BRIEF – Economic Opportunities Program

FINANCIAL EDUCATION

Roundtable Event 19.04.2019

George Ștefan, PhD, Bucharest University of Economic Studies (ASE)

Clara Volintiru, PhD, Bucharest University of Economic Studies (ASE) / Aspen Institute Romania

Roxana Voicu-Dorobanțu, PhD, Bucharest University of Economic Studies (ASE)

Aspen Economic Opportunities & Financing the Economy Program

Aspen Policy Programs seek to improve the quality of leadership and the formulation of policy through evidence-based, multiple stakeholders' dialogue on the challenges facing society. Based on the **Aspen Method** which we profess and practice, we facilitate a transparent, responsible and non-partisan reflection process, between public decision-makers, private stakeholders and representatives of the non-governmental and academic sectors, about various aspects concerning key challenges of the Romanian society. The goal is to set up a platform helping our Program communities reach consensus on concrete policy recommendations in the areas pertaining to our Programs. The difference between Aspen Policy Programs and other initiatives is that we engage with public decision-makers from the start of the reflection process, engaging them in an informal and informed dialogue and fostering mutual ownership of our policy recommendations.

Aspen Economic Opportunities & Financing the Economy Program addresses 3 major topics:

- Financial Education
- Financial Inclusion
- Digital Transformation

For the 2018 – 2019 iteration of the Program, the **Core Deliverables of the Program** include:

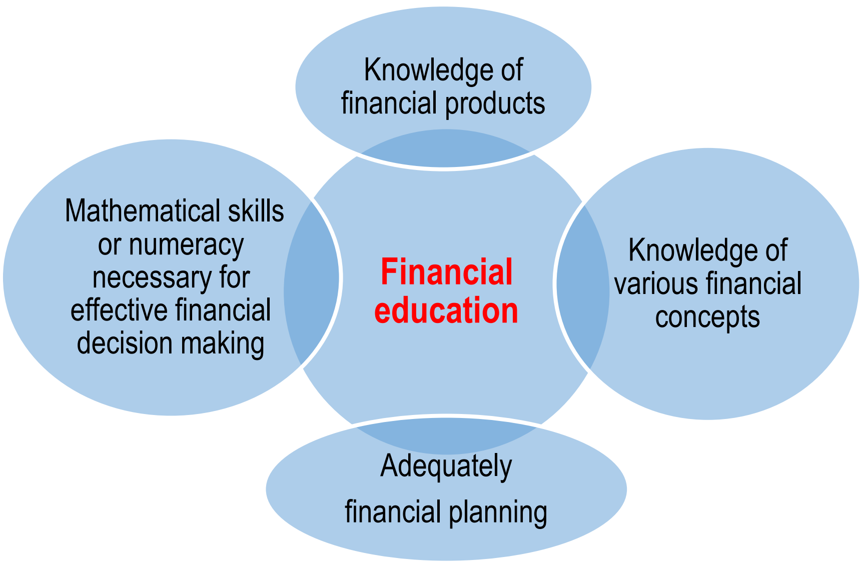
- **Working level meetings of the Task Force** with the participation of key stakeholders.
- **3 thematic workshops** on the major topics identified by the Task Force, issuing key policy recommendations.
- A **White Paper** with public policy recommendations to the relevant decision makers, (including the Local Business Environment Index for Romania 2019, LBEI)
- A **Dedicated Panel at Bucharest Forum 2019**, during which the main recommendations of the 2019 program iteration will be presented in a prominent public setting.
- A new customized ***Aspen Leadership Seminar*** for the program community, challenging participants to think more critically and deeply about the good society, and to debate contemporary challenges faced by leaders in the financial sector.

1. CONTEXT

The importance of financial education is well recognized in society. At individual level it influences private welfare (e.g. better decisions, lower level of indebtedness, better opportunities etc.). At macroeconomic level, it can impact the entire economic ecosystem (i.e. policies are better understood by the citizens and are thus more effective).

One of the definitions regarding the financial education or financial literacy is proposed by *Jump$tart Survey of Financial Literacy Among High School Students* (1997)[1], as "*the ability to use knowledge and skills to manage one's financial resources effectively for lifetime financial security*."

The four dimensions of financial education



Source: based on Hastings et al. (2013)

According to Hastings et al (2013)[2], "a lack of financial literacy is problematic if it renders individuals unable to optimize their own welfare". There are various studies that demonstrate the effects of low financial literacy level. For example, Campbell (2006)[3] highlights several types of financial mistakes associated with financial literacy:

---

[1]The Jump$tart Coalition for Personal Financial Literacy was formed in December, 1995 to "encourage curriculum enrichment to ensure that basic personal financial management skills are obtained during the K-12 educational experience." In its mission statement, the not-for-profit Coalition states that its purpose is to "evaluate the financial literacy of young adults: develop, disseminate and encourage the use of standards for grades K-12; and promote the teaching of personal finance. In the 1997-98 school year, the Jump$tart Coalition for Personal Financial Literacy conducted its first Personal Financial Survey, a nationwide survey of 12th grade students to determine the ability of our young people to survive in a complex economy. See for more details
https://www.stockmarketgame.org/assets/pdf/2008%20JumpStart%20Financial%20Literacy%20Survey.pdf

[2] https://pdfs.semanticscholar.org/f74d/47265b64ac646d50047791cbf1a214ab89f8.pdf

[3] Campbell JY. 2006. Household finance. J. Finance 61:1553–604

- low levels of stock market participation and inadequate diversification of investment
- individuals' tendencies to sell assets that have appreciated while holding onto assets with declined value even if future return prospects are the same
- failures to refinance fixed-rate mortgages in a period of declining interest rates.

Agarwal et al. (2009) document the prevalence of several different financial mistakes, ranging from suboptimal credit card use after making a balance transfer to an account with a low teaser rate to paying unnecessarily high interest rates on a home equity loan or line of credit. The authors find that the frequency of financial mistakes varies with age, following a U-shaped pattern: financial mistakes decline with age until individuals reach their early fifties and then begin to increase again. The declining pattern up to the early fifties is consistent with the acquisition of increased financial decision-making capital over time, either formally or through learning from experience (Agarwal et al. 2011), but the reversal at older ages highlights the natural limits that the aging process places on individuals' financial decision-making capabilities, as well as technological changes.

Studies generally agree that consumers lack the financial literacy necessary to make important financial decisions in their own best interests (Perry 2008; Braunstein & Welch 2002), and that financial knowledge appears to be directly correlated with self-beneficial financial behavior (Hilgert, Hogarth, & Beverly, 2003).

Lewis Mandell and Linda Schmid Klein (2009) evaluated the Impact of financial literacy education on subsequent financial behaviour. Their findings indicated that those who took the course were no more financially literate than those who had not, and those who took the course did not evaluate themselves to be more savings-oriented and did not appear to have better financial behavior than those who had not taken the course. This of course brings forth the question of how to make financial education an effective tool of changing human behaviour.

Essentially the following links in the financial education should be accounted for:

⇒ Financial Literacy

⇒ Financial Education

⇒ Financial Behaviour

Financial literacy can be seen as the baseline level of financial knowledge or capability at individual or societal level

A meta-analysis of the financial literacy studies over the past decade shows four key areas of intervention in USA based interventions aimed at enhancing financial literacy: (1) Money basics (including time value of money, purchasing power, personal financial accounting concepts), (2) Borrowing (i.e., bringing future resources into the present through the use of credit cards, consumer loans or mortgages), (3) Investing (i.e., saving present resources for future use through the use of saving accounts, stocks, bonds or mutual funds), and (4) Protecting resources (either through insurance products or other risk management techniques) (Huston 2010).

Financial education is a knowledgeable use of money, as consumers are well informed.

Financial behaviour is the actual decision-making process regarding a variety of financial aspects in an individual's life (e.g. payments, credit, savings).

2. FINANCIAL EDUCATION

Worldwide, just 33% adults show an understanding of basic financial concepts according the study *Financial Literacy Around the World: Insights from The Standard & Poor's Ratings Services Global Financial Literacy Survey*[4], realized by World Bank and Standard & Poor's Rating Agency.

The main conclusion of the study was that around the world the level of financial literacy is relatively low. Some countries still have difficulties in understanding some basic concepts like numeracy and inflation, while more complicated terms like „risk diversification" are the least understood. However, the study concludes that the young are a vulnerable group and an important target for financial education programs.

In European Union, the financial literacy rates vary. On average, 52 percent of adults are financially literate above the global average. The understanding of financial concepts is the highest in northern Europe – countries like Denmark, Germany, the Netherlands, and Sweden have the highest literacy rates in the European Union - at least 65% of their adults are financially literate.

Lower rates are registered in southern Europe (Greece – 45%, Spain – 49%). Financial literacy rates are also low among the countries that joined the EU in 2004 and 2007. The results of the study show that in Bulgaria and Cyprus only 35 percent of adults are financially literate, while in Romania only 22 percent of adults are financial literacy. This is the lowest rate in the European Union. Romania is followed by Portugal (26%).

The study shows that in richer countries, with a higher GDP per capita, financial literacy rates tend to be higher. However, the relationship is not valid for the poorer economies - with a GDP per capita of $12,000 or less-, where is no evidence that income is associated with financial literacy.

Relationship between financial literacy and economic development

Source: S&P Global FinLit Survey and Global Findex database.

[4] https://gflec.org/wp-content/uploads/2015/11/3313-Finlit_Report_FINAL-5.11.16.pdf?x37611

According to a recent study by KPMG, Romania has to recover a significant gap in the financial education of its population. Only 1 out of 5 adults have a basic understanding of financial products, placing Romania on the last place in Europe with a 21% financial education rate.[5]

A total of 19 of the 28 member states in the European Union have implemented a national financial education strategy. Results show that this is the most prolific setting for a systematic approach to financial education.

A National Strategy for Financial Education is currently being developed in Romania as well. It is informed by a coordinated effort on the part of various stakeholders, including government, financial sector, consumer organizations, NGOs etc. More specifically, The Ministry of National Education, the National Bank of Romania, the Ministry of Public Finance, the Financial Supervisory Authority and the Romanian Association of Banks have concluded a Cooperation Agreement[6]. The purpose of the agreement is to develop, acquire and deepen elements of financial education at primary, secondary, high school, university and adult education levels. The collaboration agreement provides an interinstitutional framework through which the five signatory parties will carry out joint activities in the field of financial education for target groups and exchange of experience on existing partners' initiatives in the field of financial education.[7]

[5] http://appa-asigurari.ro/doc/Studiu_KPMG_APPA.pdf
[6] https://www.arb.ro/acord-de-colaborare-pentru-elaborarea-strategiei-nationale-de-educatie-financiara/
[7] Idem.

3. FINANCIAL INCLUSION

Regional disparities are very high in Romania, and as such there are general inclusion challenges. In terms of financial inclusion, physical and technical aspects play an additional role in determining the level of inclusion at the population level.

Romania is the member states that occupies the last position in terms of financial intermediaries (calculated as the weight of non-government credit against the GDP) with only 26%[8]

Financial inclusion means that all citizens, regardless of income levels, have access to and can make effective use of the financial services they need.

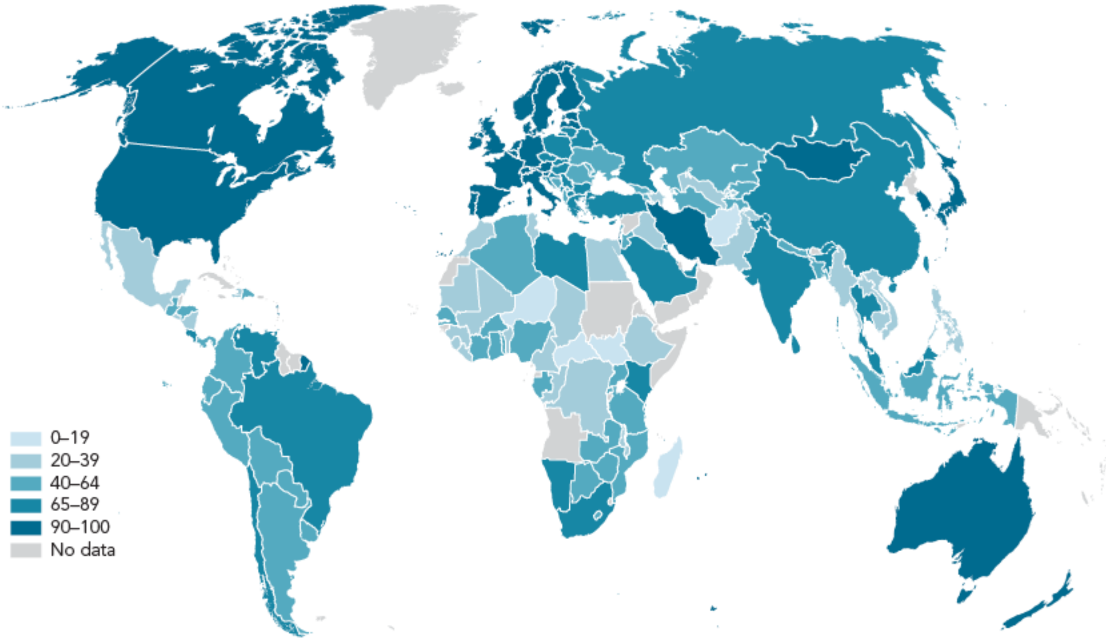
Currently, in terms of financial education & inclusion, Romania is one of the less financial inclusive and educated country from Europe. Some figures are relevant here. According Global Financial Inclusion database from World Bank, only 57.8% of total adults own and bank account in 2017, compared with Euro Area average, where more than 95% of adults have a banking account. In fact, in Romania this figure decreased comparatively with 2014 (60.8%).

Globally, 69 percent of adults have an account, up from 62 percent in 2014.

Also, in Romania the total percentage of paid utility bills using cash in total utility bills was 86.8% in 2017, 8 times larger than the Euro Area average of (10.9%) for the same indicator. Another two indicators show the same situation. The percentage of persons that used the internet to pay bills (age 15+) was 12.0% (compared with 49.6% in Euro Area), while only 15.6% used the internet to buy something online in the past year (age 15+), three times lower than Euro Area average (56.3%).

[8] ARB (2018) Where Is Financial Intermediation Heading To? https://www.arb.ro/en/the-banking-union/

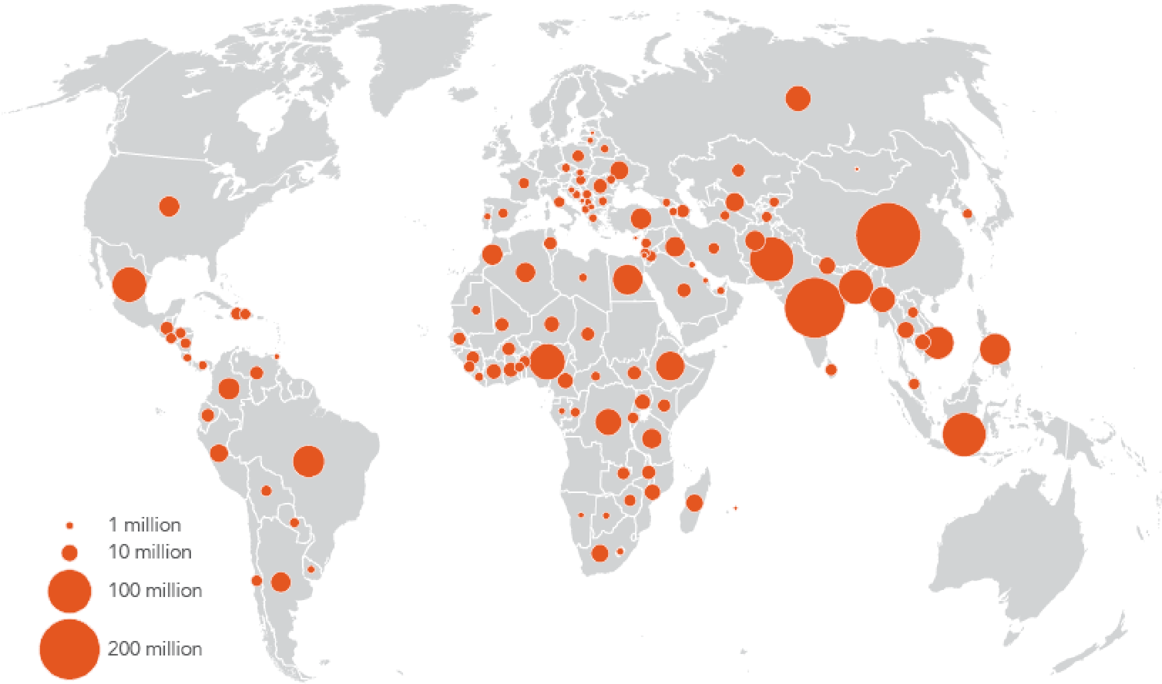
Account ownership varies widely around the world
Adults with an account (%), 2017



Source: Global Findex database.

At global level, about 1.7 billion adults are unbanked—without an account at a financial institution or through a mobile money provider. In 2014 that number was 2 billion. According the Global Findex Report 2018, there are several reasons due to the adults don't have a banking account, the most important barriers to account ownership being: (i) lack of enough money; (ii) the need; and (iii) the accounts too expensive. Other reasons could be the lack of trust, lack of necessary documentation, distance from the financial institution or even religious reasons.

Globally, 1.7 billion adults lack an account
Adults without an account, 2017



Source: Global Findex database.
Note: Data are not displayed for economies where the share of adults without an account is 5 percent or less.

Digitalisation can be an important tool to promote inclusion.

Digital technologies have spread rapidly in much of the world paving the way for innovation in delivering financial services. There are different areas of the financial sector that are impacted by these changes: payment services and market infrastructure, leveraging transaction data and other sources of data for credit appraisals, deposits, lending and capital raising, or investment managing[9].

Financial and technological innovation has the ability to improve the outreach of financial institutions to specific social policy target groups, such as female entrepreneurs, migrants, financially disenfranchised individuals, the rural population or social enterprises.

While the intensity of the income inequality debate has somewhat receded in recent years, the issue itself is still highly relevant. Persistent and large income disparities threaten the social fabric of European society and require an appropriate policy response. A proper, long-term solution would be providing opportunities to the most deprived members of society to realize their demonstrated entrepreneurial ambitions. Inclusive Finance, that is providing financial and non-financial products and services to unemployed people or clients from other vulnerable groups, is a policy instrument intended to alleviate poverty and reduce income inequality. However, the inclusive finance sector has come under increased scrutiny and has been criticized for a number of reasons: the outreach has stagnated, and loan pricing is

[9] World Bank (2017) Fintech and Financial Inclusion, http://pubdocs.worldbank.org/en/877721478111918039/breakout-DigiFinance-McConaghy-Fintech.pdf

considered often too high to address effectively any policy concerns related to poverty alleviation.[10]

There is an increasing gap between current supply and demand in financial services in low-income countries. A rapidly growing population combined with dynamic economic growth are the key drivers behind this gap. Research by Morgan Stanley emphasized that without large groups of users, blockchains would not be successful[11].

The financial services infrastructure is shallow in almost all the low-income countries. But the lack of financial infrastructure also means less inertia and more potential for the implementation of new technology. The blockchain revolution is less disruptive in markets with little financial service infrastructure. Consequently, regulators and existing financial institutions in these markets have less incentive for blocking this revolution.

The use of mobile phone payments system combined with blockchain technology offers a powerful combination and is promising for financial inclusion.

While there have been significant advances made in terms of financial inclusion in the world, in recent years (see annual Global Findex Data for comparison with previous years), the developing countries, and vulnerable groups (i.e. women, poor) remain largely unbanked. As such, recent estimates suggest that digitalizing private-sector payments of wages could increase the number of adults with an account by up to 280 million, while digitalizing public-sector wages could ensure up to 160 million people get a bank account. Nevertheless, the infrastructure support for inclusive financial services lags behind.

Overall, the differences in mobile subscriptions between high-income countries (116 per 100 people) and the low-income countries (91 per 100 people) have become marginal (World Economic Forum data, 2015). Double-digit growth rates of mobile usage can be found in Africa, Southeast Asia and Pacific, as well as in Europe and Central Asia.

The entire ecosystem is changing, and many of these changes can induce financial inclusion. For example, new players on the market are becoming involved besides banks and payment providers. One such actor are mobile service providers and telecom in general.[12] Focusing on mobile to deliver access to the 15 countries that make up 60% of the world's unbanked – could draw an extra 607 million people into the financial mainstream reducing the world's unbanked population by a third.[13]

Other third parties that are increasingly playing an active role in promoting financial inclusion are supermarkets and retail chains. The denser the territorial network of such retail chains is, the more likely it is that they can constitute platforms for financial service for vulnerable groups such as those in rural areas.

Last, but not least, hi-tech giants (e.g. Google, Microsoft, Amazon) are increasingly looking to expand into financial services, which could potentially boost financial inclusion.

[10] EIB (2019) Building the future of inclusive finance: the role of Fintechs and digitalisation
[11] http://www.morganstanley.com/ideas/big-banks-try-to-harness-blockchain
[12] WEF (2016) Why mobile money is key to financial inclusion https://www.weforum.org/agenda/2016/03/why-mobile-banking-is-the-key-to-financial-inclusion/
[13] Hardie (2019) Unravelling the web of inclusion, Mastercard Report, available at: https://financial-inclusion.com/wp-content/uploads/2019/03/MCC1-FinInc-Report-Screen.pdf

4. CURRENT INITIATIVES

Banca Comercială Română (BCR) initiative

„Școala de bani" highlights:

- The support role from the all institutional partners (i.e. The Ministry of National Education and County School Inspectorates)
- The materials used in working with children were interactive,
- The structure of the course encouraged interaction between actors (staff and children)
- Employees involvement in the project
- Length of the workshop adapted to the age of children
- The course structure for adults and very practical materials, useful tips that can be implemented immediately
- Diversity of educational tools and the support for teacher involvement in the project
- Financial education in global contexts
- Competitions for children and teachers
- Is important to use innovative digitized educational materials
- National initiatives under the umbrella of which to organize national financial education activities with a high impact on beneficiaries
- Involvement of as many employees from financial and banking field in the financial education of the population
- Involvement and training of teachers to work with children with a certain frequency
- Study-visits to financial institutions for children and young people
- Awareness of Romanian companies about the importance of financial education of their employees

Master card initiative

SchoolBank Project

SchoolBank focuses on the creation of low cost, secure and scalable quality banking products for children and young people between 6 to 25 years' old. The concept, initiated by Child and Youth Finance International (CYFI), seeks to combine the utilization of state-of-the-art banking technologies and innovative distribution channels beyond the conventional distribution networks of financial products and services. SchoolBank will help children and youth save, teach them about money, money management skills and financial responsibility.

Overall, SchoolBank is looking to offer market driven banking products and solutions that enable children and youth to:

- Save for the future – saving for school, a trip, a bicycle, a book, cinema, food, family, charity, a business project…
- Receive money – allowance from parents, money earned from part-time jobs, scholarships, donations, social benefits
- Pay – for meals, purchases, tuition fees, transportation… with ease, low costs and security

Putting children in the centre will deliver benefits to all stakeholders

Children-cantered approach

Romanian Government
- Increase literacy and education through increasing school attendance
- Improve benefits distribution efficiency
- Reduce Fraud

Schools
- Increase efficiency
- Enrich curriculum
- Decrease class drop outs
- Track attendance
- Pupil security

Children
- Skill foundation for life
- Financial empowerment
- Self-esteem & self confidence
- Autonomy

MasterCard
- Financial inclusion and education
- Support economic growth
- CSR
- Demonstrate thought leadership and commitment to the Youth segment

CYFI
- Financial inclusion
- Economic citizenship education

Raiffeisen Bank initiative

National program for financial education for children

Launched in 2010, in partnership with Junior Achievement Romania, it targets schoolchildren up until the 4th grade, and final years high school.

The objective of the program is to give students access to practical content and educational materials that encourage the development of life skills and financial independence.

The national financial education program contains 6 modules:

• one module for each class in the primary cycle: Ourselves, My Family, My Community, My City, Our Economy;

• a module for the high school cycle: Banking ABC

The materials offered in class, under the program include:

• for primary school pupils: an educational kit made up of the teacher's guide, student's manual, auxiliary materials with practical exercises, games and rewards;

• for high school students: student's manual and teacher manual + access to digital resources - the information in the pupil's manual has been transposed in digital format - details below.

Banking ABC

Starting in 2017, through the Junior Achievement Inspire platform, high school students have access to interactive digital modules that facilitate learning, both in classroom and leisure, via any internet-connected device (mobile phone, tablet, computer). Within the platform, students can access videos and documentary themes, simulate savings and interest, and respond to quizzes, either by choosing a multi-choice response (drag and drop) or by completing a short answer.

Also, starting in 2017, we run the competition "I support financial education in my community" as part of the Banking ABC project addressed to educational institutions, in order to encourage the inclusion of financial education as an optional discipline in as many schools as possible. Winning schools receive cash prizes that can be used to upgrade the learning space. Winners are announced at the JA Hall of Fame Gala, held annually in May. In the school year 2017-2018, through the Banking ABC project, over 5,000 pupils from 111 high schools attended the digital training course, with 61% of them claiming to be primarily interested in developing their budgeting and spending management abilities.

The program also includes a volunteer component. Employees of the bank engage in volunteer activities in the classroom, explaining to students how the different financial-banking tools work and contributes to contextualizing the concept of financial education. Annually, around 100 employees participate as volunteers in the financial education program.

Patria Bank initiatives

Patria Bank is committed to a **learning by doing** approach to financial education. It is targeting mainly its clients, many of whom come from vulnerable groups in the rural areas, and as such often lack basic financial knowledge.

Financial education for entrepreneurial clients of Patria Bank means helping them discover or providing them with the tools they need to better understand and develop their business, forecast the results and provide the safety of their families.

Most of the time, small businesses, whether rural or urban, agricultural or commercial, are more than just figures and business plans; in fact, there are no figures and business plans, but they are a source of jobs for the family and for the community in which they work. The people behind these businesses are also those who work together in the family for her. And there are people who have a simple education, they have a rather intuitive understanding of the financial area, and they need not only financing but also real support to improve the way they run their businesses.

90% of Romanian entrepreneurs do not have a financial manager or a marketing specialist. The man's family is the head of sales, the lady deals with customer care and orders, the big boy goes to vendors, and younger children help them how they can and learn from adults - doing things.

Patria Bank suggests that their client profile learns best in two very specific ways:

1. from the **concrete interaction** and from simple discussions, applied to their business. They take on the responsibility to prepare not only bankers but also staff who understands small business or agriculture. They believe that only by understanding the small business in detail and speaking in simple and accessible language, they can earn their credibility and contribute to any form of "education"
2. Another way of learning is ... **seeing others** - by the power of the example - that's why they bring the people together (e.g. various agricultural workers from different communes). It is what they call "education" by the example of others

Additional support for local communities involves:

- Malltaranesc.ro - support small producers to distribute their merchandise and tap into the secrets of online commerce.
- Market Bank - together with the Association of Market Managers, they go to the agro-food markets where Patria Bank representatives talk to the producers, teach them how to install a POS and increase their sales by accepting the cards.
- Program to encourage Patria Bank Franchisees in small rural and urban areas, with all the necessary financial and educational packages - because it is the most impacting path in developing the local community of entrepreneurs.

3. RECOMMENDATIONS

ISSUE	DESCRIPTION	POTENTIAL SOLUTIONS
FINANCIAL EDUCATION	According to a recent study by KPMG, Romania has to recover a significant gap in the financial education of its population. Only 1 out of 5 adults have a basic understanding of financial products, placing Romania on the last place in Europe with a 21% financial education rate.[14] A total of 19 of the 28 member states in the European Union have implemented a national financial education strategy. Results show that this is the most prolific setting for a systematic approach to financial education.	Financial education is largely seen as the most sustainable solution to tackle financial exclusion. At European level, the Commission has started a series of initiative in the field of financial education, such as establishing the Expert Group on Financial Education, a database of existing initiatives, and various online tools for teachers and organizations. However, as education remains a national responsibility, the European Commission underscored that the best way to increase consumers' level of financial education in the EU is through developing coordinated strategies and integrated action plans in each Member State.
FINANCIAL INCLUSION	One of the problems for financial inclusion is the extent of the shadow economy. This is not only problematic for the state (as it decreases its fiscal revenues and increases its collection costs), but it also poses problems for the SMEs' sector whose undeclared revenues make them unable to access financing. Currently, in Romania, approximately 75% of the SMEs are self-funded. Furthermore, in a context of undeclared labour (e.g. employers prefer to have grey labour arrangements to avoid fiscal burdens) or transactions, individuals do not benefit from their rights, or full extent	A total of 19 of the 28 member states in the European Union have implemented a national financial education strategy. Results show that this is the most prolific setting for a systematic approach to financial education. A National Strategy for Financial Education is

[14] http://appa-asigurari.ro/doc/Studiu_KPMG_APPA.pdf

of opportunities available to them, as they lose out on the possibility to save through pension, to access credit financing etc. There is a sharp divide between the capital city of Bucharest and the rest of the country, as the situation in many secondary cities and rural areas is much worse in terms of financial inclusion.

The relationship between financial education and financial inclusion can work in two ways: while better financial education can lead to increased financial inclusion, operating an account or using other financial products can also contributes to improving consumers' financial skills.

currently being developed in Romania as well. It is informed by a coordinated effort on the part of various stakeholders, including government, financial sector, consumer organizations, NGOs etc. More specifically, The Ministry of National Education, the National Bank of Romania, the Ministry of Public Finance, the Financial Supervisory Authority and the Romanian Association of Banks have concluded a Cooperation Agreement[15]. The purpose of the agreement is to develop, acquire and deepen elements of financial education at primary, secondary, high school, university and adult education levels.

Joint activities in the field of financial education for target groups and exchange of experience on existing partners' initiatives in the field of financial education.

Legislative measures that discourage the shadow economy (e.g. cash back thresholds of significant values, fines for undeclared labour).

Further reading

[15] https://www.arb.ro/acord-de-colaborare-pentru-elaborarea-strategiei-nationale-de-educatie-financiara/

Agarwal S, Driscoll J, Gabaix X, Laibson D. (2009). The age of reason: financial decisions over the life-cycle and implications for regulation. *Brookings Pap. Econ. Act.* (2):51–117

Braunstein, S. & Welch, C. (2002). Financial literacy: An overview of practice, research and policy. *Federal Reserve Bulletin*, 88, 445-457.

Hastings, J. S., Madrian, B. C., & Skimmyhorn, W. L. (2013). Financial literacy, financial education, and economic outcomes. *Annu. Rev. Econ.*, *5*(1), 347-373.

Hilgert, M. A., Hogarth, J. M., & Beverly, S. G. (2003). Household financial management: The connection between knowledge and behavior. *Federal Reserve Bulletin*, 89, 309-322

Huston, S. J. (2010). Measuring financial literacy. *Journal of Consumer Affairs*, *44*(2), 296-316.

Mandell, L., & Klein, L. S. (2009). The impact of financial literacy education on subsequent financial behavior. *Journal of Financial Counseling and Planning*, 20(1).

Perry, V.G. (2008). Is ignorance bliss? Consumer accuracy in judgments about credit ratings. *Journal of Consumer Affairs*, 42(2), 189-205.

Volintiru, C. & Ștefan, G. (2018). *Economic Development and Opportunities in Romania: Local Business Environment Index (LBEI).* White Paper Economic Opportunities, Aspen Institute Romania