanish version of this edition with the same number).
- 2025 ENRIQUE ESTEBAN GARCÍA-ESCUDERO and ELISA J. SÁNCHEZ PÉREZ: Central bank currency swap lines (There is a Spanish version of this edition with the same number).
- 2026 PABLO AGUILAR, ÓSCAR ARCE, SAMUEL HURTADO, JAIME MARTÍNEZ-MARTÍN, GALO NUÑO and CARLOS THOMAS: The ECB monetary policy response to the COVID-19 crisis. (There is a Spanish version of this edition with the same number).
- 2027 EDUARDO GUTIÉRREZ, ENRIQUE MORAL-BENITO and ROBERTO RAMOS: Tendencias recientes de la población en las áreas rurales y urbanas.
- 2028 ÁNGEL LUIS GÓMEZ: The effects of changes in the composition of employment on euro area wage growth: panel data analysis. (There is a Spanish version of this edition with the same number).
- 2029 MIGUEL GARCÍA-POSADA GÓMEZ: Analysis of insolvency proceedings in Spain against the backdrop of the COVID-19 crisis: insolvency proceedings, pre-insolvency arrangements and the insolvency moratorium. (There is a Spanish version of this edition with the same number).
- 2030 ÁNGEL GÓMEZ-CARREÑO GARCÍA-MORENO: Juan Sebastián Elcano – 500 años de la Primera vuelta al mundo en los billetes del Banco de España. Historia y tecnología del billete.
- 2031 OLYMPIA BOVER, NATALIA FABRA, SANDRA GARCÍA-URIBE, AITOR LACUESTA and ROBERTO RAMOS: Firms and households during the pandemic: what do we learn from their electricity consumption?
- 2032 JÚLIA BRUNET, LUCÍA CUADRO-SÁEZ and JAVIER J. PÉREZ: Contingency public funds for emergencies: the lessons from the international experience. (There is a Spanish version of this edition with the same number).
- 2033 CRISTINA BARCELÓ, LAURA CRESPO, SANDRA GARCÍA-URIBE, CARLOS GENTO, MARINA GÓMEZ and ALICIA DE QUINTO: The Spanish Survey of Household Finances (EFF): description and methods of the 2017 wave.
- 2101 LUNA AZAHARA ROMO GONZÁLEZ: Una taxonomía de actividades sostenibles para Europa.
- 2102 FRUCTUOSO BORRALLO, SUSANA PÁRRAGA-RODRÍGUEZ and JAVIER J. PÉREZ: Taxation challenges of population ageing: comparative evidence from the European Union, the United States and Japan. (There is a Spanish version of this edition with the same number).
- 2103 LUIS J. ÁLVAREZ, M.ª DOLORES GADEA and ANA GÓMEZ LOSCOS: Cyclical patterns of the Spanish economy in Europe. (There is a Spanish version of this edition with the same number).
- 2104 PABLO HERNÁNDEZ DE COS: Draft State Budget for 2021. Testimony before the Parliamentary Budget Committee, 4 November 2020. (There is a Spanish version of this edition with the same number).
- 2105 PABLO HERNÁNDEZ DE COS: The independence of economic authorities and supervisors. The case of the Banco de España. Testimony by the Governor of the Banco de España before the Audit Committee on Democratic Quality / Congress of Deputies, 22 December 2020. (There is a Spanish version of this edition with the same number).
- 2106 PABLO HERNÁNDEZ DE COS: The Spanish pension system: an update in the wake of the pandemic. Banco de España contribution to the Committee on the Monitoring and Assessment of the Toledo Pact Agreements. 2 September 2020. (There is a Spanish version of this edition with the same number).
- 2107 EDUARDO BANDRÉS, MARÍA-DOLORES GADEA and ANA GÓMEZ-LOSCOS: Dating and synchronisation of regional business cycles in Spain. (There is a Spanish version of this edition with the same number).

- 2108 PABLO BURRIEL, VÍCTOR GONZÁLEZ-DÍEZ, JORGE MARTÍNEZ-PAGÉS and ENRIQUE MORAL-BENITO: Real-time analysis of the revisions to the structural position of public finances.
- 2109 CORINNA GHIRELLI, MARÍA GIL, SAMUEL HURTADO and ALBERTO URTASUN: The relationship between pandemic containment measures, mobility and economic activity. (There is a Spanish version of this edition with the same number).
- 2110 DMITRY KHAMETSHIN: High-yield bond markets during the COVID-19 crisis: the role of monetary policy.
- 2111 IRMA ALONSO and LUIS MOLINA: A GPS navigator to monitor risks in emerging economies: the vulnerability dashboard.
- 2112 JOSÉ MANUEL CARBÓ and ESTHER DIEZ GARCÍA: El interés por la innovación financiera en España. Un análisis con Google Trends.
- 2113 CRISTINA BARCELÓ, MARIO IZQUIERDO, AITOR LACUESTA, SERGIO PUENTE, ANA REGIL and ERNESTO VILLANUEVA: Los efectos del salario mínimo interprofesional en el empleo: nueva evidencia para España.
- 2114 ERIK ANDRES-ESCAYOLA, JUAN CARLOS BERGANZA, RODOLFO CAMPOS and LUIS MOLINA: A BVAR toolkit to assess macrofinancial risks in Brazil and Mexico.
- 2115 ÁNGEL LUIS GÓMEZ and ANA DEL RÍO: The uneven impact of the health crisis on the euro area economies in 2020. (There is a Spanish version of this edition with the same number).
- 2116 FRUCTUOSO BORRALLO EGEA and PEDRO DEL RÍO LÓPEZ: Monetary policy strategy and inflation in Japan. (There is a Spanish version of this edition with the same number).
- 2117 MARÍA J. NIETO and DALVINDER SINGH: Incentive compatible relationship between the ERM II and close cooperation in the Banking Union: the cases of Bulgaria and Croatia.
- 2118 DANIEL ALONSO, ALEJANDRO BUESA, CARLOS MORENO, SUSANA PÁRRAGA and FRANCESCA VIANI: Fiscal policy measures adopted since the second wave of the health crisis: the euro area, the United States and the United Kingdom. (There is a Spanish version of this edition with the same number).
- 2119 ROBERTO BLANCO, SERGIO MAYORDOMO, ÁLVARO MENÉNDEZ and MARISTELA MULINO: Impact of the COVID-19 crisis on Spanish firms' financial vulnerability. (There is a Spanish version of this edition with the same number).
- 2120 MATÍAS PACCE, ISABEL SÁNCHEZ and MARTA SUÁREZ-VARELA: Recent developments in Spanish retail electricity prices: the role played by the cost of CO₂ emission allowances and higher gas prices. (There is a Spanish version of this edition with the same number).
- 2121 MARIO ALLOZA, JAVIER ANDRÉS, PABLO BURRIEL, IVÁN KATARYNIUK, JAVIER J. PÉREZ and JUAN LUIS VEGA: The reform of the European Union's fiscal governance framework in a new macroeconomic environment. (There is a Spanish version of this edition with the same number).
- 2122 MARIO ALLOZA, VÍCTOR GONZÁLEZ-DÍEZ, ENRIQUE MORAL-BENITO and PATROCINIO TELLO-CASAS: Access to services in rural Spain. (There is a Spanish version of this edition with the same number).
- 2123 CARLOS GONZÁLEZ PEDRAZ and ADRIAN VAN RIXTEL: The role of derivatives in market strains during the COVID-19 crisis. (There is a Spanish version of this edition with the same number).
- 2124 IVÁN KATARYNIUK, JAVIER PÉREZ and FRANCESCA VIANI: (De-)Globalisation of trade and regionalisation: a survey of the facts and arguments.
- 2125 BANCO DE ESPAÑA STRATEGIC PLAN 2024: RISK IDENTIFICATION FOR THE FINANCIAL AND MACROECONOMIC STABILITY: How do central banks identify risks? A survey of indicators.
- 2126 CLARA I. GONZÁLEZ and SOLEDAD NÚÑEZ: Markets, financial institutions and central banks in the face of climate change: challenges and opportunities.
- 2127 ISABEL GARRIDO: The International Monetary Fund's view of social equity throughout its 75 years of existence. (There is a Spanish version of this edition with the same number).
- 2128 JORGE ESCOLAR and JOSÉ RAMÓN YRIBARREN: European Central Bank and Banco de España measures against the effects of COVID-19 on the monetary policy collateral framework, and their impact on Spanish counterparties. (There is a Spanish version of this edition with the same number).
- 2129 BRINDUSA ANGHIEL, AITOR LACUESTA and FEDERICO TAGLIATI: 2021 Survey of Small Enterprises' Financial Literacy: Main Results. (There is a Spanish version of this edition with the same number).