MASTER'S DEGREE THESIS

Submitted as part of the course work requirements for the MSECO program of the Department of Economics, School of Business and Economics, United International University

Role of Financial Literacy on Savings Behavior among Employed Graduates in Bangladesh

By

SHAH WASEEF AZAM

Graduate Student, Master of Science in Economics Program, Department of Economics, School of Business and Economics, United International University

Supervised by

DR. WAHIDA YASMEEN

Associate Professor, Head of Department, Department of Economics

School of Business and Economics, United International University

Abstract

In this study, we explore financial literacy and the role of financial literacy in the savings behavior of employed graduates in Bangladesh. Additionally, we explore existing policies and landscape components which help people engage in savings activities and what retirement savings policies are being employed in countries around the world. Automatic enrollment has been found to have visible impact on the participation in savings activities by employees. Financial literacy however, appears to have very strong influence on the decision making process. The study is modelled after existing research on the subject matter and conducts an assessment in accordance with internationally comparable surveys on financial literacy. The findings suggest that financial literacy has a strong relationship with active savings behavior as well as being strongly influenced itself, by the field of education and gender of the respondent. How the respondents perceive themselves and their savings behavior also has a strong impact on their actual savings behavior. Highly motivated savers are likely to actively seek out savings opportunities, but relaxed savers are not likely to go out looking but are likely to be receptive to opportunities presented to them such as AE. Female participants tend to score poorly in financial literacy despite having comparable education and employment.

Keywords: Financial Literacy, Savings Behavior, Employed Graduates, Bangladesh

1. Introduction

Financial security is becoming an increasingly global concern and it is expected to have increasingly greater impact on the global population as we move forward. Advancements in medical technology has contributed to an increase in life-expectancy and with people living longer, retirement planning is becoming increasingly important as it is expected to become the primary source of financing the later stages of people's lives.

Research is being conducted across a broad scope of factors which affect peoples' finances and financial security. One major such area is personal savings and the factors that directly impact it. This study explores the financial literacy levels among young professionals in Bangladesh, specifically those who also have advanced educational degrees, to identify the potential impact of such actors and how they translate to people's savings behavior.

Bangladesh has been experiencing demographic dividend since 1980 (estimated) and projections suggest that this will conclude between 2035-2040 (as per conservative estimates). Following this, as with all other cases of demographic dividends, Bangladesh will see a mass increase in the aged and dependent population as the youth population graduates to that age group. With the youth labor population dwindling and the subsequent impact on the economy, the public pension system will likely struggle to support such a large ages population. Thus, the new aged and dependent population will mainly have to rely on their personal savings. And for this to happen, the current youth labor needs to urgently engage in retirement planning and being saving for their future.

Financial literacy is considered to be one of the major factors associated with people's savings behaviors, especially in terms of engaging in personal savings. The study involves the

exploration of the levels of financial literacy among the young professionals, between the age of 22-30, and contrasts the results against their gender, perception of themselves as savers, and their actual savings engagement. The financial literacy assessment process is modeled after the ongoing research by the Global Financial Literacy Excellence Center (GFLEC) which has developed the assessment process used. This process has subsequently been adopted in to studies by research institutes as well as state surveys across many countries.

The following sections will discuss existing research and findings on financial literacy, its effects on savings behavior as well as the factors that affect financial literacy. The methodology section discusses the approach and design of the study and also outlines the descriptors of the sample selected for the survey and reasons behind it. The findings section involves the outcomes of the financial literacy assessment and then goes on to explore the respondents' savings behavior in conjunction with their financial literacy. This section also explores the different factors which affect financial literacy. The limitations section describes the constraints of the study as well as indicative factors which can be highlighted in future studies. The conclusion section provides a summary of the major findings and possible implications of those findings.

2. Literature Review

Savings are an important part of managing and preparing for the inevitable expenses people incur in the later stages of life when their income generation capacity decreases in conjunction with old age. According to research conducted in many countries across different time periods and engaging different demographics, one of the major factors found to be affecting people's savings behavior is Financial Literacy.

The Global Financial Literacy Excellence Centre has been inspecting the rates and effects of financial literacy in different parts of the world. GFLEC has developed the assessment questions for financial literacy which has since been adopted into research on the savings behavior and retirement planning in different countries.

As part of the collaborative investigation in the need and scope for retirement planning a similar study was carried out in Canada (modeled after the GFLEC assessment), because Canada had very low levels of poverty in the aged population, but that has since been changing because the aged population is growing and the public pension scheme is expected to struggle to provide sufficient support in old age, income in the near future, to the people currently earning less than the median. As such private savings schemes are important for them to engage in while the option is still viable. Financial literacy plays an important role in this sort of financial decision making processes.

According to Boisclair et al. (2017), retirement planning and almost all of its variations depend on three pillars; income floors (legislated minimum income levels), mandatory public savings funds (includes things like provident funds), and personal savings (by individuals or private initiatives, such as cooperatives and group funds by financial institutions). The article

also discusses how Financial Literacy plays an important role on matters of the third pillar, where the individual is directly responsible for the savings decision and has more control over it. And that in cases of low financial literacy among citizens, the first and second pillars are more effective and easier to engage in, since these two pillars are centrally managed by the government. On this note, the authors also noted that to promote participation in individual or private savings, there are practical examples of legislation that can shape the options available, by including features like ‘automatic enrollment' and ‘default options’.

In their publication, Boisclair et al. (2017) suggest that a rudimentary assessment of one’s financial literacy can be done by inspecting their understanding of interest rates, both simple and compound, the effects of inflation on savings, and basic understanding of financial tools such as stocks and mutual funds. The authors also indicate that the responses to these indicators may be heavily influenced by the age of the respondents. Given the different ages of the respondent groups, some may have been exposed to direct instances of high inflation in the economy, which would be the case with older generations who have lived through such periods. Additionally, older respondents will also likely have experienced the effects of compounding interest as a result of their own investments or loans undertaken. Younger respondents are more likely to have come across concepts such as compounding interest rates, stocks and mutual funds as part of their education curriculum, but are unlikely to have experienced it first-hand.

Financial Literacy can be clearly seen varying across different demographic segments. Usually, the levels of financial literacy are high among people who are retired or self-employed (Boisclair et al., 2017). This is likely because each of these sects will have had to make their own decisions on savings and retirement planning. Next, noticeable lower levels of financial literacy can be seen among people who are currently employed or have higher-level education,

with levels decreasing with people who are younger and with lower levels of education and the lowest level of financial literacy are consistently noted among the segments of the population who are unemployed, such as homemakers, women, visible minorities, and people with low levels or no education (Boisclair et al., 2017).

Throughout the world, there appears to be a strong expected implication of financial education on financial literacy. Numerous countries have been implementing programs on financial literacy since at least the late 60s in attempts to promote retirement planning and increased savings propensity. However, there appears to be debate over the efficacy of these programs for a variety of reasons. One of the major reasons for this is that because the programs were implemented decades ago, it is difficult to assess exactly what the program curriculums contained or how the knowledge dissemination was actually implemented. Another major issue is that (Bover et al., 2018). Without this kind of information, it is difficult to assess the impact on the population making economic and financial decisions even in the late 2000s.

Another major issue is that in most studies on the effects of financial education on financial literacy, the method of assessing the impact involves running a financial literacy program on a treatment group and a control group and afterwards comparing the outcomes of financial education exams administered (Bover et al., 2018). These outcomes are difficult to translate to actual financial decisions made by the members of the treatment or control group in real-world situations. Additionally, some studies such as Berry et al, (2015), L¨uhrmann et al, (2013), Bruhn et al., (2013), attempt to circumvent this drawback by introducing hypothetical situations and asking for the responses to those situations (Bover et al., 2018), which has the same problem of not reflecting actual decisions made with real finances involved. Other studies also attempt to assess how financial education affects the treatment group

members' 'degree of patience' or 'present-oriented choice making' (L¨uhrmann et al., 2016 or Alan and Ertac, 2015), these still cannot be trusted to present the impact of financial education or financial literacy on savings behavior to the degree of empirical evidence.

An important component of retirement planning is pensions and state or employment based pension schemes. Traditionally, this is an option either offered or legislated for people employed as an employee as opposed to being self-employed in their own business. Pension schemes involve a contribution to the scheme from the employee's monthly salary with a matching contribution form the employer. However, this option is not mandatory everywhere and not everyone has to participate. This was a major concern in the United Kingdom, because many people were simply without coverage for any pension schemes because participation was voluntary and something that required people to intentionally opt in to.

To address this, the UK government introduced Automatic Enrollment (AE) in 2012. According to the UK Pensions Regulator (2014), automatic enrollment involves workers of a certain age range being by default enrolled into a pension scheme whenever they join employment in a workplace. The age range discussed is 22 years at a minimum, and the state retirement age as the maximum. People are enrolled into the scheme by default at the time of joining employment and have the option to opt out of the pension scheme as opposed to having to opt in as was the case before 2012. Workers are required to contribute a percentage of their income according to the predetermined rates once they enter into a tier.

This policy was introduced based on the outcomes of a study by Madrian and Shea (2001) where the subject of active enrollment was explored. The study found that while in an active enrollment scenario where the individual had to initiate the process of opting into a

pension scheme, there was less participation, at 48.7 percent, as opposed to an automatic enrollment scenario where the individual was enrolled by default and could opt out, participation increased to 85.9%. The primary driver for this effect was suggested to be the 'power of suggestion' and that there are significant differences between an opt-in and an opt-out decision.

According to Tversky and Shafir, (1992), one of the major barriers to engaging in savings practices such as pension schemes is 'complexity' where the individual charged with making the decision, finds it difficult to invest the time to investigate their options and also lack the comprehension of the process. One core component of this is the difficulty of assessing multiple disenfranchised options to find the 'best' one. These obstacles in finding and understanding their options, interferes with the final decision being made, because it becomes easier to not make the decision at all than to make a complicated one that is difficult to understand.

The second major barrier to engaging in savings practices, as illustrated by O'Donoghue and Rabin (1999), is 'procrastination', where the individual, either due to the complexity of the decision or other circumstantial pressures simply puts off making the decision for the time being and then assumes, wrongly, that they will make the decision later. Procrastination can often keep the individual from looking into their options altogether, because the circumstantial pressures keep changing and it devolves into a slippery slope of, wanting to look into it right after dealing with the current workload.

The automatic enrollment has multifaceted benefits which address both of these issues as well as providing additional benefits. Firstly, because the employees are enrolled into a

scheme at the time of joining the workplace, this removes the complexity and procrastination issues. Because they are no longer required to spend time finding or assessing options. Secondly, because they are automatically enrolled, this is no longer a 'should I opt in' decision for them. It becomes a 'should I opt out' decision, and in this case, even, if they don't make the decision immediately, they still continue to receive the benefit of the scheme as they decide. This address the problem in the traditional system, where no benefits are received until they make a decision. Next, AE also takes off the pressure of having to find the 'best' option because the tiers are standardized as per their income and has set rates. These set rates give the impression of being the 'standard' or 'normal' rate, which reduces the pressure of 'failing to pick the best one.' Beshears et al. (2009), refers to this third benefit as 'endorsement' from either the employer or the government which reassures the employee.

There are however, some concerns over the introduction of AE. Firstly, there are very few examples of AE rollouts in other countries. Three other countries where AE or a variation was deployed are New Zealand, Italy and Chile (Collard, 2013; Rinaldi, 2011; OECD 2014). But in each of these the AE was deployed with factors which raise questions on the success rate of engagement through AE. In Chile, the policy as introduced between 2012 – 2014 and it was only for self-employed people as opposed to all employees. Additionally, the option to opt out was removed from 2015 and onward (OECD, 2014). In New Zealand, AE was introduced as part of a group of policies targeting pensions which involved an additional match offer from the government (the combined contributions from the employee and employer would be matched by the government). And there was also a one-time bonus of NZD 1000, provided with this scheme. These make it difficult to determine where the results achieved after the introduction of AE was affected by these external factors or not (no opt out, match offer, NZD 1000 bonus) (OECD, 2014). In the case of Italy, instead of it being a complete 'automatic'

enrollment the employees were given a form asking them to confirm if they want to proceed with the default option. This in turn made it into an active enrollment decision because the employee had to choose or decide something (Rinaldi, 2011).

Another critique of the AE system is that it had been developed with male employees as the baseline and does not account for the working habits of female employees (Grady, 2015). And women are expected to benefit less from this system because women on average earn 16.4 percent less on the hour compared to men (European Commission, 2014). And since the pension scheme involves contributions as a percentage of income, women who earn lower wages are likely to contribute and benefit less. This problem is compounded by the fact that women tend to work fewer hours on average mainly because they are responsible for most of the unpaid care work. According to statistics from the European Commission (2014) 34.9 percent of women work part time whereas only 8.6 percent of men were found to be working part time.

3. Methodology and Data

3.1 Approach

The study pursued a quantitative approach, backed by existing research findings. The study was modelled to follow the structure and data collection components of existing research exploring the same subject matter in other countries across the world, and in keeping with this, hopes to add to the total overview of the topic of savings behaviors and the factors affecting it.

3.2 Quantitative Method

The study involved a quantitative approach and data collection was conducted through an online survey. The survey form covered the following major discussion points for each participant:

- Field of Education
- Employment
- Income
- Expenses
- Savings Perception
- Savings

3.3 Sample

The sampling method followed convenience sampling given restrictions in approaching respondents and availability. For the purpose of this study, the sample was specified to engage the portion of the population through whom it would be possible to identify the possible impact of education on financial literacy and on savings. The descriptors of the sample are as follows:

- Holds undergraduate degree (has a bachelor degree in any subject)
- Currently Employed

- Aged between (23-33) (10 years following graduation, this is mainly to maintain homogeneity in the content of the bachelor degree courses, as this has been found to have an impact on financial literacy (Lusardi and Mitchell, 2011)
- Bangladeshi Resident and Citizen

4. Findings

4.1 Financial Literacy Assessment

Financial literacy covers a broad range of factors and can often play different roles in varying degrees in people's decision-making process. While people can have an in-depth understanding of different financial tools and processes including components of their local financial landscape, it is important to start with a baseline for understanding core components relevant to savings practices. For this purpose, the following questions are employed in order to gauge the participant's grasp of these core components relevant to savings decisions and are used as standard measures across the globe for studies on this particular subject matter. This also provides the added benefit of producing responses that are comparable across different studies, countries and economies. These questions were adapted to match the comprehension pattern of the targeted population.

Question 1:

Suppose you had BDT 10,000 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?

Answer Options:

a. *More than BDT 10,200*
b. *Exactly BDT 10,200*
c. *Less than BDT 10,200*
d. *Do not know*

This question is designed to assess the respondent's understanding of the time value of money. Specifically regarding the appreciation of the value associated with gainful savings. This does not rely on specific training on the financial processes, and only requires a high school level understanding of mathematics. The correct answer is '*More than BDT 10,200'.*

Question 2:

Imagine that the interest rate on your savings account was 1% per year and inflation was 2%per year. After 1 year, how much would you be able to buy with the money in this account?

Answer Options:

a. *More than today*
b. *Exactly the same*
c. *Less than today*
d. *Do not know*

This question assesses the respondent's understanding of inflation and how that affects their savings. These components are important for the savings decision, especially regarding the selection of the instrument of the savings. The correct answer is '*Less than today'.*

Question 3:

Please tell me whether this statement is true or false. 'Buying a single company's stock usually provides a safer return than a stock mutual fund'.

Answer Options:

a. *True*
b. *False*
c. *Do not know*

This question is meant to investigate the concept of risk diversification and if the participant can identify it. The correct answer is *'False'*.

4.2 Financial Literacy Rates

The following graphs depict the responses to these questions from the survey. The first three graphs show the overall responses to each of the three questions used to assess financial literacy.

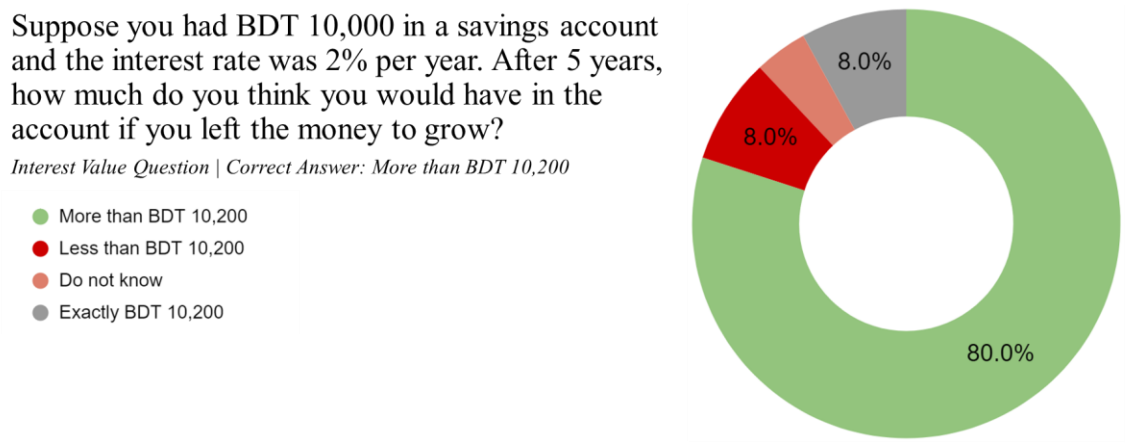

Figure 1: Distribution of responses to the Interest question of the Financial Literacy Assessment

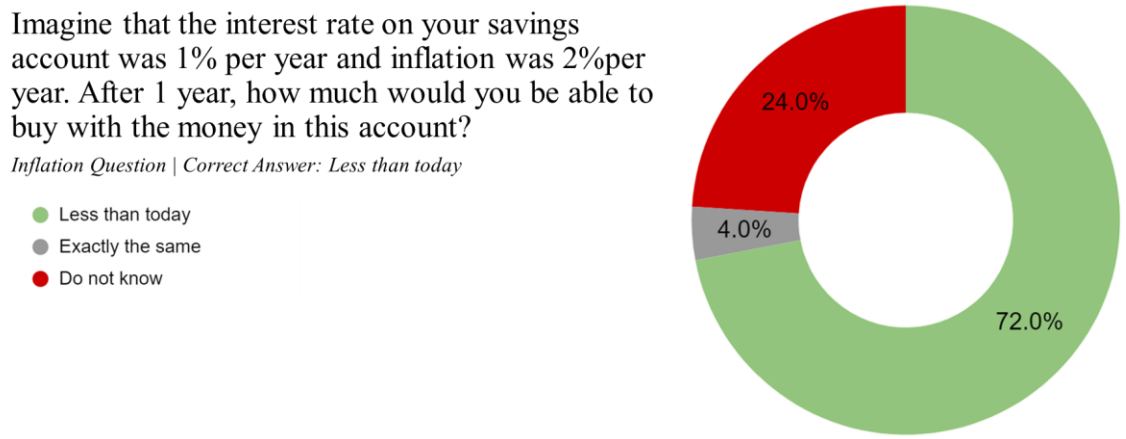

Figure 2: Distribution of responses to the Inflation question of the Financial Literacy Assessment

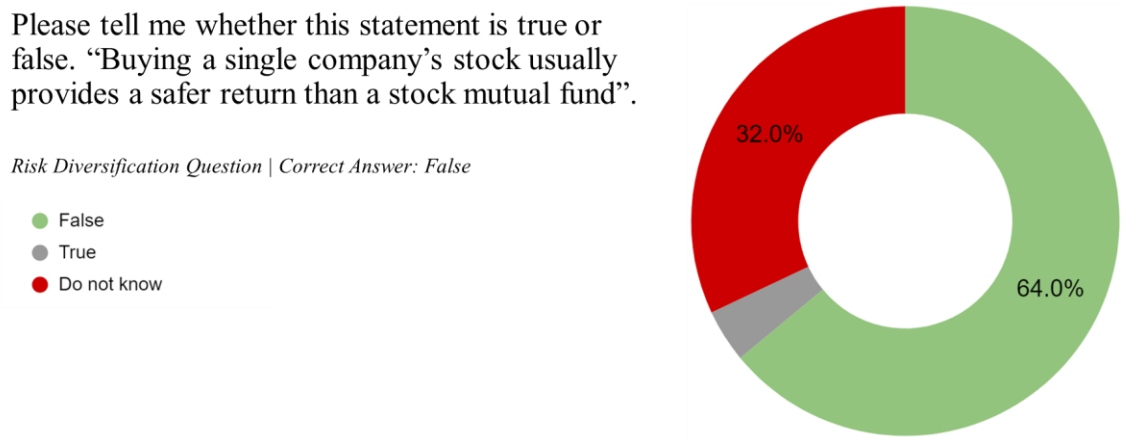

Figure 3: Distribution of responses to the Risk Diversification question of the Financial Literacy Assessment

As per the answers, most of the respondents seem to have a firm grasp of the basics in terms of what these questions aimed to assess. These were then compiled to present a holistic Financial Literacy Score where each respondent was scored on a scale of 3 (answered all questions correctly.) This result is shown in Figure 4 which depicts the distribution of the respondents in terms of the number of correct answers given. This graph however does not specify if the incorrect response was from an incorrect option chosen or from whether the respondent answered with 'Do not know'. Those stats are shown with each question individually given that there was no correlation found on this response across the three questions' answers.

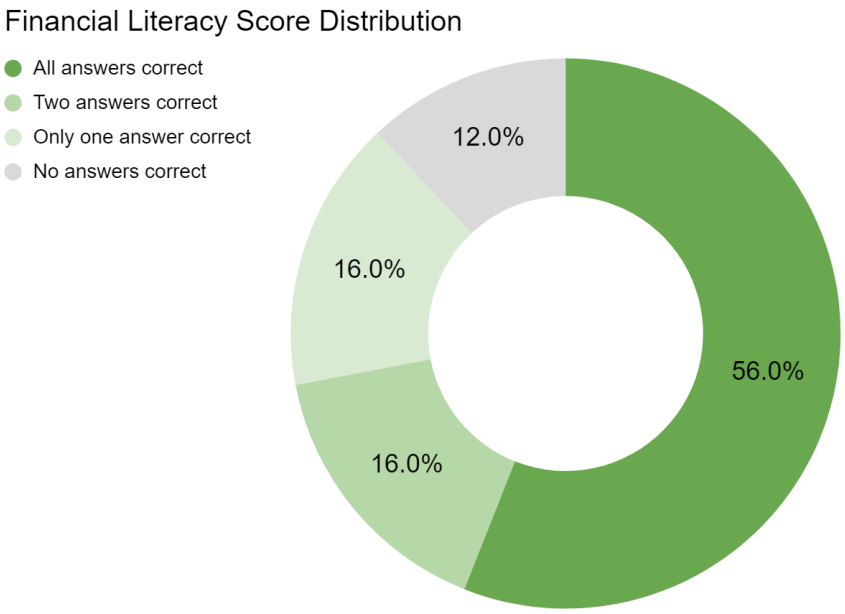

Figure 4: Financial Literacy Score Distribution

Figure 4 depicts that at least 56% of the respondents scored full marks on the financial literacy questions. While this is not enough to indicate the savings behavior of the respondents, it can be used as a baseline to identify relationships between financial literacy and other aspects such as actual savings, percentage of income saved, variations by gender, education field, etc. For the purposes of these comparisons, we will be referring to the following table for convenience.

Table 1: Financial Literacy Level (labelling)

Financial Literacy Assessment Score	3 *(Answered all correctly)*	2 *(Answered at least two correctly)*	1 *(Answered less than two correctly)*
Associated Financial Literacy Level	High	Medium	Low
Note: These levels are labels used for convenience only and do not represent their actual cognitive abilities in terms of financial decision making. They only represent their scores on this financial literacy assessment at this time.			

4.3 Savings Practices Across Financial Literacy Levels

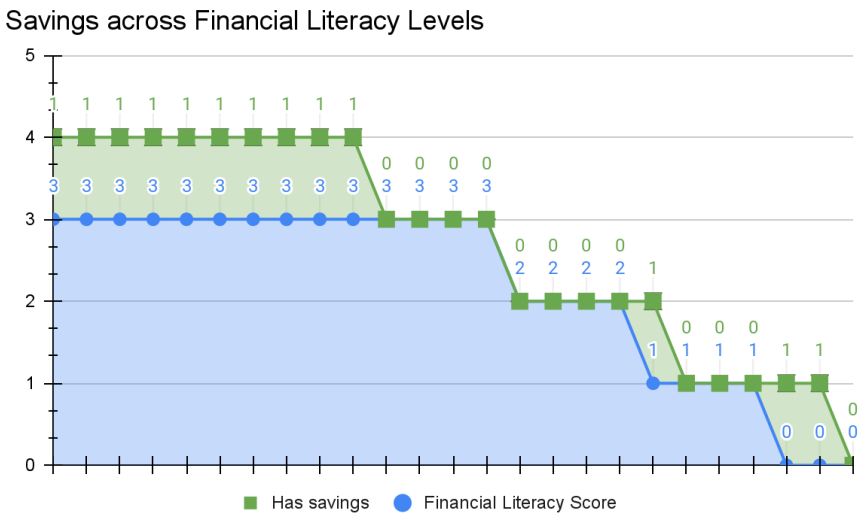

Figure 5: Savings Across Financial Literacy Levels

Figure 5 depicts the levels of financial literacy among the respondents (the blue area). It is tiered to show the percentage of the respondents at each level of financial literacy. The green area depicts savings currently held by the respondents. This figure shows that active savings are purposefully conducted by mostly those with high financial literacy. Mid-level and low financial literacy (scores 2 and below) does not seem to correlate with savings activities and some savings have been reported by those who scored 0 in the financial literacy questions. Still, it can be suggested that high financial literacy can be linked to active savings practices, but at this time there is not sufficient data to determine or indicate any causal relationships.

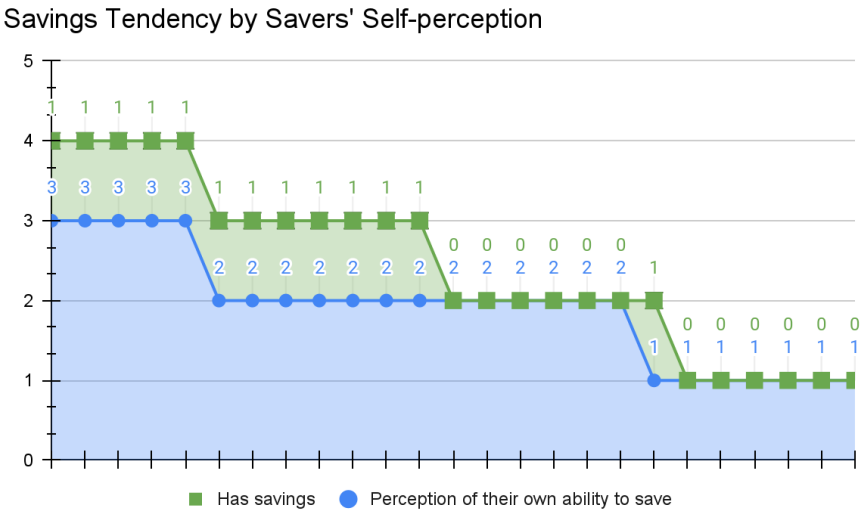

Figure 6: Savings Tendency Savers' Self-perception

One of the areas explored as part of the study is the perception of the respondents on their own ability to save or engaging in savings practices. Figure 6 depicts the distribution of respondents who indicated their perception of 'what kind of saver *they* were'. Whether they independently believe that they do have the characteristic or ability to save were then contrasted with those who actually do have savings. It should be clarified that the relationship between the levels are ordinal and do not have any ratio or actual numeric value. The three options given to describe themselves are best described as

a. Someone who is an Active and Intentional Saver (scored 3)
b. Someone who is Unintentionally saving or are Natural/Residual Savers (scored 2)[1]
c. Someone who is currently unable to actively save (due to circumstances such as a recent increase in permanent expenses) (scored 1)

The outcome of the survey suggests that those who see themselves as the kind of people who can actively save all engage in savings and savings activities among those who see

[1] A residual saver is one who considers the portion of their income after remaining after paying off their expenses as their 'automatic' savings. This amount is unintentional, not regulated, and unstable, because the amount saved as residual in one period can be used to satisfy expenses in the next period and is not set aside with any ear-marked expense planned.

themselves as passive savers (scored 2) are split about right down the middle. Most who perceive themselves as 'unable to save' also report not having any active savings at the moment. This indicates that there may be a strong correlation between how one perceives their ability to save and their actual savings practices.

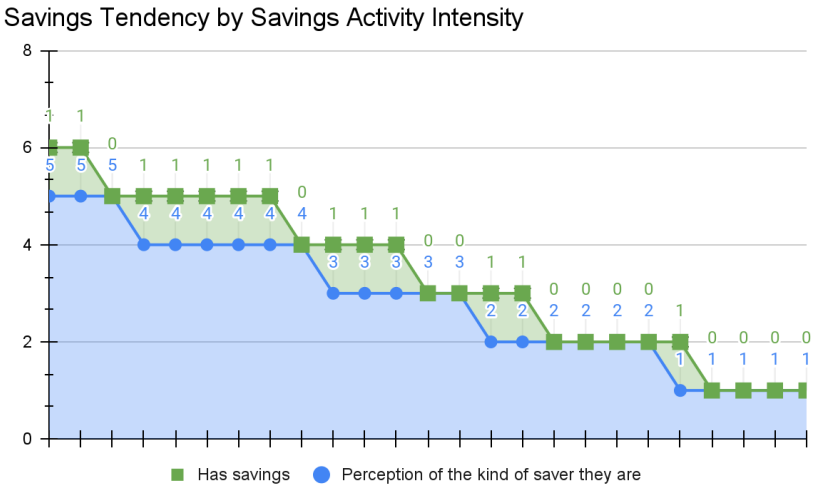

Figure 7: Savings Tendency by Savings Activity Intensity

Another area explored under the study was their perception of their own savings behavior, meaning how the respondents view their own savings practices/activities (in contrast to how they see themselves). The respondents were presented with a scale illustrating different types of savings practices or modes

a. *Strict saver with budgeted plan (scored 5)'*
b. *Enthusiastic Saver (scored 4)*
c. *Relaxed but I engage if the opportunity comes up (scored 3)*
d. *Relaxed (scored 2)*
e. *Can't seriously engage right now (scored 1)*

It is important to note that this scale is not cardinal and is meant to suggest relative intensity. Figure 7 depicts the tendency to have savings contrasted with how they perceive their own savings activities. Active savings engagement was shown to be high by those who perceive

their own savings behavior as sincere and intentional. But the intensity begins to dwindle from the level where the respondents begin to see their efforts as more passive and only begin to engage if the opportunity presents itself.

This has twofold implications. Firstly, those who perceive their savings strategy as more aggressive are more likely to seek out savings opportunities and they can be encouraged to engage more through advancements in the structure of the savings landscape. Second, for those who consider their efforts to be passive, are not likely to seek out opportunities to engage in formal savings practices but are open to opportunities should they be presented without exploratory initiatives by the respondent. This suggests that if active communications are directed towards them as they are willing to engage if they do not have to actively seek out the options, such as automatic enrollment.

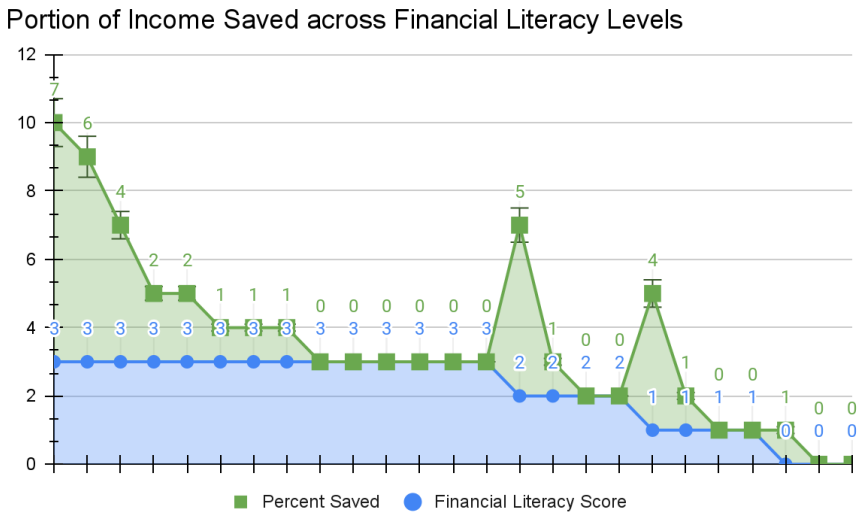

Figure 8: Portion of Income Saved across Financial Literacy Levels

Figure 8 depicts the relationship between financial literacy and the portion of income saved by respondents at each level of financial literacy. The area highlighted blue shows the levels of financial literacy. Based on this outcome, it is difficult to suggest that those with

greater financial literacy have a tendency to save larger portions of their income. Nearly half of those who scored high in financial literacy do not save as a percentage of their income if at all, while there are instances of people with lower financial literacy saving between 40-50% of their income.

4.4 Effects of Demographics and Education

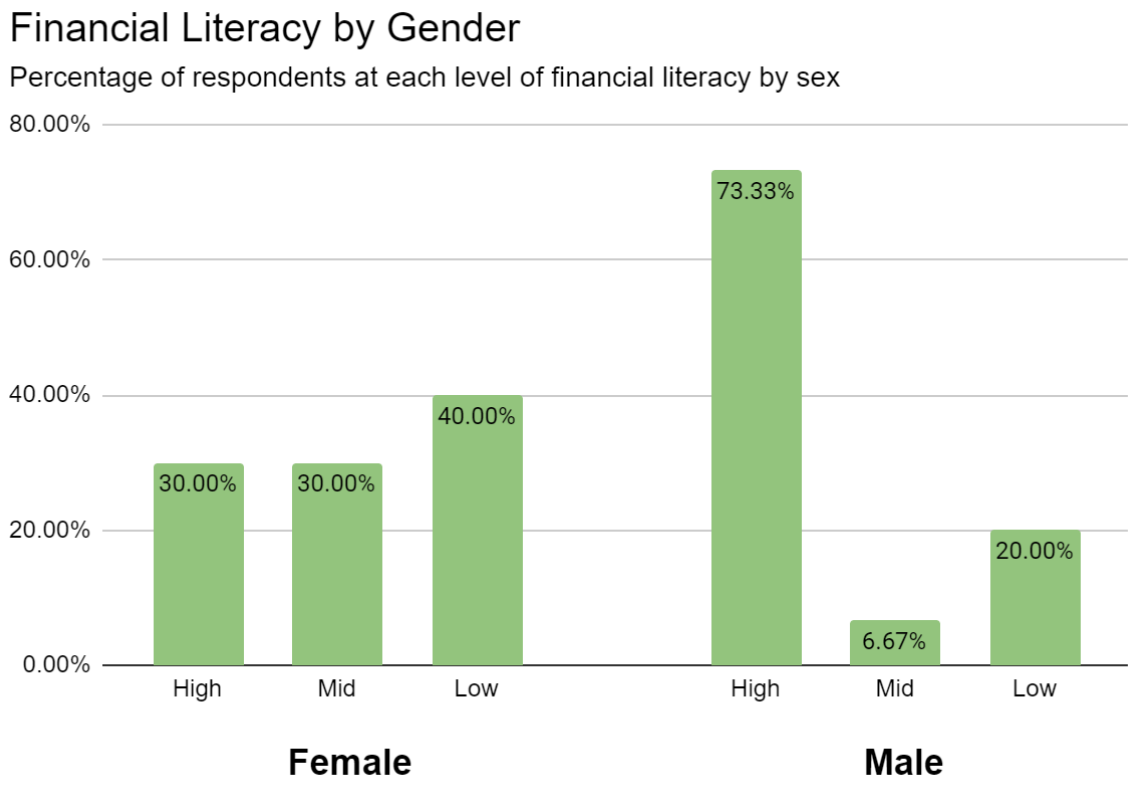

Figure 9: Financial Literacy by Gender

Existing research into savings behavior and the factors that affect it regularly come across data that suggest that there is a distinct gap between financial literacy levels by gender with women frequently scoring less than men. Usually, this is attributed to the fact that men have more opportunities in education and more access to information through their employment (Boisclair et al., 2017). However, in this study where the sample was specifically designed to include women with at least an Undergraduate Degree who are also currently employed, women still scored poorly in the financial literacy questions. Female respondents

also on average responded with 'Do not know' compared to their male counterparts. However, given the size of the sample, it would be wise to conduct further studies with larger samples before presenting a verdict on this outcome.

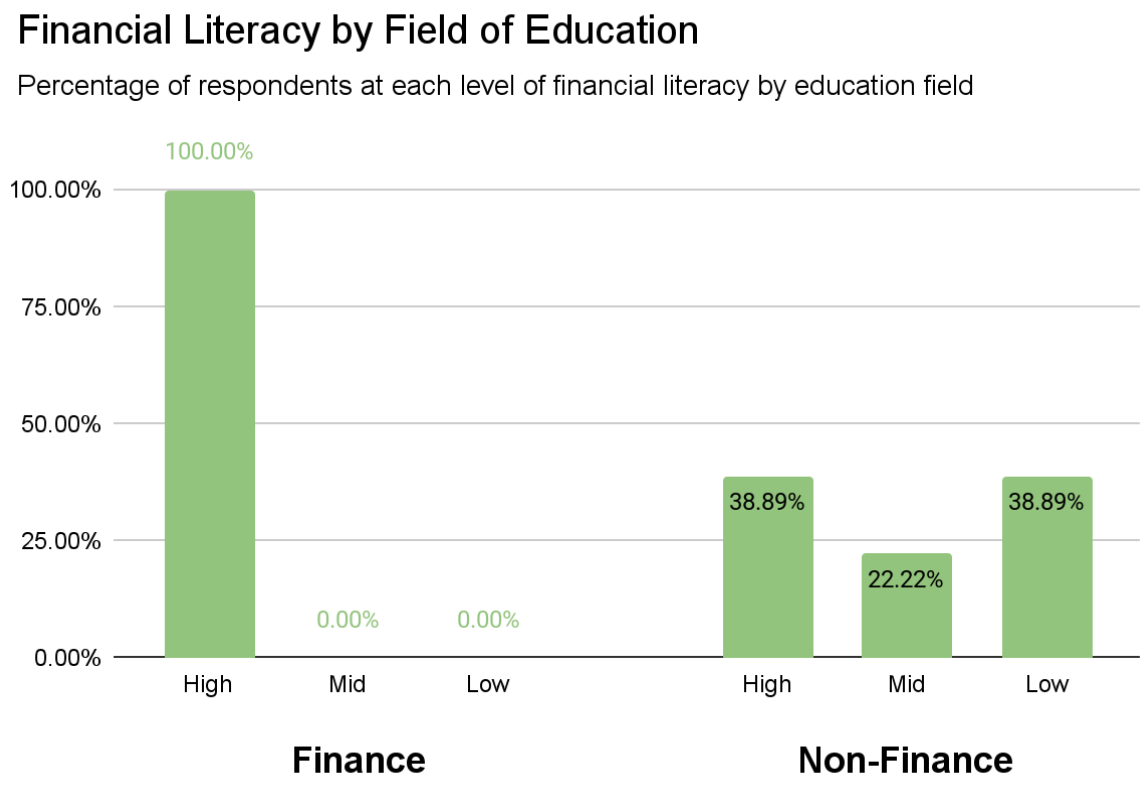

Figure 10: Financial Literacy by Field of Education

Also one of the areas of exploration under the study was the possible impact of education programs on people's financial literacy. Even though the sample is quite small, the outcome of the financial literacy assessment is fairly clear. Participants whose education background was in Finance or a subject matter that focuses a lot on financial discussion points all score highly in the financial literacy questions. While the results from the non-finance education background participants were more dispersed among high, mid and low tiers.

5. Limitations

This study is being conducted as part of a university course and as such does not involve specialized funding and therefore is operating under a small scope to help ascertain the viability of further and more structured research into the subject in the Bangladeshi context. Aside from this, the study is based on primary data collection and due to restrictions of COVID and the scheduling obligations of the respondents relied solely on data collected through online forms and not through in-person interviews. And while the survey form was designed to be independently comprehensible, it is difficult to ensure that every participant interprets all the questions in exactly the same way given the subject matter being discussed in the survey (understanding of finance, financial tools, savings landscape in the country).

Due to the limitations described above, the sample engaged in the actual survey is fairly small and while qualifies under the minimum requirements for representativeness, it is difficult to place sufficient confidence in the analysis of sub-sectional analysis (for example across gender and education type). This is something that will need to be addressed in future studies to ensure greater engagement so that sub-sectional analysis will bear greater confidence.

6. Conclusion

The purpose of the study was to investigate the role of financial literacy in people's savings behavior and what factors can affect either financial literacy or savings behavior independently. The study was modelled after and integrated questions from previous studies done around the world on this subject matter. This allows for comparability in the findings across all the different studies. The following are the major conclusions which can be reasonably drawn from the outcome of the assessment.

More than half of the respondents who are Employed Graduates have high levels of financial literacy. And these numbers vary by the topic being assessed. Interest Rates and money valuation are more commonly understood by people and the least commonly understood component is risk diversification.

People with high degrees of financial literacy engage in active savings behavior than those who have moderate or low financial literacy. However, a causal link could not be established during the course of this study.

People who perceive themselves to be capable of saving all engage in active savings and savings activities dwindle with confidence in their own capabilities.

People who practice intentional and strict savings styles are more likely to have savings and are more likely to see out opportunities. People who follow a more passive savings style are unlikely to spend effort in seeking out opportunities. But are likely to willingly engage should the options be made more available.

No significant correlation could be established between people's financial literacy and their preferred amount to save as a percentage of income. There is insufficient data to identify relations between savings style and percentage of income saved. This should be put on greater focus in future studies.

Even though both male and female participants had undergraduate degrees and were employed, women still scored poorer than men in the financial literacy assessment. Usually, women's lower scores are attributed to lower education and not being employed. This should be assessed further with a larger sample.

Education programs which involve discussion points from the Finance and closely related fields appear to have an impact on people's financial literacy.

The subject matter of the study has been a matter of focus for nearly decades now and is frequently an important issue in governance and policy decisions, data on the subject is still not widely available. This study was an exploratory look at savings behavior and the factors affecting it in the Bangladeshi context. The preliminary findings are promising and further research on this subject in the Bangladeshi context would provide many important insights which would help in policy decisions and help guide the economy moving forward.

References

Alan, S., & Ertac, S. 2015. "Patience, self-control and the demand for commitment: Evidence from a large-scale field experiment," *Journal of Economic Behavior & Organization, Elsevier*, vol. 115(C), pages 111-122.

Beshears, J., Choi, J., Laibson, D. and Madrian, B. (2009), 'The importance of default options for retirement savings outcomes: evidence from the United States', in J. Brown, J. Liebman and D. Wise (eds), Social Security Policy in a Changing Environment, Chicago: University of Chicago Press.

Boisclair, D., Lusardi, A., & Michaud, P. (2017). Financial literacy and retirement planning in Canada. *Journal of Pension Economics and Finance*, 16(3), 277-296. doi:10.1017/S1474747215000311

Bover, Olympia And Hospido, Laura And Villanueva, Ernesto, The Impact of High School Financial Education on Financial Knowledge and Choices: Evidence from a Randomized Trial in Spain (January 31, 2018). *Banco de Espana Working Paper* No. 1801, https://ssrn.com/abstract=3116054 or http://dx.doi.org/10.2139/ssrn.3116054

Cribb, J., & Emmerson, C. 2016. "What happens when employers are obliged to nudge? Automatic enrolment and pension saving in the UK," IFS Working Papers W16/19, Institute for Fiscal Studies.

European Commission (2014) 'Tackling the Gender Pay Gap in the European Union', available at: http://ec.europa.eu/justice/gender-equality/files/gender_pay_gap/140319_gpg_en.pdf.

Grady, J. (2015) 'Gendering Pensions: Making Women Visible', Gender Work and Organization 22(5): 445–58.

Lührmann, M., Serra-Garcia, M., & Winter, J. (2018). The Impact of Financial Education on Adolescents' Intertemporal Choices. *American Economic Journal: Economic Policy,* 10(3), 309–332. https://www.jstor.org/stable/26529045

Lusardi, A., & Mitchell, O. (2011). Financial literacy around the world: An overview. *Journal of Pension Economics and Finance,* 10(4), 497-508. doi:10.1017/S1474747211000448

Madrian, B. and Shea, D. (2001), 'The power of suggestion: inertia in 401(k) participation and savings behavior', Quarterly Journal of Economics, 116(4), 1149–87.

O'Donoghue, T. and Rabin, M. (1999), 'Doing it now or later', American Economic Review, 89(1), 103–24.

OECD (2014), 'Increasing private pension coverage and automatic enrolment schemes: evidence from six OECD countries', in OECD Pensions Outlook 2014.

Rinaldi, A. (2011), 'Pension awareness and nation-wide auto-enrolment: the Italian experience', Centre for Research on Pensions and Welfare Policies, Working Paper 104/11 (http://www.cerp.carloalberto.org/pension-awareness-and-nation-wide-auto-enrolment-the-italianexperience-2/).

The Pensions Regulator (2014) 'Automatic Enrolment: Commentary and Analysis: April 2013–March 2014', available at: www.thepensionsregulator.gov.uk/docs/automatic-enrolment-commentary-analysis-2014.pdf.

The Pensions Regulator (2015) 'Automatic Enrolment Earnings Threshold', available at: www.thepensionsregulator.gov.uk/employers/automatic-enrolmentearnings-threshold.aspx#s9447.

The Pensions Regulator (2016) 'Opting Out: How to Process 'Opt-outs' from Workers Who Want to Leave a Pension Scheme', available at: www.thepensionsregulator.gov.uk/docs/pensions-reform-optingout-v4.pdf.

Tversky, A. and Shafir, E. (1992), 'Choice under conflict: the dynamics of deferred decision', Psychological Science, 3(6), 358–61.