



Financial literacy and French behaviour on the stock market

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Abstract: This article looks back over the different dimensions of financial literacy: theoretical, methodological and empirical. First, the theoretical foundations of the notion of financial literacy are presented with reference to recent contributions by psychological or behavioural economics: “household finance” refers to the concept of financial literacy based on the empirical dead-ends of standard saver theory. This raises the question as to how to measure and evaluate it. Is the “standard” methodology, based on a few straightforward questions (interest calculations, notion of inflation and risk diversification), adequate or do other definitions need to be developed? As is often said, are the French really “useless at finance” ? Is their financial behaviour, in terms of their portfolio choices, affected by it ? And last but not least, how effective are economic education programmes and is a public financial literacy policy required?

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