



## RESEARCH REPORT

# FINEYOU - Understanding Financial Habits and Literacy Among Young People

## 1. INTRODUCTION

This report presents an analysis of the financial habits, challenges, and educational needs of young people in Germany, Bulgaria, and Ireland, based on survey data collected through the FINEYOU project in 2023. The research findings will be used for the development of the FINEYOU financial literacy board game and as a guide for future project activities.



## 1.1 ABOUT FINEYOU PROJECT

The FINEYOU project, funded under the Erasmus+ Programme, aims to enhance financial literacy and economic empowerment among young people, particularly those from disadvantaged backgrounds, aged 15 to 25. The project started in March 2023.

The project focuses on developing tools and resources that will help young people make informed financial decisions, thereby improving their financial security and overall quality of life. One of the key outputs of the project is the development of an innovative financial literacy board game, integrating digital tools and gamification elements. The game is designed to teach financial literacy in an engaging and interactive way. This initiative is a response to the increasing need for financial education, as young people often face significant challenges in managing their finances, particularly in today's rapidly changing economic landscape.

## 1.2 RESEARCH METHODOLOGY



To understand the financial habits, challenges, and educational needs of young people across Europe, a survey was conducted in three countries, Germany, Bulgaria, and Ireland. The survey targeted individuals aged 15–25, with a particular focus on those at risk of social exclusion. The survey consisted of both quantitative and qualitative questions, covering topics such as budgeting, saving, financial education, and the use of financial technology.

The data collected provided a broad view of the financial behaviours and needs of young people in these countries, providing information for the development of the FINEYOU board game.

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## 1.3 SUMMARY OF THE QUANTITATIVE DATA

<b>Total Participants</b>	130 (Germany – 25, Bulgaria – 72, Ireland – 33)
<b>Age Range</b>	Majority of participants were aged 21–25 (Germany – 56%, Bulgaria – 86.1%, Ireland – 66.5%)
<b>Gender</b>	Higher representation of females in all countries (Germany – 52%, Bulgaria – 69.7%, Ireland – 63.6%)
<b>Education Level</b>	Most participants had completed college or university (Germany – 48%, Bulgaria – 43.1%, Ireland – 81.8%)
<b>Employment Status</b>	A significant number of participants were full-time students (Germany – 36%, Bulgaria – 81.9%, Ireland – 69.7%)

## 2. Demographic Analysis

The demographic analysis provides insight into the backgrounds of the survey participants, which influences their financial behaviours. The age distribution is relatively consistent across all three countries, with the majority of respondents aged 21–25. However, Bulgaria shows a slightly higher percentage of younger respondents. Gender distribution varies, with Germany and Bulgaria having a higher percentage of female respondents compared to Ireland.

### 2.1 DETAILED ANALYSIS

**Age Range** – The dominant age group across all three countries was 21–25, indicating that the survey reached a relatively mature and potentially financially independent audience.

●Germany – 56% of respondents are aged 21–25, making it the dominant age group.

●Bulgaria – The majority, 86.1%, are also within the 21–25 age range.

●Ireland – 66.5% of respondents are aged 21–25, with a notable 30.3% aged 18–20.

**Gender Identity** – Females were more represented in the survey, particularly in Bulgaria and Ireland. This skew could influence the types of financial challenges and priorities identified.

●Germany – 52% identify as female, 44% as male, and 4% prefer not to say.

●Bulgaria – 69.7% identify as female, and 37.5% as male.

●Ireland – 63.6% identify as female, with 33.3% identifying as male.

**Education Level** – A large proportion of respondents had completed higher

education, suggesting that the participants are likely to be relatively financially literate but may still face practical financial challenges.

●Germany – 48% have completed college/university, and 28% hold a postgraduate degree.

●Bulgaria – 43.1% have a college/university degree, and 34.7% have completed high school.

●Ireland – 81.8% have a college/university degree, with 12.1% holding postgraduate degrees.

**Employment Status** – With a significant number of full-time students, the findings suggest that many respondents might not yet have full financial independence, which could affect their financial planning and decision-making.

●Germany – 52% are employed full-time, while 36% are full-time students.

●Bulgaria – 81.9% are full-time students, indicating a higher proportion in education.

●Ireland – 69.7% are full-time students, with 27.3% working part-time.





## 2.2 KEY TRENDS

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**Young Adult Focus** – The survey successfully captured insights from young adults, particularly those at a critical stage of entering full financial independence.

2

**Gender Skew** – The higher female representation may suggest a gendered perspective on financial challenges, potentially highlighting issues more prevalent among young women.

3

**High Education Levels** – Despite high levels of education, many respondents still face significant financial challenges, highlighting a gap between financial knowledge and practical financial management skills.



# 3. Financial Habits and Planning

Financial habits and planning are crucial indicators of financial literacy. The survey revealed that while a majority of respondents have a budget or financial plan, the frequency of checking these plans varies widely, indicating differing levels of financial engagement.

## 3.1 DETAILED ANALYSIS

**Budgeting and Financial Planning** - A significant number of respondents in all countries reported having a budget or financial plan (Germany: 60%, Bulgaria: 56.9%, Ireland: 54.5%).

- Germany - 60% of respondents have a budget or financial plan, while 40% do not.
- Bulgaria - 56.9% of participants have a budget, with 43.1% not having one.
- Ireland - 54.5% have a budget or financial plan, with 45.5% without one.

**Frequency of Checking Budgets** - The frequency with which respondents check their budgets varies, with many checking monthly but a significant portion only doing so occasionally or never.

- Germany - 44% of respondents check their budget monthly, 16% weekly, and 20% daily.
- Bulgaria - 25% check their budget monthly, 21.5% weekly, and 18% daily.
- Ireland - 38.9% check their budget monthly, with 16.7% checking weekly, and 21.3% daily.

**Sources of Financial Knowledge** - Family and friends are the primary sources of financial knowledge for most respondents, followed by self-research. This indicates a reliance on informal education over formal financial education.

- Germany - 44% of respondents learn about managing money from family or friends, while 40% rely on self-research.
- Bulgaria - 58.3% learn from family or friends, with 23.6% relying on self-research.
- Ireland - 43.8% learn from family or friends, and 31.3% from self-research.



## 3.2 KEY TRENDS

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**Prevalence of Budgeting** – The majority of young people are engaged in some form of budgeting, which is a positive indicator of financial awareness.

2

**Inconsistent Financial Engagement** – The varying frequency of budget checks suggests that while young people are aware of the need for financial planning, they may lack the discipline or tools to regularly monitor their finances.

3

**Informal Financial Education** – The reliance on family and friends for financial advice highlights the need for more accessible formal financial education resources.

# 4. Financial Challenges

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The survey revealed that saving money and managing debt are the most common financial challenges faced by young people in all three countries. Additionally, many respondents have not taken any formal financial courses, which may contribute to their financial difficulties.

## 4.1 DETAILED ANALYSIS

**Experience with Financial Courses** – A significant gap in formal financial education exists, with the majority of respondents not having taken any courses on managing money.

- Germany – 84% of respondents have not taken any financial courses, indicating a gap in formal financial education.
- Bulgaria – 92.1% have not taken any courses on managing money.
- Ireland – 84.8% have not taken financial courses.

**Confidence in Handling Finances** – Confidence levels vary, with a significant portion of respondents feeling only somewhat confident in managing their finances.

- Germany – 36% of respondents are somewhat confident in handling their finances, with 28% being very confident.
- Bulgaria – 50% are somewhat confident, and 30.5% are very confident.
- Ireland – 38.9% are somewhat confident, and 29.2% are very confident.

**Common Financial Challenges** – Saving money is the most cited challenge across all countries, followed by difficulties in managing debt.

- Germany – The biggest challenges include saving up (64%) and sticking to a budget (48%).
- Bulgaria – 56.9% struggle with saving up, while 44.4% find it difficult to understand investments.
- Ireland – Saving up is the most common challenge (70.7%), followed by managing debts (24.2%).



## 4.2 EXPERIENCES WITH FINANCIAL HARDSHIPS

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### In Germany,

**48%** of respondents reported experiencing financial hardships. The responses varied, with some participants mentioning difficulties in paying bills on time due to issues like incorrect transactions or blocked cards. Others cited significant challenges such as accumulating debt to manage everyday expenses, dealing with credit card debt, and the struggle of managing finances as a student without a full-time job. One respondent shared the difficulty of saving money while repaying loans for a laptop and phone, which impacted their ability to enjoy summer holidays. Another participant described a period during their teenage years when their family faced severe financial distress, leading to months without electricity and food shortages.

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### In Bulgaria,

**20.8%** of respondents reported facing financial difficulties. The qualitative responses highlighted various issues, such as not having enough money to buy food while attending school and dealing with significant debt. Some respondents mentioned that they had to save up because they lacked money, and one respondent noted that their debit card was declined when trying to enter the metro. Others mentioned challenges related to paying rent for their studio or simply stated that they had never faced financial difficulties.

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### In Ireland,

**47.5%** of respondents reported facing financial difficulties. The qualitative feedback provided a range of experiences, including relying on financial aid, struggling to live month-to-month, and managing significant debt. Respondents also mentioned specific challenges like prioritising needs over wants, affording personal care items, and relying on public transportation. Other issues included skipping meals, sharing resources like laptops with siblings, and giving up leisure activities like gym memberships and social outings due to financial constraints.





## 4.3 KEY TRENDS

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**Lack of Formal Education** – The absence of formal financial education is a critical gap that needs to be addressed to improve financial literacy.

2

**Low Confidence Levels** – The lack of confidence in handling finances suggests that young people may benefit from targeted education and resources.

3

**Saving and Debt Management** – These are the two primary areas where young people struggle, indicating a need for tools and education focused on these aspects.

# 5. Learning About Finances

Young people are keen to learn more about financial management, particularly budgeting, saving, and investing. However, their preferred learning methods vary, with a mix of online courses, in-person workshops, and self-directed learning being popular.

## 5.1 DETAILED ANALYSIS

**Interest in Financial Topics** – There is a strong interest in learning about budgeting, saving, and investing, indicating a demand for education in these areas.

- Germany – Budgeting and saving are the most popular topics, with 72% of respondents interested.
- Bulgaria – 69.4% are interested in budgeting and saving, with significant interest in managing debts.
- Ireland – 56.3% are curious about budgeting and saving, with 45.8% interested in investing basics.

**Preferred Learning Methods** – Online courses and webinars are the most popular learning methods, followed by in-person workshops and self-directed learning through videos and podcasts.

- Germany – 40% prefer online courses or webinars, and 32% like watching videos or listening to podcasts.
- Bulgaria – 37.5% prefer in-person workshops, with 36.1% favoring online courses.
- Ireland – 37.5% prefer online courses, while 33.3% like in-person workshops.





## 5.2 KEY TRENDS

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### **High Interest in Financial Education –**

The demand for knowledge on budgeting, saving, and investing suggests that young people are eager to improve their financial literacy.

2

**Diverse Learning Preferences –** The variety of preferred learning methods highlights the need for flexible, multi-modal educational resources.

3

**Technology as a Learning Tool –** The popularity of online learning methods underscores the potential of digital platforms in delivering financial education.

# 6. Technology and Financial Management

Technology plays a significant role in the financial management practices of young people. While many are comfortable using financial apps and online banking, there is still room for improving their knowledge and usage of advanced financial products.

## 6.1 DETAILED ANALYSIS

**Comfort with Using Technology for Finances** – A majority of respondents are comfortable using technology to manage their finances, with Ireland showing the highest comfort levels.

●Germany – 44% of respondents are "somewhat comfy" using technology for their finances, such as online banking or budgeting apps. Another 28% feel "super comfy" with these tools.

●Bulgaria – A similar pattern is observed, with 50% feeling "somewhat comfy" and 22.2% "super comfy" using financial technology.

●Ireland – In Ireland, 51.5% of participants feel "super comfy" using financial technology, the highest among the three countries, while 27.3% feel "somewhat comfy."

**Knowledge of Financial Products** – While many respondents know a little about financial products like loans and insurance, there is still a significant knowledge gap that needs to be addressed.

●Germany – 48% of respondents report knowing "a little" about financial products like loans, insurance, and investments, while 36% say they "know a lot."

●Bulgaria – 50% know "a little," with 29.2% reporting they "know a lot" about financial products.

●Ireland – 54.5% of respondents say they know "a little" about financial products, with 21.9% reporting they "know a lot."



## 6.2 KEY TRENDS

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### **Positive Attitude Toward Technology –**

The general comfort with financial technology suggests a readiness to adopt more advanced digital financial tools.

2

### **Knowledge Gaps –**

Despite comfort with technology, there is still a need to improve understanding of financial products to ensure informed decision-making.

3

### **Opportunity for Tech-Enhanced Learning –**

The intersection of technology and financial education presents an opportunity to develop digital tools that enhance financial literacy.





## 7. Comparative Analysis

Comparing the financial habits, challenges, and educational needs across Germany, Bulgaria, and Ireland reveals both commonalities and differences. These insights are crucial for tailoring the FINEYOU project's educational tools to meet the diverse needs of young people in these countries.

**Demographic Differences** - While the demographic profiles are similar, there are variations in gender distribution and educational backgrounds that may influence financial behaviours.

**Financial Education and Challenges** - Across all three countries, the lack of formal financial education and the challenges of saving and debt management are consistent.

**Technology Usage** - Comfort with financial technology is widespread, but knowledge of advanced financial products varies, indicating differing levels of financial literacy.

# KEY TRENDS

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1

**Common Challenges** – Saving and debt management are universal challenges, suggesting a need for focused educational content in these areas.

2

**Cultural and Regional Variations** – While the challenges are similar, the intensity and specific needs vary by country, highlighting the importance of culturally relevant educational tools.

3

**Tech as a Universal Solution** – The widespread comfort with technology suggests that digital financial education tools could be effectively deployed across all regions.

# Summary

The FINEYOU project research report highlights the financial habits, challenges, and educational needs of young people in Germany, Bulgaria, and Ireland, revealing key trends such as the widespread lack of formal financial education, challenges in saving and managing debt, and varying levels of comfort with financial technology. The report underscores the need for targeted financial literacy programs and practical tools like a board game that engages young people through real-life scenarios and integrates technology to reinforce learning. By addressing these challenges, the FINEYOU project aims to empower young people with the knowledge and skills necessary for financial independence and long-term economic security.



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 Human Innovation Hub

