



Economy Class

A FINANCIAL
LITERACY
HANDBOOK



FOR TRAINEES



WITHIN THE FRAMEWORK OF

IMPLEMENTATION

PROJECT COORDINATION



WHEN



Co-funded by
the European Union

Table of Contents

Introduction	4
What is financial literacy?	7
Why does financial literacy matter?	8
Why women turn a deaf ear to finances?	17
How to use this guide	19
Your personal relationship with money	20
Organisation	31
Budget	39
Savings & Pension	49
Inflation	55
Spending less	59
Increasing your earnings	70
Insurance and taxation	79
Credit and debt	89
Investments	99
Inheritance matters	112
The role of significant others in your financial plan	115
Annex	131
Useful resources	140
Notes	145

This Financial Literacy Guide was created in 2020 by the WHEN (formerly Women On Top) team for the project known as "Economy Class", which was implemented under the [Active Citizens Fund](#).

In 2025, this Financial Literacy Guide was updated with the valuable support of:

Mrs Stefania Kavvadia, Senior Business Management & Banking Professional

Mrs Mina Misyrlis, Economist, Professional Development Consultant

Mrs Eleni Bliami, Economist, Accountant-Tax Practitioner

Mr Dimitris Nitsas, Economist, Accountant-Tax Practitioner

Mrs Angeliki Savvidou, Personal & Business Finance Consultant

Mrs Anastasia Chalkidou, Economist, Chartered Accountant, FCCA

In 2026, this Financial Literacy Guide was translated in English, within the framework of Resources on the move (RES-MOVE) program.

INTRODUCTION

Money affects every choice that we make in life; its every aspect—from the neighbourhood in which we will raise our **children** to how we will spend our years after retirement. Our **dreams**, our **daily lives**. That is why it is imperative to no longer put off the decision to become more competent, informed and skillful in managing our lives.

This financial literacy guide is our contribution to the need that we see and sense around us for more women to start taking **control** of their finances and growing professionally, creatively and socially, using money not as an end in itself, but as a valuable **tool**.

Our objective is not to underestimate women's abilities to understand the financial **information** that is already available around them, but to acknowledge the fact that so little of that information takes into account the centuries of stereotypical exclusion that have barred women from financial information and management, including financial decision-making centres. There is a fine line between the two, yet we very much hope that, by staying vigilant and getting constant feedback, we will be able to tread on it successfully.

That way we will know for sure that we will have done our part to make our families, businesses, organisations and society more equal and truly inclusive.

Some outcomes from the Courses in Finance

72% of female participants

in the training programmes **reported that**

it increased their confidence

in making financial decisions that affect themselves and/or their families.

On average, **the percentage of female participants**

who **rated their knowledge** of managing their finances as

'Fairly' or 'Very' satisfactory increased by 52%

compared to the beginning of the course.

COMMENTS FROM THE FEMALE PARTICIPANTS ON THEIR EXPERIENCE WITH THE COURSE:

*"It was **one of the best courses I have attended** so far and I've attended quite a few!"*

*"I started **saving away for the first time in my life** and tackling my financial and tax obligations more responsibly."*

*"I started this course feeling **fear** and completed it feeling **really brave!**"*

*"Before this course, **discussions about money caused me a lot of anxiety.** After completing the course, I can say that I have taken significant steps to feel more at ease with my finances and try to make positive changes to create a more secure future for myself and my children."*

frequently asked questions #1

Why is this guide/course only addressed to women?

Is it right to reinforce the view that women don't know a single thing about finances?

The aim of this guide/course is not to explain to women what they “don't know a single thing about”, but to create a safe and motivating learning environment for them so that they can explore in more depth concepts that will help them to make better financial choices. It is our strong view that the gender gap in financial literacy, supported by data from around the world, hardly indicates any biological deficiency in women, but rather points to systemic

inequalities that prevent many women from gaining the same opportunities as men to practice and manage their finances. Depending on each woman's unique knowledge and experiences, this guide and the course can be adopted to provide motivation for further reading, introspection, practical application, or for exploring the information that each woman is most interested in. And, of course, they can be an excellent source of knowledge for men too!

WHAT IS FINANCIAL LITERACY?

OECD defines financial literacy¹ as "*a set of awareness, knowledge, skills, attitudes, and behaviours that enable individuals to make informed and smart financial decisions*".

In other words, financial literacy is all that **we believe**, what **we know**, what **we feel** about money, but also how we **actually** react when we have to ask for, collect, spend, invest and generally manage money.

Based on this definition, we can distinguish certain **characteristics** that have a significant impact on our level of financial literacy and on our ability to make sound financial **decisions**:

- A. Knowledge of math
- B. Knowledge of finance
- C. Intrinsic motivation
- D. Self-confidence
- E. Practice opportunities
- F. Personality type
- G. Individual preferences
- H. Learning competence

Knowledge of math is not something that we will explore in this guide. According to the OECD Survey of Adult Skills², the percentage of Greek men and women with poor numerical literacy is quite high (28.5% of the population is at or below Level 1); however, addressing this problem goes beyond the aim and scope of this guide. Therefore, for the purposes of this guide we will assume that the female participants in the training and empowerment courses have basic knowledge of math. The **knowledge of finance** is a significant part of the material we will cover in this guide. However, we will place more emphasis on the areas of **intrinsic motivation** and **self-confidence**, as these are the key tools that will allow an individual to begin **applying his/her knowledge** and enrich the information and skills he/she already possesses (with practice). This internal feedback loop, combined with a person's **personality**, **learning competence** and **individual preferences**, hold the key to achieving a functional level of financial literacy and therefore overcoming the structural and social inequalities that are often responsible for the financial autonomy gap.

WHY DOES FINANCIAL LITERACY MATTER?

The importance of financial literacy for an individual's financial **behaviour** and financial **situation** has been documented in many studies¹. Financially literate people do better at **budgeting, saving money, controlling spending, managing debt** and **planning** for their future (retirement, etc.) This not only has a documented² significant impact on the **mental and physical health** of women and their dependent household members, the **educational attainment** of children and the **relationships** between partners, but it also affects the general financial well-being, stability and growth of their **community**.

Why is financial literacy particularly important for women?

For women in particular, recent studies³ confirm again and again that 58% of women tend to rely on their (usually male) partners for important financial decisions, therefore depriving themselves of a large part of knowledge and control over their finances.

This tendency is most pronounced in women aged 20-34⁴, however, it affects women at all career stages: for instance, this can negatively affect their choices at the beginning of their careers and can later hinder their career development. That is why **early** educational interventions in their personal and professional journey are crucial.

Financial literacy is essential for sound financial decisions for both men and women; however, improving financial literacy is even more important for women, as they live, on average, **5-7 years longer**, are more likely to become **single parents** and they usually earn **less** than men of similar age during their productive years (see below). As a result, after they retire, women are often facing financial hardship and need to make difficult decisions in relation to their assets.

A survey⁵ carried out in 4 developed countries revealed that the **death** of a husband leads to a decline of the woman's financial well-being. Other, more recent American and transnational studies⁶ confirm that the rate of older single women living in conditions of **poverty** is disproportionately high compared to the corresponding number of older single men or older couples.

*You can find this data and more regarding the financial literacy of women in Greece in a **large survey** conducted by **WHEN (then Women On Top!)** and **athiNEA**, with the support of **Papastratos company**.*

Therefore, women who have not taken advantage of the opportunity to become actively involved in designing and managing their financial future, face serious financial risks in situations of **divorce** or **widowhood**, or in the event of **financial mismanagement** by their partner. On the contrary, a UBS survey reveals that in couples who **work together** to manage their finances, women report higher levels of **confidence** in

their ability to make financial decisions, greater **optimism** about their future, **less anxiety** over money and **fewer mistakes** in its management.

This is one of the main reasons why financial education has been globally recognised as an important tool to improve women's financial **independence**. What is more, establishing and protecting economic empowerment on an equal basis for men and women has been recognised both as a basic human right, and as a legal and policy issue. Indeed, women's empowerment is seen as a "prerequisite for sustainable development, inclusive growth and the achievement of all the Millennium Development goals".⁷

However, women are **less likely than men to report** having the skills and level of understanding that would allow them to:

- **Manage their debt**
- **Identify an investment fraud**
- **Invest**
- **Plan for their long-term financial future**
- **Ensure their financial well-being after retirement**
- **Understand financial jargon**

frequently asked questions # 2

Why do women earn less?

Over the course of their lives, women, usually, earn less than men. This is due, first and foremost, to women's **intermittent and short working lives**, due to motherhood or other caring responsibilities, but also to the **restrictions** placed on their professional choices by social stereotypes and cultural expectations linked to their gender role.

In other words, because women are much more frequently tasked with **caring** for children, the elderly, sick and other dependents, they tend to work fewer hours in paid employment, put their careers on hold for longer periods and retire earlier than men. Women also typically work in jobs that are **stereotypically considered as "women's jobs"**, which, for the most part, offer financial and development opportunities.

According to a survey by the Australian Government's Financial Literacy Foundation, women spend approximately **11-13 years off work**, raising children or tending to other family care responsibilities. The cost of childcare forces many women **out of the labour market**, a fact that affects their future pensions, savings and investments. For many of those women, after a long period of absence from work, it is very difficult to regain the status and pay grade they enjoyed before becoming mothers.

The second reason is the **gender pay gap** itself. Based on Eurostat data for 2018, in Greece, the pay gap stands at **10.4%** whereas the European average is at 12.7%.

However, if we also look at the indicator for the **overall national wage gap**, which is defined as the difference between the average annual pay for women and men, we will find that it also reflects (other than a difference in pay) factors such as women's reduced working hours, interruptions and gaps in their careers, lower employment rates, and horizontal and vertical segregation, which keeps women away from better paid professions in areas of innovation and from leadership positions.

Therefore, based on Eurostat data, the total pay gap in Greece stands at **41.4%** whereas the European average is at 39.6%.⁸

It should be noted that the national pay gap directly affects the gender **gap in pensions**, which has become a priority issue to be addressed by the European Union.

Sometimes, these lower benchmark levels indicate that women evaluate themselves more **harshly** and conservatively, but they also show a real **skills and comprehension gap**, which can be tracked back to a different set of underlying factors.

frequently asked questions # 3

What is the reality in Greece, but also globally, regarding the gender gap in financial knowledge and skills?

The findings of the large-scale survey conducted in 2021 by WHEN and athiNEA help to draw useful conclusions regarding the characteristics of financial skills of men and women across Greece.

Knowledge of **financial matters**:

- Our research revealed that only 43% of Greeks can be characterised as financially literate, and that there is no real difference, in this regard, between men and women.
- The only area in which male fare best is in the question on numeracy - where the percentage of correct answers is 62% for women compared to 71% for men. This divergence, however, disappears among persons of higher education.
- Regardless of gender, financial illiteracy appears more pronounced among people of older age. Only 34% of male and female participants over 55 are financially literate. This percentage rises to 44% for the 45-54 age group, peaks at 50% for the 35-44 age group and 49% for the 25-34 age group, declining again to 46% for the 18-24 age group.
- At the same time, we see that financial illiteracy is more pronounced among the lower socio-economic groups. It should also be noted that the differences between men and women in the lower socio-economic groups are practically negligible, but become much more pronounced in middle and higher socio-economic groups.

continued →

- At the same time, a lot of women have little confidence, even though their financial literacy knowledge is adequate.
- Lastly, it can be seen that while women are not less knowledgeable than men, they have more trouble finding the right person to provide them with guidance about the things they do not know.

Financial behaviour:

- It seems that women are not lagging behind in relation to financial matters in general, but rather to the more "technical" aspects of economics. It is telling that women of all socio-economic classes and educational levels report significantly lower use of more complex financial products such as insurance (24% compared to 35% for men) and investments (5% compared to 18% for men).
- Women also seem to have a less clear picture of their finances (82% say they have a clear picture of their finances, with men responding positively at 87%) and slightly less familiarity with personal / family budgeting (83% of women and 85% of men say they always make a budget plan).
- The most significant divide by gender is observed on the question of the existence of a debt repayment plan, as 60% of women compared to 69% of men answered that they do have a debt repayment plan. Finally, women seem to have fewer savings for emergencies - 35% of women and 32% of men report having no savings for an emergency.
- It is worthwhile to note that women who belong in upper socio-economic classes, but also those who have higher educational attainment, do not appear to be more favourably disposed towards technical issues.
- Preparing and submitting tax returns, as well as making household spending decisions, seem to be a masculine affair in Greece. To the question "do you do your household tax return by yourself?" women's and men's answers show a ten percentage point difference, a divergence that is significantly more pronounced in the older age groups and in the upper classes (reaching 15 and 19 percentage points respectively). To the question "Who makes most of the spending decisions in your household?" there is a significant difference of 20 percentage points between women (63%) and men (83%) who report they are primarily responsible for making most of the spending decisions. These findings highlight women's reduced opportunities to familiarise themselves with financial concepts and practices, a fact that often prevents them from enhancing their knowledge and self-confidence in relation to those matters.
- Finally, as regards the amplitude and depth of the information received on economic issues, men significantly exceed women by 15% for being very often informed about developments in the country. However, women who are the main breadwinners or the persons in charge of finances in their family show slightly higher rates than men in how often they are financially informed (78% of women in charge of finances and 72% of main breadwinners say they are often or very often informed, compared to 71% for men overall).

Trends and beliefs about **financial management** issues:

- It seems that the subject of finance is stressful for a lot of people. In particular, one in two individuals find financial issues stressful, with women seemingly more prone to this feeling (overall percent agreement of 57% compared to 46% for men).
- Women and young people tend to associate financial management with feelings of boredom and anxiety to a greater degree. This is very likely one of the reasons why they prefer to have others deal with it. More specifically, 43% of women and 54% of Gen Zers (aged 18-24) find dealing with finances boring. In this question, agreement was reportedly lower among men and people aged 55-64 (31% in both groups).
- At the same time, there is deep distrust in banks, sale transactions, credit and debit cards as well as loans and lending, with no significant differentiation between men's and women's answers.
- According to 45% of men and 35% of women, women are less capable of dealing with financial matters. These numbers peak in the answers of very young people or people aged over 55.
- Moreover, showing interest in money, i.e. talking about it and seeking to acquire it, has a negative "moral" connotation for a significant portion of citizens (29%), in which women (32%) and Gen Zers (37%) are over-represented. Therefore, this emerges as another one of the reasons why women are held back from systematically dealing with financial matters, and improving their knowledge, familiarity and confidence in this area.
- Lastly, the percentage of women who feel that being knowledgeable about financial matters is important nowadays is lower. This highlights the importance of educating and informing women on the negative impact of financial illiteracy on them and their families.

The survey also studied the degree in which the public in Greece perceives that they can effectively handle situations or make **good decisions on financial matters**:

- When it comes to understanding the language of finance, women are significantly less confident (45% against 54% for men), while the gender gap widens even more when it comes to how confident they are in choosing future investments (39% against 49% for men). There is also a gap in relation to saving money and meeting financial obligations.
- Understanding of financial terms appears better among higher socio-economic classes and university graduates. Nevertheless, the gender gap in confidence is very wide among these groups. By contrast, among lower socio-economic classes, the gender gap in confidence is eliminated.

- Women who handle their household finances without a male presence have more confidence in financial matters. There is no gap between those women and men.
- Combining the findings of our research related to confidence with those related to beliefs, we see that low confidence is associated with skepticism and aversion. This trend is especially strong among women.

Finally, we studied the **perceptions of men and women** in relation to the pay gap and whether they feel comfortable **negotiating their pay**:

- Responses reveal that only 51% of participants accept that there is a pay gap. The percentage is clearly greater among women, reaching 73%.
- Most men stated that their pay is equal to that of their male and female colleagues (50% against 40% for women), but they also reported more confidence than women when negotiating their salary (47% against 30% for women). The same is true for men and women of the upper socioeconomic class.
- The gender gap is especially wide between financially illiterate men and women. In other words, financially illiterate women feel much more uncomfortable negotiating their pay compared to financially illiterate men, or financially literate women. This creates a vicious circle, where, predictably, women are held back in terms of their financial development and independence.

The fact that in Greece financial literacy rates are low overall should not divert our attention away from the gap that exists in many countries of the developed world between financial knowledge and the skills of men and women.¹⁰ Although women perform better in areas of financial behaviour and short-term management, such as financial decision-making related to everyday life and the household, they nevertheless show deficiencies and gaps in other aspects of financial behaviour.

As demonstrated also in the 2016 survey by the OECD's International Network on Financial Education (INFE), this gap is observed in both developed and developing countries, with the exception of Hungary, where gender differences in financial literacy levels are considered negligible. Nonetheless, in none of the countries included in the survey have women shown higher levels of knowledge than men.

These differences often prevent women from actively participating in financial decision-making - possibly also in trading - which in turn reinforces their low self-confidence and reduces their opportunities to develop their financial skills.

What are the consequences of the gender gap in financial literacy?

In all likelihood, women's low levels of financial literacy and confidence are responsible for untapped potential in 51% of the population, since these shortcomings often impede women's **active participation in the economy**.

Moreover, differences at the levels of financial literacy and self-confidence may affect the **balance of financial power within the family**, especially when the couple has different priorities in terms of spending their money.

However, in the world of business too, the public discussion about women's lack of familiarity with financial matters may also add to the **investors' (both male and female) distrust** thus creating another gap, the investment gap, present among businesses with male founders and those with female founders.

Lastly, when women are the main caregivers for their children (more so, if they are single mothers) their limited financial education is reflected on the **intergenerational transmission of financial literacy**, affecting their children's beliefs, attitudes and potential.

frequently asked questions # 4

Is this gap evident across the spectrum of women's financial activity?

Women are, in general, very confident in their ability to manage money in their daily lives, in particular in relation to their personal budget, savings, debt and credit card management.

They are less confident in dealing with more complex matters such as investing, understanding financial terminology and being financially secure after their retirement. On these matters, they are also less sure of themselves than men.¹¹

WHY WOMEN TURN A DEAF EAR TO FINANCES?

What are the causes of the gender gap in financial literacy?

THE GAP IN TRAINING

Indeed, financial literacy has emerged as a key pillar of personal well-being and development, and the decisions which men and women need to take, or the information they need to process, are becoming ever more complex in our modern societies. Nonetheless, formal education (from kindergarten to university) has not provided children and young people the knowledge and basic tools they need to develop their financial skills.

THE LIMITED OPPORTUNITIES FOR FAMILIARITY

Due to gender stereotypes, commonly affecting child-rearing and the integration of young adults into society, men are more exposed to **informal financial education**, as they are encouraged from an early age to learn about investments and financial management. This is not the case for women. A British survey revealed that even in young age, boys usually get more **pocket money** than girls, which is telling of how parents treat differently their sons and daughters.

This trend is reinforced by the practices that we, men and women, follow in the later stages of our lives: surveys have shown that at least half of men consistently say that they see themselves as **the persons in charge** of the family's tax liabilities, investments, loans and insurance decisions. The corresponding rate for women is approximately 30%.

On the other hand, more women consider themselves primarily responsible for managing **household** finances and taking short-term financial decisions. These tasks usually do not require the type of knowledge that is assessed in financial literacy tests.

In fact, it is telling that, whereas both **single** men and single women are equally involved in managing financial decisions, when they are in long-term relationships or **marriage**, even if they are young in age, they usually act on traditional patterns of gender behaviour, such as the ones mentioned above.

THE (SOCIALY INGRAINED) TENDENCY OF WOMEN TO PUT THE NEEDS OF OTHERS AHEAD OF THEIR OWN

Due to the fact that, in our societies, good financial management is often tied to wealth accumulation and financial prosperity, many young women subconsciously turn down this pursuit, as they have been raised to put the needs of others ahead of their own. Through this conditioning, many women learn to suppress any sign of ambition for fear of being seen as selfish or aggressive. This trend is also reinforced by the stereotype that has women be the ones who spend rather than earn money for the families or for themselves. This leads women to focus on satisfying the needs of others and not on ensuring their own financial independence and security, through financial management and career choices.

frequently asked questions # 5

The chicken or the egg? Which comes first, confidence or knowledge?

There is no single, universally accepted answer to the question of whether women need more financial knowledge to build up their confidence, or more confidence to be able to assimilate and put this knowledge into practice. However, research suggests that, usually, it is difficult to bridge the financial literacy gap, unless the matter of women's low confidence in financially related matters is addressed first. By boosting your confidence, you help yourself feel more capable of making important financial decisions and become more open to learning and mastering new concepts and tools that will prove valuable for the rest of your life.

LOW SELF-CONFIDENCE

Research shows that women report **lower self-confidence levels** than men in many aspects of everyday life. This disparity appears quite early in women's lives: girls, for example, start showing less confidence compared to boys when it comes to tasks that require "**cleverness**" as early as the **age of 6**. Moreover, women repeatedly state they feel less capable in **math**, a skill which is necessary to grasp the basics of financial literacy. Lastly, they express less confidence in their abilities to achieve financial **targets** compared to men their age.

Limiting beliefs

According to a recent survey by the Australian Government Financial Literacy Foundation,¹ a significant number of women hold beliefs that can get in the way of them managing their money more efficiently, including:

"Money is not important to be happy in life".

"Dealing with money is stressful and overwhelming".

"Dealing with money is boring".

"Thinking too much about my financial future makes me feel uncomfortable."

These beliefs were more common among women than among men. On the other hand, women were less likely to say that money "is just a means to buy things" and that "financially, they like to live for today."

A slip of the tongue

The language we tend to use is also often at blame for the perpetuation of women's low confidence in matters related to financial literacy. This language often includes too many terms which stereotypically bring to mind **male behaviours and expectations** of behaviour. Such terms are often related to **aggression, play, speed, sports and dominance**, thus alienating older women in particular.

How is this lack of confidence expressed? Research conducted in 2013 by the George Washington University showed that the more **complex** a financial literacy question was and the more **technical terms** it contained, the less likely it was for women to answer it correctly. However, in these questions, when the research team removed the option "**No answer/Don't know**", women were as likely as men to choose the correct answer. This is another indication that it is not in women's nature to lag behind in managing their finances, but they are victims of the **absence of hands-on experience** with technical terms and the **lack of confidence** that this entails, especially when these skills exist only in theory.

HOW TO USE THIS GUIDE

The following sections examine some of the basic elements of financial literacy, which are commonly found in the international literature on financial literacy training courses.

These elements are:

- A** **Setting up a budget**
- B** **Savings**
- C** **Spending less**
- D** **Increasing your earnings**
- E** **Insurance and taxation**
- F** **Credit and debt**
- G** **Investments**
- H** **Inheritance matters**

The first chapter is dedicated on the role our own relationship with money plays in women's financial behaviour, and the last chapter discusses the role of significant others.

Our objective is, by the end of this course, to have supplied you with a practical guide that will help you as you plan your next steps to boosting your financial confidence and familiarising yourself with financial management and making important financial decisions.

Your personal relationship with money

IN THIS CHAPTER YOU WILL LEARN:

- **Why it is important to take the time to explore your own relationship with money.**
- **How your own past has shaped your relationship with money.**
- **What's your "money personality type".**
- **How you can face your fears about money.**
- **What are the steps that will help you develop a healthy relationship with money.**

Undoubtedly, money is complicated. And the relationship we develop with money is even more so.

Some people are comfortable discussing money. For most of us, however, money is emotionally charged. It is tied to personal experiences and expectations, and often triggers deep feelings such as fear, shame, joy, or pride.

The fact remains that we all have a personal relationship with money. And it doesn't matter if we are high earners or low spenders. As with everything that is part of our everyday life – like food or the people around us – there are certain emotions and behaviours that we associate directly with money.

Of course, not all people relate to money in the same way. Some have little, some spend a lot. Some regard money as a necessary evil, others as a great tool for personal development, as a means to support their community, or as an indicator of personal success. We all have a certain way of experiencing reality and coping with life; this way is directly related to the relationship we develop with money.

The problem is that we very rarely take the time to think about our own relationship with money. We usually spend countless hours thinking about and keeping track of where we spend our money, but we almost never take the time to think about how we relate to money, let alone understand our behaviour and make the necessary changes.

frequently asked questions # 6

Why it is so important to explore my relationship with money? Shouldn't I spend that time managing it effectively?

Managing your money and financial plan effectively is intrinsically tied to the relationship you have with it.

By exploring your relationship with money, you will realise many things about your way of thinking and acting in everyday life. It is a journey of self-exploration and self-discovery. Soon enough, it will become increasingly clear to you which entrenched beliefs and perceptions guide your behaviour, habits and, ultimately, the way in which you manage your finances.

Have you ever thought why, even though you usually reasonably know what it would be good to do to manage your money more effectively, you find it hard to put it into practice? In other words, if you haven't noticed where your own personality stands in relation to managing your finances, you are likely to adopt approaches or habits that don't fit your unique life plan. This will probably mean that you will find it hard to remain consistent and it will be difficult for you to persevere with your goal. And more importantly, you will not understand why what you've read, heard and observed others doing has not done the trick for you. So you should remember that, before you get into action or start practicing, you need to take the necessary time to observe and realise your attitude towards the financial decisions of your life and how you manage your money.

This will allow you to make conscious changes that you can hold on to in the long run. Difficult as it may seem, you will have acquired a valuable tool that will allow you to give your life a greater sense of meaning.

What is your relationship with money?

Although the thoughts we have about money are often coming from the subconscious mind, they are the driving force behind our behaviour and our relationship with money. These thoughts, and therefore our relationship with money, are mainly shaped by our personal experiences, our family history and the attitudes of our parents or main caregivers towards money as we were growing up. Not all financial decisions are made rationally; this is because our emotional attitude and our own thoughts around money often outweigh our ability to reason.

How did your parents / main caregivers affect your relationship with money?

By answering the following questions, you will discover the root of some of your beliefs about money and how these may be motivating you or holding you back.

- What do you remember most from your childhood in terms of money? Can you recall the feelings you had when your parents/caregivers talked about money?
- What beliefs did you inherit from your parents about money? How would you describe their relationship with money?
- Do you see any similarities with how you would describe your own relationship with money today? Are there any phrases they used that you also use in your daily life?
- If so, can you write them down?
- If you have children, what would you like to teach them about money? Is it something they see you doing in your daily life? Can you identify habits, thoughts or feelings that are coming from your parents and you wouldn't want to pass on to your children?

For some of us, money provides security, for others it provides a strong desire for even more. Hearing good things about money throughout our lives has a positive effect on our relationship with it; if, however, we grew up with the belief that money is "the root of all evil" or "it's never enough", we are likely to have developed a very negative attitude towards it. Just as our beliefs are shaping our attitudes and habits in general, so does money.

It is therefore necessary to understand how our beliefs around money have been shaped so that they do not stand in the way of achieving our goals.

What is your money personality?

As mentioned above, each of us is connected to money in a different way. However, according to Scott and Bethany Palmer, coaches and authors of "Five (5) Money Personalities",¹ we can group certain behaviours into 5 money personalities.

If we look closely at which "personality" we adopt most often when it comes to money, we can

better understand why our poor handling and reactions not only get in our way but may also create conflict with our family environment.

By exploring how money relates to our value system and our behaviour, we can begin to build a healthier relationship with it.

The 5 Money Personalities:

1 THE SPENDER

You are very happy when you spend money to enjoy life. You spend money like there's no tomorrow.

2 THE SAVER

You have saved money for an emergency and you hate debt, so you pay all your bills on time and in full.

3 THE RISK-TAKER

You get a thrill out of ideas that may (or may not) make you money and you are willing to take risks.

4 THE SECURITY-SEEKER

You are looking for opportunities and possible investments, but you are delaying your next move because of your fear and insecurity.

5 THE FLYER

You prefer to rely on someone else for your financial security.

EXPLORATORY QUESTIONS

- Which of the personalities above do you think suits you best?
- Have you identified with one or more of the above personality types at different points in your life?
- How is this personality expressed in your everyday life?
- How does it help you?
- Where does it harm you?
- Is there anything you would like to change? If so, what?
- How would this affect your daily life?

What can you learn about yourself by observing the kind of relationship you have developed with money?

1. WHAT ARE YOUR VALUES?

Your values are your inner compass. Your guide to your purpose in life, to what you consider important, what you like to do, what activities make you feel whole and bring you satisfaction.

Even if you haven't thought about it or written down what comes first for you, more often than not some of the above may be reflected in the way you manage your finances.

By looking at what you spend and don't spend your money on, why you save money, where you invest (or why you are afraid to invest), you can identify what is important to you and align your decisions, actions and lifestyle with your priorities.

2. WHAT ARE YOUR EXPECTATIONS?

Your early experiences with money can determine what you think you can achieve. If money has stood in the way of you getting something you really wanted numerous times in the past, you may have internalised the belief that you will never get what you really want in life. So you may often give up on what you want to accomplish, even if you are perfectly capable of pulling it off.

The next time you doubt your ability to accomplish your goal, think about where this self-doubt stems from and make a list of things you have accomplished in the past. This will boost your self-confidence and shift your focus from the reasons why you might be failing to the ways in which you can succeed.

3. WHAT ARE YOUR FEARS?

In our mind, money is usually associated with making ends meet. Often this is a source of fear for us. For most of us, the worst case scenario is a life with no money at all. A life where we will not be able to cover our basic needs, repay our mortgage, or pay for our children's education. However, Ken Honda, author of the book "Happy Money", argues that financial fears are rarely just about money; rather they are often projections of deeper insecurities and fears.

The fear that we will be seen as irresponsible, that we will let those around us down, that we can't cope. Looking at what you are mostly afraid of when it comes to money (not being able to pay your rent, repay a loan, or buy new clothes), think about what you are really afraid will happen if you don't do any of these things. For example, thinking back, when did you think that you would let those around you down and what is this fear holding you back from?



Exercise

FACING YOUR FEARS ABOUT MONEY

We tend to cling on to our fears (whether big or small) about money without thinking that many of the things we fear will never actually come true. However, our own fear hinders us from acting freely. It's high time you got to know your worst fears better, come to terms and co-exist peacefully with them (from now on).

- 1. For 15 minutes, write your worst financial fears down on a piece of paper as they come to mind.**
Don't forget to make a note of all the things that keep you up at night, your worst nightmares.

Are you afraid that you won't be able to pay off a loan? That you'll get fired and won't be able to make ends meet? That you won't be able to support your loved ones? That you don't know where to start in terms of sorting out your finances? Feeling bad about earning less/more than your partner? Wondering if you will be able to support your children in their early years?

After you have written down all your fears, look around you. You are not alone. We all have similar fears and share the same concerns.

- 2. After you have listed them, study the list carefully and split it into: (a) fears about things you can control and (b) fears about things you cannot control.**

Write down the fears you cannot control on a separate piece of paper and hide it. After a while, you may be surprised at how many of those fears never actually came true, or, even if they did, you may well be surprised at how effectively you coped with them.

- 3. Now your list contains only the fears you can control.**

What can you do with them?

This guide is a very good starting point to find ways that could help you manage some of those fears. Otherwise, you can always seek the professional advice of a financial advisor who will help you put everything in order and, who knows, may even help you stop being afraid.

4. WHAT IS YOUR OPINION OF YOURSELF?

Your personal relationship with money can reveal the way you see yourself - what you think of yourself. If you feel confident about managing your finances and take (calculated) risks with relative ease, then you are likely to have a high level of self-confidence and feel that you can address life's challenges effectively.

On the other hand, if you are consumed by the fear that you will be left without money or that you keep failing to manage your finances, it is very likely that the core belief you have about yourself is that "I am not good enough". Actually, that belief is not only related to money, but spills over to the way you manage all the challenges and situations you are called upon to face from time to time.

WHAT DOES ALL THIS MEAN?

By taking the time to study your relationship with money, you would also find beliefs, messages and behaviours that go hand in hand with your priorities, self-beliefs, fear and ambitions.

So, you may discover things that work very well for you (and help you manage money better), things that you had not noticed before or things that you want to change right now because they no longer help you, not only in the way you handle money, but also in the way you experience day-to-day life.

Exercise



You will need 30 minutes for this exercise. Choose a quiet place, get a pencil and a piece of paper and answer the following questions honestly. Once you're done, set the piece of paper aside for a few days. Then go back to read your answers again. What thoughts come to mind about how you relate to money?

Which answer surprised you? Which one did you not like at all?

What question would you like to answer differently in 2 years from now?

- **What is the first thing that comes to mind when you hear the word "money"?**
- **What part does money play in your life?**
- **Would you take a job solely based on salary?**
(regardless of whether you liked the job or not)
- **What are your financial priorities?**
- **How do you decide how to spend your money?**
(spontaneously / carefully / I don't even think about it)

continued →

- How do you overcome financial difficulties?
- How do you feel about people who live a comfortable life?
- How do you feel about people who are financially vulnerable?

The three dimensions of money

Another way to examine and manage our relationship with money is to consider where we stand in relation to the so-called "three dimensions of money".³

DIMENSION OF ACQUISITION

The dimension of acquisition deals with how much money is necessary for you to feel secure as well as how you would like to acquire your wealth. At this level, you can think about how much money you would need to feel that you have accomplished your goals. Once you have identified a range that you would consider satisfactory, consider the means and initiatives that would help you to attain your goals. At this point you may need to look at how some of your wants contradict with or fit into your values and to how far you can go in life. For example, if increasing your income means that you will have to take on more demanding tasks or move to another city, thereby creating obstacles or affecting your quality of life, it is useful to take it into account in your decision-making process. That said, it would work better (to the degree, of course, that you can back it up) to align the ways to acquire the money you have decided you need with your values, priorities and your planned lifestyle. As mentioned above, some people believe that money is "the root of all evil"; others believe that you can never have enough. Still, there are some who find the acquisition of money to be of no concern to them. They recognise its importance, but pay no attention to its value. When it comes to acquiring money, you may be avoidant, insatiable or somewhere in between. Where do you stand?

DIMENSION OF SPENDING

Once you have acquired money, there's the question of "what do you do with it?" We have all heard stories about individuals who 'penny-pinch' their whole lives and die with a considerable sum in the bank, and stories about individuals who squander what they have, not giving it a second thought.

The truth is that most of us are reasonable and intentional with how we spend our money; however, sometimes our spending gets completely out of hand. If you've experienced something like this, can you think what sparked it off?

DIMENSION OF MANAGEMENT

Compulsive spenders are often very poor money managers. But like the way we acquire and spend money, the way we manage it varies greatly, depending on the individual, their experiences and life circumstances.

This dimension covers everything from how you pay your bills to how you manage any investments. If you micro-manage your finances, you will account for every penny. If you are completely disorganised, you are likely to procrastinate when paying bills and have a somewhat unclear picture of your financial situation.

Don't forget!

Our relationship with money is like any other relationship; it needs attention, self-inspection, care, and reassessment.

KNOWING IS HALF THE BATTLE

If you are at either end of the spectrum, you need to know that you have developed an unhealthy relationship with money and that it's high time you stroke a balance that suits you and you adopted healthier and more effective habits.

This means that you will ensure that acquiring, spending and managing your money does not cause you financial distress; rather, that it keeps your personal relationship with money in a satisfactory balance for you and the life you have chosen to live.

What can I do to improve my relationship with money?

Beautiful, functional and effective relationships with those around us are not built overnight; they take time and require our energy and willingness. The same goes for our relationship with money.

There are many ways to improve your relationship with money, but you need to make time and focus on this task. Start with the basics:

1. LISTEN TO YOUR NEEDS

Just as your body has specific needs that you need to listen to if it is to stay functional and healthy - good sleep and nutrition - the same goes for your financial needs. Separate your real needs from your wants and discover ways to make room for both (more about that in the chapters to follow).

2. BE HONEST

As with all relationships, in your relationship with money, it is important to be honest. Whenever during this training you want to invest time to effectively manage your finances, you are asked to record your habits, patterns of behaviour and the sums you manage (and how you do it) you need to be open and honest with yourself. This will allow you to have a real picture of what is happening and develop new and more helpful habits and behaviours.

3. DO NOT FORGET MOMENTS OF JOY

Remember that money is here to serve you, not the other way round. Spending time on activities that make you feel better and enhance your well-being (a day off work, reading a book, a stroll in the park) is equally important to consistently offering yourself the opportunity to "invest" money in what brings you real joy, such as buying a book, a trip, or a meal at a place you've been yearning to visit. If these activities have been planned and doing them will not get you to the extreme end of the dimension of spending, they can only bring you joy.

4. BECOME YOUR OWN BEST FRIEND

We all make mistakes. There are (and there definitely will be) many situations where handling will not be the most effective – whether in our personal life or in our professional environment. In these moments, when we need us more than ever, we tend to be the harshest judges of ourselves.

The same often happens when we make a "wrong" move, or manage our finances "poorly", especially when we think we are on the right track.

The next time this happens to you – say, if you make an expensive purchase or book a trip on the spur of the moment without thinking it through – make sure you go easy on yourself. Think about what you would advise a friend if she told you something like this. You would definitely be supportive, so why not treat yourself the same way? Don't be overly critical with yourself. Make an honest assessment of the situation and think of ways to handle it better next time.

5. GET STARTED WITH LEARNING ABOUT BASIC FINANCIAL CONCEPTS

The more familiar you become with your finances, starting by clarifying/confirming what basic financial concepts mean on a practical level, the more at ease you will be at noticing anything that has to do with

your money. Based on knowledge and information and by learning more about how money works, you can put to the test, challenge or confirm any beliefs or social norms that were imposed on you by society; therefore, improve and reshape your own relationship with money.

Organisation

IN THIS CHAPTER YOU WILL LEARN:

- The importance of organising your finances properly
- The steps you need to follow
- How each step will help you

Along with the decluttering we avoid doing in our closets, basements, office or personal life, it is important to acknowledge that we need to periodically declutter our financial affairs and fine-tune the necessary tools to properly manage our money, debt, financial obligations and longer-term financial plans. Inactive bank accounts, credit cards that only occupy space in our wallets without us actually being useful to us, insurance plans that no longer meet our needs, unpaid bills – all of these can cause unnecessary stress and prevent us from successfully taking control of our finances.

Thankfully, no matter how hard it may seem, organising our financial affairs is not impossible, or even as difficult as we think. No doubt, technology is making the process easier, but we can still manage without it. The most difficult step is to make a decision; following that, saving unnecessary costs and maximising our income will make the effort worthwhile. Above all, the ability to choose where and how much to spend, what task to do and how much money to spend on, is the most important benefit – and there is a lot to gain from that.

What could "decluttering" mean?

Depending on a person's professional and family situation, as well as their role in their family or professional universe, decluttering can mean one or more of the following:

- Creating a spreadsheet for revenue and expenditure monitoring
- Setting up a budget
- Repaying outstanding bills
- Filing of financial and other documents
- Digitisation of files and data
- Settling tax/insurance/banking debt
- Updating your personal data with banks and public services

continued →

- Closing, transferring, or keeping all accounts in one place
- Cancelling credit cards and/or transferring their balance
- Settling outstanding inheritance matters
- Updating data on gov.gr and in the National Contact Register (NCR)
- Shredding documents that are no longer needed and digitising those that cannot be recovered from the system due to obsolescence

This decluttering helps us, among other things, to revisit all our financial roles and obligations, as well as what is expected of us.

STEP 1

Filing

You should set up a physical and digital space where you will store and archive all important documents, and gather the data you need to make important financial decisions. A large binder and a separate folder on your computer, on a USB stick or on Google Drive, are some of the storage areas that could be used for this task. Ideally, make sure you have a back-up location as well. This is where you will store all the documents you need to keep organised and handy, except for those that you can now easily locate through digital platforms. Some documents you definitely need are the following. For your convenience, next to each document you will see the signs **P** (paper / physical format) and/or **E** (electronic format):

Statement of income from Salaries	E	Title deeds, legalisations	P + E
Certificate of Allowances	E	Documents related to any kind of investment	E
Insurance policies	E	Family certificates, e.g. marriage, birth and death certificates	P + E
Bank documents	E	Health records (examinations, medical opinions related to serious illnesses)	P + E
Credit card accounts	E	Documents related to measures we have taken regarding inheritance matters	P + E
Public utility bills	E	Loan and debt arrangement and settlement, e.g. out-of-court debt haircut	E
Receipts and warranties for electronic devices	E		
Tuition receipts	E		
Contracts and agreements	P + E		

frequently asked questions #7

What kind of receipts am I required to keep?

To calculate your tax-free income, you are no longer required to keep receipts, as the tax-free income threshold is based on the receipts for expenses made through electronic means of payment, such as debit or credit cards, bank transfers and e-wallets. To maintain the tax-free income threshold and avoid additional taxation, taxpayers are required to make electronic expenses equalling to a percentage of their annual income.

Certain expenses are exempt from the electronic payment obligation, such as letting of houses, tax and insurance payments, and vehicle purchases. Categories of persons excluded from transactions by electronic means include the following:

- Taxpayers aged 70 and over
- People with a disability of 80% or more
- Foreign Tax Residents
- Enlisted persons and persons serving their military service
- Unemployed persons registered with the Labour Employment Office (OAED) for an entire fiscal year
- Civil servants seconded abroad (e.g. diplomats, military)

Nevertheless, in certain circumstances, it may be necessary to create a record of documents—litigation documents for instance.

To confirm that the charges made to your bank accounts and cards are correct, just make sure you keep the receipts of your purchases until the end of the month. This will allow you to check for any errors on the card's statement.



Exercise

FILING MY FINANCES

Objective:

Identify the basic tools and documents you need to organise your finances.

Instructions:

1. Think about what you need to have in one place to feel that your finances are in order.
2. Take out a piece of paper or a digital notebook and split it into three columns:

DOCUMENTS & INFORMATION

(e.g. ID card, diplomas, IBAN, tax information, pet health booklet)

TOOLS & APPS

(e.g. banking app, notebook, Excel)

HABITS & PROCEDURES

(e.g. checking bank transactions once a week)

3. Fill in each category with what you find useful to feel financially organised.

Example of a list:

DOCUMENTS & INFORMATION

- Photocopy of identity card/passport
- Tax registration number
- Contracts (rent, loans, insurance)
- E-banking codes

TOOLS & APPS

- Online banking app
- Expense tracking software
- Payment reminder calendar

HABITS & PROCEDURES

- Tracking of Expenses every Sunday
- Review of accounts every 1st of the month
- Digitisation of important documents

STEP 2**Decluttering your finances**

If you are not already doing so, get into the habit of regularly checking (online or offline) all the documents related to your financial situation and transactions—from your mobile phone bill and bank statements, to insurance policies and their occasional amendments, to your credit card charges.

This is a good place to start: you may have more open fronts than you can manage, i.e. many different bank accounts and credit cards.

It may be convenient for you to have accounts with different banks and several credit cards, but all these may also be remnants of old decisions and habits that are no longer useful for you.

If:

1. You often need to transfer money between your accounts with different banks.
2. You have so many different accounts that it's hard to get a clear picture of your financial situation and you are charged additional maintenance fees.
3. You do not know exactly what your bank(s) charges for transactions you do (or don't do).
4. You suspect that you are paying a subscription to one or more of your credit cards and bank loans.

...you should take a detailed look at the charges on your web banking statements, and make the decision to close or merge some of your cards or accounts to save time, money and energy.

STEP 3**How to record all this data**

There are three things you need to monitor systematically so that you have an accurate picture of your financial situation at all times and can effectively proceed to the next steps of your financial management—that is, budgeting, saving, adjusting your income and expenses, paying off debt and investing.

These three things are:

A. Revenue

You should make a list of all your sources of income and keep track of them:

For fixed income (e.g. payroll, rent, etc.)—make sure that it is paid on time, consistently and in full.

For variable income (e.g. business activity, awards, bonuses, extraordinary allowances, etc.)—make sure you know when is the expected date of collection, when it is finally paid and how you can calculate the annual or monthly average over a period of 6, 12, 24 or 36 months.

B. Expenses

To get a good sense of what you spend your money on, you will need to keep a meticulous register of all your expenses over a six-month period (ideally a year to cover all the seasons with various expenses and income, e.g. Christmas, summer holidays). You can do this in a simple notebook that you will always have with you, on your mobile phone, in a spreadsheet or in one of the special applications that are available (many of them free of charge) and which will help you to keep account of your transactions quickly and easily and to have a complete picture of your transactions at all times (for examples of such applications, see [page 53](#)).

If you prefer to take an inventory of all the transaction receipts you have received at the end of each day, be careful not to miss small or larger (especially recurring) transactions for which you may not have received a receipt.

As you will see in the budget chapter, you should repeat this process at least once a year, or more often, if there are significant changes in your life that affect your lifestyle and needs.

C. Debt

You should register all kinds of debt and liabilities (from your mortgage and credit cards to any money you owe to relatives or friends) trying to be as honest, pragmatic and clear-headed as you can be. For each debt, you should also register the interest rate (if any) you will be charged until it is repaid, the minimum monthly payment amount (if any) and the repayment period.

STEP 4**Digital Wallet**

A digital wallet is an online application that allows users to store and manage money, cards and other important documents, such as ID cards and tickets, in digital format. The most commonly used digital wallets are Google Pay and Apple Pay.

One of the main advantages of a digital wallet is the security and convenience it offers users. Instead of having to carry physical cards and documents, we can have all our information in a secure environment, protected by passwords or biometric data (fingerprint, facial recognition). In addition, payments are quick and contactless, made either via mobile phone or smartwatch. This reduces the need for cash or traditional cards.

In recent years, with the Gov Wallet, all citizens in Greece can have direct access to public documents, such as identity card, driving license, Social Security No (AMKA) and insurance capacity, all vehicle details (MOT, insurance, fees), pet health booklet, through their mobile phone. This facilitates daily transactions and official procedures. It also makes it easier for citizens to have instant access to their documents, produce them electronically where needed and reduce the need for paper copies.

Apart from the Gov Wallet, there is My Health app where we can find instantly our appointments to health institutions, diagnostic referrals or prescriptions. There is also a history of any prescribed medicines associated with our AMKA.

Tips

- We set aside a specific time and day during the week/month to take a closer look at our finances.
- Every six months we renew the file with our passwords, our accounts and everything else. This will enable our replacement to use that file in case we are unable to do so.



Exercise

Before proceeding to the following sections, please take this diagnostic quiz to get a clearer picture of where you stand in terms of managing your finances.

I know my net worth (my assets and liabilities).	<i>YES / NO</i>
I have specific financial goals and I know what to do to achieve them.	<i>YES / NO</i>
I have a clear picture of my investments and assets.	<i>YES / NO</i>
I am saving for my retirement and I know how much saving would be enough for me to meet my retirement objectives.	<i>YES / NO</i>
I know how much money I spend every year.	<i>YES / NO</i>
I feel content with the money I have available in cash.	<i>YES / NO</i>
I know what my benefits as an employee are and I am able to maximise their value.	<i>YES / NO</i>
I take advantage of any tax rebates every year.	<i>YES / NO</i>
I have a long-term health insurance plan to cover advanced medical care or any disability.	<i>YES / NO</i>
I have made my will and my heirs have been informed of its existence.	<i>YES / NO</i>
I have authorised a person to take medical or financial decisions on my behalf, if I am unable to do so myself.	<i>YES / NO</i>

If you have answered "**Yes**" to most of the questions, you are on the right track. You can use this guide for more practical steps to effectively manage your finances.

If you have answered "**No**" to most of the questions, then you have the right guide in your hands. You need support to develop your financial literacy skills and be able to plan your financial future effectively and with confidence. This guide is made for you.

Budget

IN THIS CHAPTER YOU WILL LEARN:

- The importance of setting up your own budget.
- Practical tools to help you set your financial objectives.
- Basic methods to create your budget.
- Steps you need to follow to set up your budget.
- What is the Cash Flow Statement, why it is necessary for you, and how to easily include it in your budgeting.

What exactly is a budget and how can it help us?

To make a budget is to create a plan about how you think it would be wise and feasible to spend your money over a certain period of time. The object of a good budget is to help you spend less money than you earn, so that you can gradually achieve your longer-term financial goals (big purchases, travel, studies, saving for emergencies, retirement, etc.)

But budgeting is not just a math exercise that we should learn to put up with—it is above all a key step towards exploring your relationship with money, becoming financially literate and gaining your financial independence. Why? Because it engages you in the process of accurately assessing your financial situation, putting on thought and energy to identify your short and long-term goals, to fill in any gaps, and to learn to think thoroughly each small or big financial decision you make.

Finally, budgeting is not a necessary evil that you have to live with in order to achieve a single goal you have set or to get out of a difficult financial situation. It is a new habit and life attitude that will allow you to invest, from this point in time and forever, in your living standards and in your personal and professional development.

frequently asked questions # 8

My financial situation is so dire/good. Do I need to set up a budget?

It makes little difference if you are barely getting by or if you are in the best financial situation of your life. Setting up a budget will help you understand in depth what works well and what doesn't and apply the lessons you've learned either for the moment to come or for the next twenty years.

How to make your first budget

STEP 1

Goals

Identify your goals. Do you want to get a master's degree, buy a car, move into your own house, set aside a sum for emergency expenses, save for your children's education? Do you need a new computer or dream of travelling to a far away country? Evaluate what really matters to you, based on your own needs and wants. If you are in a longterm relationship or live together with other adults in your family, you should also include them in this process and together you should set your own common goals (for more information on the role of significant others in your financial planning, see [p. 113](#)).

What goals are we talking about?

If you are finding it difficult to identify your goals in different areas of your life, you can use the following as a starting point:

- Personal goals
- Family goals
- Financial goals
- Educational goals
- Social goals
- Recreational goals



Exercise

How do I identify my goals?

Take a piece of paper and a pencil and answer for yourself the following questions:

What are my values?

Which aspect of my professional life gives me the most positive energy?

Which financial achievement would give me the greatest sense of success?

What are my needs?

What existing financial problem do I want to address in the near future?

What are the circumstances of my life now?

What are my goals, what do I want to achieve in my personal and professional life—
in 2 years, in 5 years, in 10 years from now?

What is my short-term (1-2 years) and long-term (5-10 years) financial goal?

What am I willing to give up in order to achieve my long-term goals?

How do I want to live in my 30s, 40s, 60s, 80s?

With these questions as your guiding light, you will be able to visualise the successes and challenges that your future may hold in store for you, as well as plan for your short, medium and long-term goals.

Time is money

Sort your financial goals into three categories: **short-term**, **medium-term** and **long-term**.

Short-term goals are goals that you can achieve within one or two years and usually do not exceed €1,000-1,500. No prior savings required.

Medium-term goals are the goals you want to achieve in the next 2-5 years and usually require a five-digit amount.

Long-term goals are goals that take five years or more to accomplish.

Are your goals SMART?

If you have been setting goals that you always give up on because they later seem unattainable, it would help you to practice the SMART model. That will show you way to set goals (in all areas of your life) you can really accomplish. The acronym SMART stands for Specific, Measurable, Attainable, Realistic and Time-bound:

Specific

Measurable

Attainable

Realistic

Time-bound

For a goal to be SMART, it must meet all 5 of the above criteria.

EXAMPLE OF A SMART GOAL

Suppose your initial goal is to pay off the total amount you owe on your credit cards. This goal is quite vague. To make it SMART you have to:

- Identify how many and which credit cards you are currently using (Specific)
- Make a note of how much money you owe each of them (Measurable)
- Decide how much you need to pay each month to reach your goal (Feasible)
- Work out how much money you can allocate from your budget for this (Realistic)
- Commit to the exact time by which you will have achieved your goal (Time-bound)

Once you have completed these steps, you can put your goal into words as indicated in the following example:

I will pay off my two credit cards in full, to which I owe a total of €3,000. To do this, I will have to pay €200 every month. This sum will be taken from my budget, so that I can pay off my debt in 12 months.



Exercise

Write, draw, and build your own SMART financial goal.

STEP 2

Revenue

Check out the list of all the sources of income you have. Depending on your professional situation, you can calculate your revenue on a monthly or annual basis. If you are, for example, an employee, you can calculate your monthly income relatively accurately, but if you are self-employed, it may be better to calculate your average annual revenue and divide this amount by 12 months. Don't forget to include in this list any rental income, investments, allowances or any profit-making side hustles.

Make sure you should always calculate your **net** revenue by deducting from your fees any taxes or social security contributions that you have had to pay extra in previous years or that your accountant has informed you that you will have to pay.

STEP 3

Expenses

Check out your monthly expense list. For annual fixed costs such as insurance, annual fees and tuition fees, you need to divide the total amount by 12 months. Start by recording expenses freely, then organise them into categories (e.g. housing, utilities, subscriptions, food, clothing, education, entertainment, etc.) as the list grows—this will help you get a clearer overview and ensures nothing important is missed. In most cases, you should use no more than 10 to 15 categories—see the table below for examples.

CATEGORIES OF EXPENSES (indicative list)

- Housing (mortgage, rent, municipal fees, ENFIA, home insurance, etc.)
- Bills (electricity, gas, water, telephone/internet, pay TV, etc.)
- Household (food and household care items)
- Childcare (nursery, creative activities, baby sitter, etc.)
- Personal care (haircut, body treatments, etc.)
- Education (training seminars, private school, studies, etc.)
- Savings and pension schemes

continued →

- Debt (loans, credit cards, etc.)
- Healthcare costs (insurance, medical visits, hospital stays, etc.)
- Transport (petrol, car maintenance, public transport tickets, etc.)
- Entertainment (outings, trips, books and movies, etc.)
- Pet care (food, pet visits, etc.)
- Other (charity, gambling, unexpected expenses, etc.)

STEP 4

Matching

The amount that is left after subtracting your total expenses from your total revenue is a rough indicator of your financial situation.

If the result is **positive**—in other words, if **you earn more than you spend**, you can increase the amount you have available to pay off your debt or increase your savings.

If, on the contrary, the result is **negative**—in other words, if **you spend more than you earn**, then you are either close to exhausting your savings or you are financing your deficit through borrowing.

If you are now **spending more than 40%** of your net revenue on loan and credit card repayments, you are heading into trouble.

In general, if you have no net profit but only losses, waste no more time. Examine every expense and decide how to control your expenses or increase your revenues.

STEP 5

Verification/monitoring

For your budget to be effective, ensure your financial records are accurate, carefully maintained, and reflect reality rather than expectations. To achieve this, you need to put in some of your time and energy, at least at the beginning of the process and at least once a year after you have completed it. The best way to validate your estimate and keep your analysis accurate is to track all income and expenses for at least one month (ideally 2–3) and keep your records updated.

Repeat this process regularly—especially after major life changes (a job change, a move, a new family member)—so you always know exactly where your money goes, not where you think or feel it should go.

ORGANISING YOUR BUDGET

	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th		
REVENUE													INCOME	
Salary	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Overtime	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Bonuses, allowances	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
ETC.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Total	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	Total	0,00
EXPENSES													EXPENSES	
Residence and utilities														
Payment of mortgage or rent	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Taxes, ENFIA, etc.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
PPC utility bills, etc.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Communal expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Other subscriptions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Family expenses														
Grocery stores	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Laundry stores, dry cleaner's	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Home renovation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Clothing	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
School supplies, Games/ Toys	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Gym, Clubs, Foreign Languages, etc.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Children's pocket-money	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Damages, repairs	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Transportation														
Petrol for car, motorcycle	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Car insurance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Preventive maintenance, repairs	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Vehicle and motor tax	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Tickets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Communication networks														
Landline	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Mobile	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Health & Beauty														
Hairdresser's, etc.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Cosmetics	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Medical expenses, Medicines	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Food supplements	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Entertainment														
Café, outings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Other														
Investments, vacation, money for outings, donations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Birthday, celebrations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Gifts (Christmas, birthday, etc.)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Emergency fund	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Total	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	Total	0,00
Profit (deficit) / Month	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	Profit (deficit) from the previous year	0,00
Profit (deficit) / Cumulative	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	Profit (deficit)	0,00

BUDGETING METHODS

There are several **methods** to set up your budget. You may find some examples below:

- The **zero-sum** budget method accounts for every euro of your income compared to expenses equaling to sum of zero each month. With this method, savings are normally included in the expense categories.
- The **50/50** method, which divides expenses into two distinct categories: fixed and variables. Expenses are then deducted from your net income and the rest is your "disposable income", which you can use for emergencies and to meet your goals.
- The **50-20-30** method, whereby 50% of your revenues goes to your needs, 20% goes to savings and 30% to your wants and entertainment.
- The cash **envelope** method, whereby you are using envelopes with a specific amount of money for each expense of the month.
- The **percentage allocation** method allows you to plan what percentage of your net revenue you will allocate to each category of expenses, so you can maintain your preferred standard of living. This is considered by many experts to be the easiest, simplest and least stressful method, as it allows you to use some indicative percentages and modify them according to your needs and lifestyle. Below you can read an example of a healthy budget, which has been prepared using the percentage allocation method.

EXAMPLE

Savings: at least 10% of net income

Housing: no more than 30% of net income

Meals and eating out: no more than 20% of net income

Public utility bills: no more than 5% of net income

Car expenses: no more than 10% of net income

Electronic devices, phone and Internet bills: no more than 5% of net income

Other expenses: no more than 20% of net income

When added up, the percentages must equal **100%**.

THE CASH FLOW RIDDLE

Did you know that over a third of small businesses go bust due to shortage of cash? This means that a business may have assets tied up (e.g. buildings or land, invoices to be collected, etc.) but not enough money in its coffers to meet its current needs (staff salaries, paying invoices to suppliers, etc).

Similarly, a significant number of families see their cash run out several days before they receive their salary or anticipated revenues (you've probably experienced at least once the stress of whether there will be enough money left to pay the bills at the end of the month). That is why it is crucial, when we draw up our personal or family budget, to anticipate and plan the management of our cash flow in order to avoid financial losses that could have been foreseen.

We can do this by:

- Keeping a close eye on any money owed to us, our regular payments, etc.
- Always having a clear picture of the cash available either at home or in our savings accounts, etc.
- Keeping a close eye on what our financial obligations are for the next period and when we need to pay them off.

The above can be checked **with the help of a simple tool, the Cash Flow Statement**. This tool, which we can use on a monthly, quarterly and/or annual basis, helps us to ensure that we get the timing of our payments right so that we have enough money to cover our obligations at the right time.

That way we can avoid fines for late payment of bills, excessive interest on our loans and credit cards, arguments with persons waiting to receive their payment from us, unnecessary borrowing, as well as more serious consequences such as having an unpaid service terminated, losing an asset, etc.

HOW DO WE BUILD A CASH FLOW STATEMENT?

We will need three tables:

In the first table we write down very clearly the revenue expected within the period we are processing (e.g. one month).

In the second table we add all the payments that we will have to make.

In the third table we add the revenue and the available cash (e.g. our deposits) and subtract the expected payments from it. If the result is positive, our cash flow is good for this month. If it is negative, we need to make a plan in time to fill the gap between the money we will be receiving and the money we have to pay.

Key takeaways

We recommend you to build a cash flow statement for longer periods of time (e.g. quarterly), so that you have enough time to plan how to cover any additional expenses. For example, our cash flow may be positive for the month of January, but because in February we have to pay a large instalment of education fees, the result will be negative. If we know that early enough, we can find a solution that will not cost us much, such as cutting back on the previous month's expenses so that we have a larger reserve, seeking an arrangement for our payments, looking for an interestfree or low-interest loan, etc.

Useful applications

Selected applications (and a resource) for creating and managing budgets, tracking expenses, debt, savings and transactions:

moneyboardapp.com

ynab.com

wallybudgeting.app

realbyteapps.com

budgetbakers.com

Savings & Pension

IN THIS CHAPTER YOU WILL LEARN:

- The importance of saving.
- What savings tools are available and how to choose the right one for you.
- The steps you need (and can) follow to save in times of crisis.
- To decode concepts such as inflation and interest rates.

With so many credit instruments (loans, cards, etc.) advertised and available for everyone, for several years, we have acquired an attitude of distrust towards saving as a society. We often consider it more important to **satisfy** a consumer need or want immediately rather than **save** money for the future. Moreover, in cases of emergencies, the first solution that comes to mind is **borrowing**.

How would this attitude change if our core value and principle was to "**Pay ourselves first?**". This simple phrase means that, at the beginning of each month or after each payment, our first move would be to set aside a fixed share of our fee (at least **10%**) in a different account, and use the remaining 90% to cover our **debt** repayments, fixed and variable **needs** and **wants**.

Savings tip

If you receive a windfall (prize, allowance, reward, refund or bonus), transfer all (or most) of it to your savings account.

If this seems unattainable, it's high time you went back to the list of **goals** you've set for yourself—especially the medium and long-term ones, the ones that are 99.9% unlikely to be achieved by some unexpected twist of fate, without you doing something about it first.

To use an example: if your dream is to restore your grandparents' vacation home, where you have spent your best childhood summers, but which is falling into decay because no one in the family can afford its upkeep, you only have two **options**. One option is to keep it as a **dream** ("if I ever win the lottery, I'll restore my grandparents' vacation home"). The second option is to make a **plan** so that you can turn it into a **goal**. The biggest part of this plan would be based on savings. And this plan is not going to happen unless you take responsibility for it.

frequently asked questions # 9

Already several of my needs and/or wants are not being met because I am not getting paid enough to cover them. So how do I save?

This concern is certainly common as the successive economic crises that have hit our society have limited the ability of many persons to shape their economic present and future according to their wishes. So this is a rather justified concern; however, this doesn't mean you're going to call it quits. First of all, there are several points that still need to be covered, for example how you can trim your expenses and increase your earnings, which may

allow you to change your financial situation for the better.

Secondly, you need to know. Even if your current circumstances do not allow you to save 10% of your revenues, it is necessary to build the knowledge, the tools and the habits that will allow you to start from 1%— and then gradually improve your financial situation and your ability to build a better financial future.

Where should I save my money into?

When we talk about savings, most of us think of a simple savings account or, in times of great volatility or for individuals who distrust or don't have access to the banking system altogether, stashing our money at home. Leaving aside this last (and not at all safe) option and considering that you already have (or can probably open) a simple savings account at the bank of your choice, we encourage you to contact this bank to find out about other savings and/or investment products they can offer you.

In general, savings tools usually include:

1. **Savings accounts:** this is the most common account type where one can deposit or withdraw money whenever they wish. Commercial banks pay depositors a fee which is called "interest". The interest rate is the amount of interest for every 100 euros deposited for one year.
2. **Fixed-term accounts:** this is a form of deposit with a time limit but a higher interest rate. With this account, the depositor can withdraw the money deposited only after a certain period of time. If they withdraw it earlier, they would lose part of the interest.
3. **Digital piggy banks** via your bank's internet banking.
4. **Pension insurance** - savings plans.

frequently asked questions #10

What are current accounts?

Savings accounts were originally designed as money earning accounts for the account holder, whereas current accounts were designed as tools for the account holder to pay his/her bills, cover current needs and carry out financial transactions. Thus, in the past, savings accounts offered better interest rates but imposed fees on transactions; current accounts had lower interest rates but zero transaction fees. Nowadays, both types of accounts in

Greek banks have similar interest rates and zero transaction fees. Their only differences are (a) that the current account holder can also have a cheque book whereas the savings account holder cannot; and (b) that only the current account has the overdraft option. In other words, even if the account does not have the required balance, the account holder can still use it to pay off debts or withdraw money.

In the investment section, we will be referring to some of the other products that your bank may offer you, which we do not mention here because they do not always offer the security that we usually expect from a basic savings instrument, but may offer a much higher return compared to it.

Depending on which goal you are saving each amount of money for, you will need to think about how you will use it.

The money you save for emergencies and difficult periods (such as a period of unemployment) should be readily accessible and therefore placed in a basic savings account, where you can use as much as you need at the time you need it (as long as you make sure you put it back at a later stage).

The money you save to achieve your short and medium-term goals, for longer than 1 year, can be placed in short-term investments, which will offer you a higher interest rate than a basic savings account and will be available again after the expiry of your investment.

The money you save for very long-term goals and/or for your retirement is the money you should put into specially designed investment products, such as insurance and pension plans or term deposits that can be released after a longer period of time.

How much money each of these "accounts" will hold will depend on your lifestyle and goals. In any case, your emergency bill should, at the very least, contain the amount you need to go on for 3 or, ideally, 6 months without any source of income.

frequently asked questions #11

How can I automate the process of savings?

Through your bank's online banking platform, you can schedule for a sum of money to be transferred each month to a savings account or a digital piggy bank. For smaller amounts, you can put the coins

left in your wallet at the end of each day in a dedicated piggy bank and deposit them in your savings account at the end of each month.

The concept of compounding interest and how to use it

Imagine you are planting an orange tree. As your tree (**initial capital**) grows, over time, it will slowly begin to bear fruit (**interest**). If you don't eat all the oranges of the crop, but use all or some of their pips and plant them in the soil (**compounding**), you will soon have several more orange trees, which will provide you with many more oranges.

In financial terms, if you have **€100** and put it in an account with an interest rate of **1%** per year, at the end of the first year you will have €100 in your account plus €1, which is your interest. The following year, however, if you do not use your interest, your initial capital will no longer be €100 but **€101**. This means that at the end of the second year you will have $101 + (101 \times 0.01) = 102.01$ euros in your account. In the third year, your initial capital will be 102.1 euros and so on. This is why individuals with more money usually make more money and this is why it is in your best interest to save, however small the initial amount.

Did you know...

If you want to quickly calculate how many years it will take you to double your initial capital, you have to divide the number 72 by the interest rate of the instrument in which you have invested your money. If, for example, you put your initial capital in a fixed-term account with 3% interest, you will double it in $72:3 = 24$ years.

More information on interest rates

In recent years, we have been operating in a low interest rate environment, with yields ranging between 0.01-0.15%.

And in some European countries, such as Germany, banks give negative interest rates on fixed-term deposits, i.e. they charge a margin against the security of the deposit. As expected, we have seen new investment products with a higher potential return, but with no guarantee for your capital. Some products have a capital guarantee, as opposed to those that offer a higher potential return but do not have a capital guarantee. This needs to be very clear to you before you commit your capital and accept the risk. You should know that, in case the bank goes bankrupt, there is the Deposit and Investment Guarantee Fund ("TEKE"), which ensures the stability of the banking system no matter what.

What you need to be very careful about when it comes to investing is to have correct and comprehensive information and to know how to weigh your expectations and any risk so that you can make informed choices.

INFLATION

Or why it doesn't make sense to keep all your savings in a savings account with a low interest rate.

What exactly is inflation?

According to the European Central Bank¹, in a market economy, prices for goods and services can always change. Some prices rise; some prices fall. Inflation occurs when there is a broad increase in the prices of goods and services, not just of individual items; it means we can buy less with €1 today than we could yesterday. In other words, inflation reduces the value of the euro over time.

At the beginning of 2025, while we were updating this guide, inflation in Greece stood at **3.1%**. This means that if you have put your savings in a basic savings account, which usually gives you an interest rate of less than **0.1%**, your money will **lose** value due to the inflation, instead of increasing in value. You cannot always avoid this; however, it is important to keep it in mind so that, when you can, you choose savings or investment instruments that offer you interest rates higher than the current inflation rate in Greece.

SAVINGS AND YOUR FINANCIAL HEALTH IN TIMES OF CRISIS

Crises that occur at the national or international level and affect in some way the economy of Greece can hardly be predicted by you or us. Their consequences though are usually felt immediately.

You may have already experienced such financial consequences if **you were laid off** during the financial crisis, if you saw your salary **fall** during Covid-19, if you are worried about the consequences of the present geopolitical issues for your work.

In any case, both the problems and the uncertainty resulting from such sudden changes are a very important reason to be extra careful and diligent, to research and learn more and to use all the tools at your disposal (some of which are included in this guide) to **cope with** the damage, to **prevent** any unpleasant situations and to **plan** your financial future in a way that shields you, as far as possible, against turbulence.

STEPS FOR FINANCIAL MANAGEMENT IN TIMES OF CRISIS

Follow the steps below as early as possible in a crisis. Ideally, you should do it with your partner, other family members or other people you live with.

Step 1

To assess the impact of the crisis on your job and your income in the coming months, try to answer the following **questions**, even approximately:

- Will you be working in the next few months?
- If so, will your working hours be reduced?
- If so, when will this reduction take effect?
- Can you cash in a percentage of your annual leave?
- If you are laid off, what compensation are you entitled to?
- If you are laid off, can you get an unemployment benefit?
- Will your job vacancy remain open?
- If you have your own business, what projects are already scheduled to run in the coming months? When will they be paid for? Are there any fixed costs you can cut back on if you haven't already?
- Are there any special allowances or other state benefits that you can use to increase your income or decrease your expenses (e.g. mortgage subsidy, rent reduction, etc.)?

Step 2

Go back to the **budget** you made in the previous section and write down any possible reduction in your **income**. Review the **expenses** you have listed and identify any savings made because you had to cut down on expenses, or that you can make over the next few months to cut your losses.

Step 3

If your income has already been reduced or you anticipate it will be reduced in the coming months, you can contact your **creditors** and anyone else you think will experience a delay in your payments because of this situation (the bank where you have your loan(s) and credit cards, your landlord or landlady, etc). Explain the situation and see if you can come to some sort of **arrangement** that will allow you to maintain a financially beneficial relationship for the period to come. Remember that they don't want to lose the money they could get from you either, so it is in their **interest** to find a satisfactory short-term solution.



Exercise

Think of another period in your life when everything seemed gloomy and you were facing difficulties that seemed insurmountable at the time. What was it that helped you survive and get back on your feet? Which people, skills, and habits helped you take the next step? What lessons can you recall from that period that may still help you keep calm, plan your next steps and come out of this crisis stronger?

Are you saving for your retirement?

If you have been **unemployed** for many years, if you have been **out of work** for a long time for health reasons or to care for family members, if you are working in **precarious** or undeclared work, if you have been working **part-time** or on reduced pay for a long time, in addition to the objectives you set out in the previous section, you should seriously start thinking about your retirement.

There is a good chance that the pension you will receive when you stop working will not be enough to live by; therefore, you should start **saving** and/or **investing** a percentage of your income now, based on the amount you have calculated you will need to live comfortably in the last decades of your life.

You may think that this point in time lies **far ahead** and your first reaction may be not to deal with it yet; however, the more limited your savings potential is, the **earlier** you need to start planning for financial future so that you have the time to cover the money that is missing.

HOW TO CALCULATE HOW MUCH YOU NEED FOR YOUR PENSION

Step 1

Use your list of fixed and variable expenses as your baseline. Make the necessary adjustments in each category. For instance:

- Will you have paid off your mortgage once you reach the age of retirement?
- Do you have a health problem that you know will get worse as you are getting older?
- What ages will your children be (if you have any)? What needs might you need to meet for them?
- How old is your partner? Will your family have to live on one or two salaries?
- Will your travel needs be the same or less? After all, you will not be commuting to work.

At the end of this process you should come up with a realistic amount you will need annually to maintain your standard of living after retirement.

Step 2

Use the EU's Pegasus app to calculate your future pension. You can find this app in English at this link:

http://sintaxi.isotita.gr/?page_id=171

Multiply your monthly pension by 12 months.

Step 3

Calculate how much money you will need each year to cover the difference (if any) between your projected pension and your target income.

Useful applications

economysimple.com

apps.romerock.com/piggy-goals-money-savings

Spending less

IN THIS CHAPTER YOU WILL LEARN:

- How to categorise your expenses so that you can cut back on some of them.
- The difference between needs and wants.
- Simple, practical ways to trim your expenses.
- Questions you can ask yourself before you use your credit card for purchases.
- How to grasp the concept of alternative financial scenarios (and make your own).

If, while building your budget, you realised that you are – systematically or occasionally – spending more than you earn, if a recent crisis has hit, or you fear will hit your income, if you want to start saving more, to meet your medium and short term goals, then one of your first steps should be to take a closer look at your expenses and see whether and how you could reduce some of them.

What categories of expenses are you aware of?

Expenses fall into three broad categories: **fixed**, **current** and **occasional**. By understanding what they are, we can identify ways to reduce them and better manage our finances.

Fixed expenses are those that are difficult to avoid or reduce and which have to be paid at specific times: taxes, insurance premiums, utility bills, school fees, rent, loan instalments, subscriptions (insurance, educational programmes, streaming services), etc.

Current expenses are the expenses that we incur frequently – even daily – and which can be reduced relatively easily: they are the costs of food, personal care, home maintenance, clothing, entertainment, travel, etc. **They can be reduced through smart planning, price comparison and by changing our consumption habits.**

continued →

Occasional or **extraordinary expenses** are those that arise suddenly and should always be anticipated. These can be covered by the money we have saved away and they are home or car repairs, purchase or replacement of appliances and furniture, gifts, etc.

Additional category:

Investment and development costs

Although they do not fall under the main categories, some expenses serve as an investment for the future. They are used for financial investments or personal development.

EXAMPLES

- Buying shares, mutual funds or cryptocurrencies
- Courses, training programmes and professional certifications
- Setting up a business or buying equipment for work

Exercise



MAPPING YOUR EXPENSES

Goal

Make an account of your expenses and find ways to reduce or optimise them.

STEP 1 Register the expenses

Take out a piece of paper or use a digital file and split it into three columns:

1. Category of expenses (Fixed, Current, Occasional)
2. Specific expense (e.g. electricity bill, eat out, fuel)
3. Estimated monthly costs (€)

STEP 2 Identify the reduction margins

- Which costs are necessary and cannot be reduced?
- Which costs can be improved? (e.g. change a supplier, terminate your subscription)
- Which costs can be reduced or avoided?

continued →

STEP 3 Create an "Action Plan"

Choose at least 3 actions you can take to reduce your costs.

Example:

"I will make my own coffee instead of buying it"

"I will compare prices at the supermarket and buy discounted products"

"I will use the car less and use public transport more"

STEP 4 Implement & Evaluate

Try the changes for one month and see if you have actually reduced your expenses.

How can you do that? First, by considering what kind of products you're going to get with that purchase and how useful they are to you in the end. In other words, you should:

A.

Learn to tell apart the **needs** from the **wants**. For every expense on your list, and for every impulse purchase not included in your budget, you should ask yourself whether the money you are about to give will cover a real need or want. (Wants, of course, are perfectly fine and we would never suggest that you take them off your life. But your financial goals aim to satisfy some of your – usually greater – wants, so it is important that you decide for yourself which want is most important to you and devote your time, money and energy on it.)

In your budget, you can underline in a different colour the expenses that correspond to your needs and those that correspond to your wants, so that it is easier for you to focus on what you can cut back on if a need arises. Remember that as your life changes your wants and needs are likely to change. Sometimes you may see that wants are becoming needs and vice versa.

B.

Separate the expenses that cover **consumer** goods and those that cover **productive** goods. Productive goods are those goods that are used to produce other goods, such as buildings, machinery, etc. Consumer goods or goods for consumption are those that we use for the immediate satisfaction our needs, for example food and clothing. In particular, goods that are used only once, such as chocolate, ice cream, etc. are called disposable or consumer goods. Of course, goods, **depending on their use**, can be either consumption or productive ones. Take chocolate, for example. If we eat it, it is considered a consumer good; but if we use it as raw material to make a cake, it is a productive good.

C.

Take into account the distinction between **durable** and **non-durable** economic goods. Durable goods are goods that have a relatively long life span, such as cars and electronics. Non-durable goods are those that have a relatively short duration, such as food and clothes (especially when they are not of very good quality).

Is time money?

Would you think of your time as a consumer or a productive good? It depends on how you use the time you save, when you pay a professional to do a work for you. If you use it by working or relaxing, so that you can be more efficient when you work, then the time you "buy" can well be considered a productive good.

THE RELATIONSHIP BETWEEN BENEFIT AND COST

Every financial choice we make is based on a simple principle: is what i pay worth what i get?

A rationally thinking person does not go on spending recklessly. Before making a decision, they weigh the **marginal benefit** (i.e. The additional profit or pleasure it will get from the purchase) and the **marginal cost** (the extra amount it will spend). If the benefit is greater than the cost, then the decision is probably correct. If not, then perhaps they need to reconsider.



Exercise

Use the SWOT analysis to focus on your strengths, as well as the parts of you that need improvement. It will give you a starting point to find ways to reduce your expenses and increase your revenues, aligning your decisions with your goals.

The more honest and objective you are in the following assessment, the more it will help you gain a new perspective and organise your strategy for the future.

What is a SWOT analysis?

The initials of the word SWOT stand for Strengths, Weaknesses, Opportunities, Threats.

Strengths	what will help you achieve your goals (skills, knowledge, contacts)
Weaknesses	what is holding you back for the time being (lack of resources, knowledge, etc.)
Opportunities	how you can make use previously overlooked opportunities
Threats	uncontrollable factors that may adversely affect your everyday life

There are 2 kinds of factors:

Internal (Strengths, Weaknesses): Things you can control

External (Opportunities, Threats): Things you cannot control

How to get started?

Take a sheet of paper, a pencil and an eraser.

Think about and write down a short list of positive and negative facts about your personal financial life (4-7 items per category). Once you have enough items per category (10-20 items or so in total), you can start filling in each category. Once you have placed each fact in each category of the SWOT analysis, continue by ranking them in order of priority.

SWOT ANALYSIS	
Strengths (Internal Factors)	Weaknesses (Internal Factors)
Low rent	I started saving rather late in life
Good job	I am not well informed about investment
No debt	I don't know my funds
Healthy	I have a single pot for everything
Benefits from the company I work for	Low liquidity
Shared expenses with partner/roommate, etc.	
Emergency fund	
Opportunities (External Factors)	Threats (External Factors)
Likely to get promoted	Divorce/Separation
Spare time for extra work	Elderly parents
Frugal lifestyle	Loss of a relative
Can move to a region with a low cost of living	Rent review
	Pandemic

How can you use what you've just captured on paper?

Think about what you can do to use your strengths and improve the areas that need improvement.

Also think about how you can continue to create opportunities and/or take advantage of existing ones.

Understand what you can and cannot do or change at a given time. Finally, don't forget to write down on this paper the names of people around you who can support you in this effort.

Then, place the paper somewhere you can see it (e.g. on the fridge or inside your wardrobe), so that you can remind yourself of the strengths and opportunities, the points of improvement, and all the things that are out of your control.

What you have in front of you is a holistic map of what you need to do and what tools you can use.

EXAMPLE

You are at a crossroad and need to decide whether to continue your studies for a postgraduate degree. You will have to cover the cost yourself.

To make a decision, you need:

- A. To compare the **lifestyle** of a postgraduate degree holder with that of a graduate.
- B. To consider the **added benefit** that one or two extra years of study will offer you for the rest of your life, but also the additional costs.

Only by comparing this marginal benefit with the marginal cost can you decide whether devoting this extra time to your studies is worth it.

Creating alternative scenarios

By evaluating the various information, you can also create scenarios for your or your family's revenues and expenses.

WHAT ARE ALTERNATIVE SCENARIOS IN FINANCE?

Scenarios are alternative hypothetical situations which making a particular decision in your family or personal budget will lead to. These scenarios offer you a structure on which you can depend to shape and make your decisions. They will help you to analyse, filter the information available to you and come to a rational decision.

EXAMPLE

You have a small business making wooden toys, which you sell to retail stores, and you are thinking of setting up your own online store to sell your products directly to the public. You have gathered data showing that, in recent years, and also due to the recent pandemic, e-commerce is growing, but you now need to consider three alternative scenarios in relation to the initial and consequential costs (various offers for e-shop construction, store management & maintenance, communication, order coordination) and the return on your investment (sales), but also the chances of each scenario to be valid.

Scenario	Cost*	Sales	Probability
Optimistic	20,000	65,000	30%
Medium	25,000	40,000	50%
Pessimistic	35,000	25,000	20%
Average	26,667	43,333	

*for one year

The next step is to "weigh" the probability that each of the scenarios you have considered will occur—that is, you have to answer the question which of the scenarios is most likely to happen. Your answer will be subjective, but it will also be based on the information you already have about market trends, offers you have received, feedback from your customers, etc.

When you have all the above elements at your disposal, you will be able to better assess the risk you will be taking if you decide to expand your business, as well as the opportunities you will be creating, so that you can make the right decision for you, for your company and for your family (if any).

3 questions you should answer before you buy something on credit

Even in times when you are trying to cut back on your spending, you may be tempted to buy things you don't need or can't afford, using your credit card or a consumer loan. Before you get carried away by emotional thoughts along the lines of "*But I'm worth it!*", "*I'll figure it out; things will get better*", "*I won't even notice the extra charge on my credit card*", you should answer the following questions:

- Is this product good value for money (plus interest, if I borrow money or use a credit card)?
- Is this product worth the interest I would earn if I saved or invested the money it costs?
- Is acquiring this product more important for my financial security and independence than saving the money I will use to buy it?

[**The basic principle is this:** If the monthly card payment exceeds 40% of your net income (what is left after taxes and social security contributions are deducted) or if it increases the total payments you have to pay each month to cover your debts to over 40%, you should not resort to borrowing. This rate applies to revenues above €2,000. The lower your revenue, the lower the percentage should be.]

Eight simple ways to save money

1. **Use the public transport, cycle and/or walk on a more frequent basis**
(minding your own safety, of course). This will get you fit while reducing the CO₂ emissions!
2. **Learn how to cook.**
3. **Limit drinking and non-alcoholic beverages** (e.g. soft drinks).
4. **Learn to store food properly**, calculate more accurately the amount of food you need and make the most of leftovers.
5. **Do your supermarket shopping online**, based on a list you've already prepared so you can avoid impulse purchases.
6. **Follow closely the washing instructions** so that clothes wear out more slowly and avoid buying clothes that need dry cleaning.
7. **Have a solar water heater installed** in your house.
8. **Compare product prices before buying.** Don't forget to take into account the different weight of the packaging (for food or cleaning products), the durability and lifespan of materials (for clothing, furniture, etc.), the duration of the warranty and the service offered by the manufacturer (for cars, electronics and electrical appliances).
9. **Make sure you pay off your fixed expenses on time** (rent, bills, taxes, insurance premiums) to avoid fines and extra charges.

Caution!

According to long-term OECD surveys, in most countries women are more likely than men to reduce their spending when they face financial difficulties. This strategy, although effective in many cases, can be dangerous for women with very limited financial resources as the woman and/or her family may be deprived of essential goods, leading to major consequences on their health and their future personal and professional development. By contrast, men more often adopt the strategy of increasing their revenues, which we will talk about in the next chapter.

Tip

Cutting back on expenses and adopting a circular economy approach are inextricably tied to the United Nations' Sustainable Development Goals, which promote sustainability and economic efficiency. For example, Goal 12 on Responsible Consumption and Production encourages the minimisation of resource waste and the use of sustainable products. Instead of buying new products frequently, you can choose to repair and recycle old ones, reducing the need for new raw materials and lowering purchase costs. Did you know that the fashion industry is one of the most polluting on the planet? Also, growing a small garden at home to produce vegetables and herbs not only reduces your food costs, but also contributes to achieving Goal 2 on Zero Hunger and sustainable agriculture.

In addition, Goal 13 on Climate Action can be achieved through the use of sustainable means of transport, such as bicycles or public transport, which reduce fuel consumption and CO₂ emissions, while also helping you to reduce your car's fuel and maintenance costs. Another strategy is the reuse of packaging, such as reusable shopping bags or glass bottles, which reduce the need for new products and help reduce plastic pollution, supporting Goal 14 for the Protection of Life Below Water.

**Useful applications
for the management of expenses**

handwallet.com/greek/default.asp

fastbudget.app

moneylover.me

monefy.me

Increasing your earnings

IN THIS CHAPTER YOU WILL LEARN:

- How to increase your income by negotiating your salary/earnings.
- Practical ways to uphold your professional value to get the raise you are after.
- What to look out for when looking for a second job.

If your personal or family budget is not balanced, i.e. if you have realised that you – regularly or occasionally – **earn** less than you spend, one strategy you can follow, instead of or in combination with the previous one, is to consider whether and how you could **increase** your revenues, on an occasional or permanent basis, and take the necessary steps to do so. You will, of course, need to do the same if a recent **crisis** has hit, or you fear it will hit your income, if you have debt to pay off or if you want to start saving more towards your financial goals. Remember that while reducing expenses is a key way to improve your financial situation, increasing your income can give you even more financial freedom. This approach is based not only on saving but on creating new sources of cash inflows that will allow you to invest, save and ultimately live more comfortably.

How do we earn money?

There are two basic ways to earn money:

1. **By working:** working as a professional in a company or organisation, in the public sector or as a self-employed / entrepreneur. Work can provide: a steady income (salary or fee), social security and benefits, professional development and opportunities to increase your revenue by moving up the career ladder.
2. **By investing:** You may be able to include your investments in your revenues, as long as you choose a product with a fixed return and low risk. There are, for example, investments in bond products that pay interest (bond coupons) at regular intervals e.g. every 6 months (these are similar to fixed-term deposits but are issued by companies or the government and not by a bank). For more such products, you should consult a qualified investment advisor.

OTHER INCOME SOURCES

- **Side hustles** – Activities you can do in your spare time, such as freelancing, selling products or providing services online.
- **Copyright and royalties** – If you have produced a creative work (books, music, apps), you can earn money from it.
- **Entrepreneurship** – If you have an idea that is worth pursuing, starting a business can bring you significant profits in the long run.

The secret of economic independence is to combine these income sources!

frequently asked questions #12

How to make money for emergencies?

If you need an extra amount to cover for an emergency, you can always sell an asset or you can borrow money (avoid the option of high-interest loans or doubtful financing solutions that will weigh heavily on your future); however, these solutions are not usually profitable. If you sell an asset in times of personal crisis, you will rarely manage to make a profit by selling it at a higher price than you bought it and if you borrow money, because, in all truth, this money is not really yours.

If you are already working for a company or running your own business, to increase your revenues you will have either to increase the **fee** you receive for the work you are already doing or get another **job**. The latter usually proves to be more difficult (due to time and other commitments). So let's focus first on...

HOW TO NEGOTIATE YOUR SALARY OR YOUR FEES

The truth is that women often face extra difficulties when it comes to negotiating – before anything else, we are often thought of as "**demanding**" for doing it. We are also prone to **underestimating** our professional value and hesitate to be **assertive**.

These obstacles make negotiation harder, which is why good preparation is key. Here are some useful tips on how you can prepare.

1. **Make sure that you rehearse what you have to say**, to boost your self-confidence and your effectiveness.
2. **Learn the rules**: when can you claim a raise in your company? Who or whom should you negotiate with? After how long is it customary to ask for a rate increase in your line of business, if you are self-employed?
3. **Prioritise your arguments**. That's your strategy. Ideally, they should be based more on the value you bring to the business and less on your needs.
4. **Do your research**—and do not hesitate to say that you have done so. You should know what the salaries and fees are for other professionals in your field. Say:
"Based on my research, I understand that the salaries for people with my level of education and experience range between €€ and €€. Is it possible to get closer to that figure?"

Websites where you can find out more about the earnings in your line of business

www.glassdoor.com

www.payscale.com

www.salary.com

5. **Apply the principles of effective communication**: listen carefully, choose your words wisely, be polite at all times. Also use your body language to demonstrate your commitment: maintain eye contact, avoid crossing your arms, raising your voice or looking aggressively at the interviewer.
6. **Avoid sentimentality**: even if, in theory, you could secure a raise through compassion, the impression you would give would not help your professional image in the long run.
7. **Stop apologising**. "I'm sorry to bother you", "I know things are difficult, but...", "I feel bad for asking." Too much compliance distracts the attention from your achievements and gives the impression that you are asking for a personal favour—when there is no reason to apologise for asking for something.

continued →

8. **Practice.** Start with something small and less important and practise your assertiveness. Ask for a better table at the restaurant, for example, and start getting used to this kind of exposure.
9. **Do it for a good cause.** Research shows that many women negotiate more easily when they have in mind that they are defending a cause or some noble **vision**. If it helps, you can think that by taking a step forward you are helping other women to claim what they deserve.
10. **Request feedback.** A few months before discussing a raise, ask your manager or employer to give you feedback on your performance at work. What are you doing well? Which areas do you need to improve in? The challenge is to show that you want to do your job better and to prove of course that you have improved when you finally ask for a better salary.

continued →

How to prove your professional worth

To better negotiate an increase in your salary or earnings.

Measure your achievements. Turn your contribution to the company into numbers. Did you organise three successful events last year? Did you train 25 new employees? Did you create a presentation used by the entire company? Add this to your list. If you can assign a financial benefit to your contribution, that's even better.

Support your case. Don't ask your boss to rely on his memory (and don't totally rely on yours either). Don't expect anyone to think you're underpaid just because you say so. Gather emails that praise your work, salary estimates for your field, financial results and your manager's reviews.

Show your superiors that you are improving. If you have received feedback from work about your performance, use it now to show that you have made progress compared to the previous period. Also mention any training courses you have attended, explaining how they have made you better at your role.

11. **Be honest but also tactful.** If, for example, you know that a colleague is better paid than you, you can bring it up by saying: *"I know that other colleagues in similar roles are paid higher salaries. What can I do to scale my salary equally?"*
12. **If your request is turned down, insist on the raise issue.** Don't leave it up in the air—ask to be given specific criteria that you need to meet in order to achieve your goal and set a date when your request will be re-evaluated based on the progress you have made.
13. If you can't improve your revenues through a raise, **throw in the idea of getting some of your expenses** (transport, car, computer, insurance, gym, etc) covered by the company.

continued →

frequently asked questions #13

How can I discuss salary issues with my colleagues without overstepping the line?

Do you want to ask your colleague(s) how much they are getting paid?

Here's how to do it in an honest but discreet way.

"I am preparing for a meeting with our supervisor and we will also be discussing my salary. Would you be willing to share with me in confidence how much you are paid roughly? I will tell you how much I get, as well".

"I was checking the salaries for our line of business at Glassdoor and I thought €€€ which they give as an average was a bit steep. How does it sound to you, from your experience?"

"I know it's not customary to openly discuss our salaries, but I'm concerned that it is precisely because we don't share this information that we trip ourselves up when we need to negotiate. Would you be willing to share some of this information, confidentially of course, so that we can claim what we deserve?"

14. Get in the right mindset before negotiating.

Recognise your value: Think about your achievements, your skills and how you contribute to your business or clients.

Face your fears: Fear of rejection or confrontation is normal, but it should not prevent you from asking for what you deserve.

Think of negotiation as cooperation: It is not a battle, but a process that can benefit both sides. Think about how you can present the raise as an investment for your employer or client.



Exercise

Negotiation techniques | A role-playing game

The following exercise will help you prepare to negotiate your salary or fees even more effectively.

Are you considering asking for a raise or negotiating additional benefits?

A widespread and useful negotiation technique is role-playing, where you will be simulating a discussion to, say, increase your salary, with a person (known or unknown to you) who will assume the role of your manager.

Step 1

PREPARATION

The first step is to be very clear about what you want to ask for. Is it a specific salary increase or perhaps (also) some additional benefits (e.g. car allowance, more days of leave, flexible working hours)? Once you have defined what would be ideal for you, down to the slightest detail, you will need to define the less ideal, yet acceptable, scenario in case it's difficult to win over the other side.

Step 2

MAKING A LIST

On a piece of paper, write down all the reasons why your supervisor may refuse you the raise (company regulations, market conditions, weak points in your performance, etc). Then prepare well to rebut each and every one of your supervisor's arguments against the raise.

continued →



Step 3

RULES

Before you start the role-playing game, give the "manager" the arguments of the other side and explain verbally what they need to know to have a dialogue that is plausible. Give them the freedom to add further arguments if they see fit. They don't have to assume the role of the "bad guy", but they should test you, as your supervisor might do.

Step 4

EVALUATION

After the end of the role-playing game, ask for feedback. Were you clear on what you asked for? How was your posture? Were you persistent enough? Which of your answers were less convincing? Where did you show determination and where did you show compliance? Did you ask for more explanation when one of the other side's arguments had a flaw or when vague promises were made? What were your strongest points in the negotiation?

All of the above will help you prepare even better for the actual negotiation!

Try to remember the meaning of your arguments and avoid memorising your answers! It is important not to sound like you are reading a script, nor to give the impression that you are not listening to what the other side is saying.

Be prepared for the unexpected. A conversation can take many directions when it happens in real time. Make sure you practice different scenarios and have a response ready if a suggestion or argument comes up that you hadn't thought of, for instance, "I'll need some time to think about what we just discussed and I'll come back."

Good luck and remember that even if you don't make it this time, you will be much better prepared for the next one!

You can find tools and techniques about negotiating your salary on the following sites (in English):

<https://salarytutor.com>

<https://www.ladiesgetpaid.com>

How to find a (second) job

If you desperately need more money and are unemployed, or if you are already working and you can spare some time for a second job, consider the following:

1. **If the hours you can spare are limited or scattered throughout the day**, it may be better to seek employment that you can do from home at any time.

2. **Use your skills in a creative way**

We all have unique skills or hobbies that can be turned into a second job. If you have a talent for photography, writing, translating or even cooking, you can offer your services in your spare time. The key is to think about how you can offer value without rigid timetables or physical location constraints.

3. **Check out the digital tools and platforms that are out there**

Technology gives you countless opportunities to find a second job without having to commute there. By exploring freelancing platforms such as Upwork, Fiverr or TaskRabbit, you can take on projects that fit your schedule, from creating websites and writing articles, to customer service and social media management.

4. **Learn new skills**

If your current skills aren't enough to get a second job, it's a good idea to invest in learning new ones, such as digital marketing, data analysis or programming. Online learning platforms, such as Coursera, LinkedIn Learning and Udemy, offer fast and accessible solutions to develop your skills.

5. **Explore the possibility of working as a freelancer**

If you prefer to have more flexibility, freelancing may be a good option for you. You can create your own schedule and take on jobs that fit your daily life—from graphic design to translation work or managing projects.

6. **Create digital products**

If you have creative skills, you could consider creating digital products such as e-books, online courses or spreadsheet templates. The sale of these products can be done through platforms such as Etsy, Teachable or Gumroad.

7. **Find strong partners**

If your second job involves projects that require more manpower, seek partnerships with other professionals. The team can make work more efficient and reduce the stress of overload.

8. Set boundaries

When you have two jobs, it's easy to be drawn into this continuous loop and suffer a burnout. Set strict boundaries on the time you spend on each task and make sure you have time to rest and relax. The burnout will negatively affect the quality of your work and your personal life.

9. Assess the value of your time

When considering the jobs on offer, think not only about the income you can earn, but also the time it will take to complete each one. Your time is valuable, so make sure the second job is worthwhile and won't interfere with your main job's commitments.

10. Networking and opening up opportunities

Networking is key to finding new opportunities. By participating in professional networks, events or online communities, you can discover second job opportunities that may not be widely known.

Whatever work you decide to take up, it is very important to find a legal way to get paid and earn money from your work. Talk to an experienced accountant about your options, but also about the cost of your insurance, if any.

Make sure that your second job does not create a conflict with your primary role, whether ethically or in terms of scheduling. The stress of working two jobs is enough, you don't need to add to it the need to hide half your life.

Whatever you choose to do, remember that being active in different fields offers you more security, but also insight that can also make you better at your primary role.

Seek ideas and opportunities for cooperation on these platforms:

Fiverr >> www.fiverr.com

People per Hour >> www.peopleperhour.com

oDesk >> www.odeskwork.com


Insurance and taxation

IN THIS CHAPTER YOU WILL LEARN:

- What are your tax obligations.
- How to fill in your tax return.
- How to handle everything to do with your tax obligations with ease.

Taxation is one of the ways that the state uses to collect money from all citizens so that it has what it needs to offer those same citizens what it has promised to offer them. Knowing the obligations and procedures that you have to follow in the tax system of the country where you get paid is particularly important for three main reasons:

1. **Depending on the type of work you do**, the tax regulations, your income, etc., the money you get paid each month or when you complete a job you have taken on may not be exactly what will be left in your account. If you know, at least approximately, **your tax obligations**, you will be able to better schedule your movements without being surprised by expenses you hadn't planned for.
2. **If you ignore your obligations to the tax authorities** (or your insurance fund, etc.), either because you don't know them or because you haven't found a way to manage them effectively, it is very likely that you will have to **pay in multiples** what you're trying to avoid.
3. **When you can understand and manage your tax obligations on your own**, it means that you have, at all times, a **good picture** of your financial situation and also that you build the **confidence** you lack when you constantly delegate to another person to complete your tax return, calculate your expenses and revenues, calculate your debts and taxes, etc.

You may find the Greek tax forms in the [annex](#) 

But what are our tax obligations?

If you are a resident of Greece, you are over 18 and work or have declared or imputed income, then you are required by law to have a Tax Identification Number ("AFM", which you obtain by visiting the Tax Office – also known as DOY – of your place of residence) and submit at the beginning of each year an online tax return for the previous year's income.

frequently asked questions #14

What is declared income and what is imputed income?

Your declared income is the money you receive from your job, your business, purchases you may make, your investments, etc. Imputed income is a method used by tax authorities to estimate your income based on your lifestyle. If, say, you are over 18, you are not working yet, and your parents own a car in your name, then it is assumed – that is, presumed – that somehow you can afford to sustain a car. This "ability to afford a car" will incur some tax that you will have to pay every year for as long as you own your car.

You can check out the presumed income scheme in [Table 5](#) of the tax return form in the [Appendix](#).

Apart from this obligation, your other transactions with the tax authorities are determined by the type of your professional employment, namely whether you are a salaried employee and/or pensioner or self-employed/entrepreneur.

IF YOU ARE A SALARIED EMPLOYEE OR IF YOU ARE UNEMPLOYED OR A PENSIONER

The contract you signed when you were hired by the company you work for states the monthly salary you agreed on with your employer. This is your gross salary, from which your employer, before paying you, deducts a percentage for your tax and a percentage for your social security contributions.

You fill in these revenues and deductions in the boxes with codes 301 and 315 of your tax return form—see [the annex](#).

When you file your tax return at the beginning of next year, depending on how much your total revenues are, you will end up with one of the following scenarios, which will be reflected in the statement you will receive a few months later from the tax office:

Scenario #1

If the tax rate corresponding to your total income is less than what your employer has already paid to the tax office, the tax office will refund the money you owe through your bank account.

Scenario #2

If the tax rate corresponding to your total income is higher than what your employer has paid to the tax authorities, you will have to pay (usually in instalments) the difference to the tax authorities.

It is worth remembering that the imputed income mentioned above continues to be calculated even if you have declared income. This means that if your annual salary is €8,000, but you have €15,000 in objective living expenses (e.g. rent a car, a swimming pool, private school fees) you will be taxed on the part of the €15,000 that is not covered by your actual income, i.e. €7,000. On the website of the Ministry of Finance, you can find detailed tables explaining the amounts of each of the above expenses.

How to fill in your tax return

Take your time to study the annex and read the data – **in blue letters in the chapter** – that you need to fill in.

In your tax return, other than your personal details and information about your professional situation (usually, if you have them, you know or can ask the tax office to clarify them for you), you must accurately fill in the revenues you have earned in the previous year, which may, for example, come from:

Paid work & pension **Table 4A** (see template)

Agricultural business activity **Table 4C1** (see template)

Other business activity **Table 4C2** (see template)

Dividends, interest and royalties (from investments) **Table 4D1** (see template)

Income generated from real estate (RENT) **Table 4D2** (see template)

Income from capital gains (purchase and sale of shares and other financial products)

Table 4E (see template)

Disposal of assets - Loans - Donations **Table 6 Code 781** (see template)

Interest on savings **Table 4D1** (see template)

THE GOOD NEWS

The taxable income is not necessarily the entire income you have. You can reduce the amount you claim to be yours if you collect receipts for consumer goods and services that show you have already used part of your income for living expenses. Some of the categories of evidence you can collect are listed on [p.32](#).

Fill in these amounts in **Table 7, Code 049**. (see template)

IF YOU ARE SELF-EMPLOYED OR AN ENTREPRENEUR

If you have a sole proprietorship or any other business, before submitting your tax return (E1), you are required to complete form E3, which records your business revenue and expenses. Based on the E3, you will then fill in your business revenue on your tax return.

Apart from this, you are also required to pay the VAT you have collected from the sale of your goods or services to the tax authorities every quarter. VAT (or Value Added Tax) is a consumption tax levied as a percentage of the sales price for each product or service that you sell. This is collected from your clients and ultimately remitted to the tax authorities at the end of the respective quarter. The good news here is that you can deduct the VAT you have paid for work-related goods and services from the VAT you have collected. You can read more about it in the following page.

How are you being taxed?

FREELANCERS & BUSINESSES

- All business profits (income minus expenses) are taxed from the first euro onwards with no tax-free threshold applied to this income.
- The rates applied to employees also apply for businesses.
- There is an extra 55% tax advance (prepayment) for the following year's tax return. For the first year of operation, this tax advance payment is reduced to 50%.
- The presumptive income scheme now also applies to self-employed persons. If a sole proprietorship declares losses or zero profits, the owner is still subject to a minimum presumptive tax liability.

continued →

- During the first 3 years of operation of a sole proprietorship, it is exempt from the presumptive income scheme. The same applies to freelancers who are providing services via invoices and meet specific criteria.

LEGAL PERSONS (COMPANIES)

- Companies such as L.P., L.L.C., P.C., and S.A. are taxed at 22% on profits.
- If profits are distributed to shareholders, there is an additional 5% dividend tax.

What should you watch out for?

- The tax-free threshold applies only to income from salaried services (employees) and pensions.
- Freelancers are taxed from the first euro of their profits (income minus expenses).

SELF-EMPLOYED PERSONS - FREELANCERS TAXED AS EMPLOYEES

The tax treatment of freelancers providing services via invoices in Greece depends on the number of clients and the nature of their contract. Let's look at it simply:

Conditions that must apply at the same time:

- You have up to three clients or one main client who makes up at least 75% of your revenue
- You have signed service contracts or project contracts with the natural or legal persons you will work with.
- You have no commercial entity status.
- Your business activity is based at your house.
- You are not working as an employee for another business.

If all of the above apply, you are taxed as an employee (with a tax-free threshold), i.e. you are entitled to the same tax deduction as employees and for net income up to approximately €8,000 the tax is zero.

INSURANCE CONTRIBUTIONS (EFKA)

Freelancers are required to pay monthly insurance contributions to EFKA. The minimum monthly contribution is about €155 for those with less than 5 years of insurance.

MORE INFORMATION ON VAT

VAT is a tax that we all pay when we buy goods or services. Professionals and businesses do not pay this tax themselves, but collect it from their customers and pay it back to the state. Simply put, if you have a business or are a freelancer providing services via invoices, VAT is a tax that you collect from your customers and simply remit it to the state—it's not your profit.

i. When should you charge VAT?

If you have a business or are self-employed and are not covered by the VAT exemption scheme, you must apply VAT to your receipts or invoices.

ii. When do you not need to charge VAT?

- If you are based in Greece and your annual income is below €10,000, you are not required to charge VAT (but you can do so, if you want to).
- If you provide services to foreign companies, special rules apply.

iii. How does VAT work in practice?

When you sell something or provide services, you charge your customer the appropriate VAT rate (e.g. 24% for most services). When you buy things for your business, you also pay VAT. Every three months (or every month depending on your business), you file a return with the tax authorities and pay the difference. If you have collected more VAT than you have paid, you pay the difference to the state. If you have paid more than you have received, you can offset or claim a refund (conditions apply).

iv. What should you watch out for?

VAT is not an expense, nor is it revenue for the business, because you just collect it and pay it back to the state.

frequently asked questions #15

How much tax do I have to pay?

The tax rate you have to pay to the tax authorities increases as your taxable income increases, moving from one bracket to the next.

If your income does not exceed €8,000 a year and you have no children, you do not have to pay tax. If you have children, this tax-free threshold is increased accordingly.

- For income between **8,001 and 10,000 euros**, the tax rate is **9%**.
- For income between **10,001 and 20,000 euros**, the tax rate is **22%**.
- For income between **20,001 - 30,000 euros**, the tax rate is **28%**.
- For income between **30,001 - 40,000 euros**, the tax rate is **36%**.
- For income of **40,001 euros and above**, the tax rate is **44%**.

frequently asked questions #16

How is rental income taxed?

- For rental income between **0 - 12,000 euros**, the tax rate is **15%**.
- For rental income from **12,001 to 23,000 euros**, the tax rate is **35%**.
- For rental income of **23,001 and above** the tax rate is **45%**.

EXAMPLE

If you are a copywriter and you have been paid 200 euros for a job you have completed, your client will pay you 200 euros + 24% VAT = 248 euros. At the end of the quarter, you will have to remit those 48 euros to the tax authority. If, however, during this quarter, you bought office supplies for which you paid €12 in VAT, then the amount you will pay to the tax authorities will be €48 - €12 = €36.

Either way, your tax and insurance obligations vary significantly depending on your specific profession – you should consult your accountant.

frequently asked questions #17

Why do I not get the sum displayed on my invoice?

Because for any sum exceeding 300 euros, your client is required to withhold 20% and pay it to the tax authorities (as your employer would do if you were an employee). If your total income throughout the year is taxed at rate lower than 20%, the tax authority will refund the difference to you. If the rate is higher, you will have to pay the difference.

Similarly, if you, as a self-employed person, pay more than 300 euros to another company, you will withhold 20% of your fee and pay it back to the tax authority.

frequently asked questions #18

If I am married or have signed a civil agreement with my partner, do we have to submit a joint tax return?

As of 2019 onwards, it is possible for married couples to file separate tax returns. For this to be possible, the declaration to file separately must be done by 28 February of the year in which the tax return is submitted. You do not have to file a joint tax return, but in most cases it is in your interest, especially if your imputed income is over a threshold. By filing a joint return, the cost of living expenses is often shared between the two of you, which frequently results in a lower overall tax liability, if any at all. However, there are cases where separate tax returns are a better option. In brief, it is a better option when there is a significant disparity in income, if one of the spouses owes to the tax authority and the other is eligible for a refund or if one of the couple is a tax resident abroad. For civil agreements, the tax return has to be made separately, and if we wish to make it joint, this must be declared.

What if one spouse is a tax resident abroad and the other is a domestic resident?

If one spouse is a tax resident in Greece and the other is a tax resident abroad, they should submit separate tax returns. A resident abroad is taxed only on his/her income in Greece. If they wish, they can still file a joint tax return, but this can lead to complications. This includes unintended tax charges or procedural delays with the tax or other public authorities. The tax resident abroad must have a VAT number in Greece and be registered with the Tax Office for Residents Abroad. For tax residents abroad, presumptions of living (e.g. cars, houses in Greece) do not apply.

What other obligations do we have, beyond the income tax?

In Greece, apart from the tax on their income, an additional tax is imposed on citizens:

- **The Single Real Estate Ownership Tax (ENFIA)**, which is calculated based on the value of any property you own. For your real estate, the E9 form must be filled out upon the first acquisition of property and updated whenever a change occurs in your property situation. The tax authority calculates the tax automatically in March every year and you are informed about the payment electronically.
- **The Real Estate Transfer Tax (FMA)** is the tax levied on every purchase and sale of real estate or real rights to property located in Greece. The buyer (purchaser) is legally liable for the payment of the tax. The standard transfer tax rate is 3% of the taxable value of the property, plus an additional 3% levy on top of that tax for the benefit of local municipalities. Exemptions are available for the purchase of a first residence, subject to certain conditions.
- **Parental gift & donations tax:**
Parental gifts and donations (regardless of whether a notarial deed is drawn up) are subject to tax. In particular, parental gift & donations tax is levied on:
 - assets of any kind located in Greece;
 - mobile assets located abroad, owned by a Greek citizen and gifted;
 - mobile assets located abroad, owned by a foreigner and gifted;
as well as
 - mobile assets located abroad, owned by a foreigner and gifted to a foreigner who is resident in Greece.

The recipient of a parental gift is liable for the tax. The amount of tax due is determined according to the value of the asset transferred and the relationship between the donee and the donor. A tax-free allowance of up to €800,000 applies to parental gifts from parent to child. A 10% tax rate applies to amounts exceeding the €800,000 threshold.

An app that gives you access to some of the most frequent options of the TAXIS system and EFKA:

<https://www.aade.gr/myaadeapp>

EFKA

<https://www.efka.gov.gr/el>

My Ergani

<https://myergani.gov.gr>

A website for tax calculation:

<https://aftertax.gr/el>

Credit and debt

IN THIS CHAPTER YOU WILL LEARN:

- **Why do we borrow? Why should you borrow?**
- **Types of loans.**
- **The dictionary of borrowing.**
- **How debt occurs.**
- **Practical steps for effectively managing and paying off your debts.**
- **The advantages and disadvantages of credit cards and how to choose the right one for you.**

Why do we borrow? Why should you borrow?

Sometimes, borrowing is a tool that can help you take important steps forward. When it comes to investing in your future – to study, buy a house or start your own business – a loan can be the support you need to make something that would otherwise seem out of reach. Similarly, it can help you when there is an emergency of some sort, such as a major home repair or a health issue.

But the loan needs thought and planning. If you are struggling to cover your basic expenses every month or where the monthly payment of a loan you are considering exceeds one-third of your net income, then you might want to reconsider. The same is true when you have the urge to buy items that are not needed – driven by impulse or the desire to buy something that could be bought later.

Whatever the case, patience and discipline are required. This does not mean that a loan is a bad thing – provided you see it as a tool and not as a way out of an emergency without a plan.

Types of borrowing in the Greek banking system

When the time has come to consider borrowing, it is important to know that there is not just one type of loan. The Greek banking system offers **different options**, depending on your **needs** and **goals**.

- You have certainly heard of the **mortgage loan**, which is a loan for buying a first or second residence, building or repairing a property. These loans usually have a long repayment period and are backed by a prenotation on the property.
- Then there are the **consumer** and **personal loans**, which are loans for personal needs or wants—from buying appliances and cars to covering unexpected expenses. These loans are of shorter duration and often do not require collateral, but have higher interest rates.
- Another form of loan is an **overdraft** facility attached to your personal checking accounts (payroll or pension), i.e. the possibility to use an extra amount from your available funds.
- Another option is **business loans**, for those who want to start off or inject cash on their business, based on a specific business plan.
- In addition to these, there are also **credit cards**. Credit cards, although they simplify our lives, should be used with great care as they carry high interest rates and can easily lead to excessive debt.
- Large commercial companies (e.g. car distributors or electrical appliances stores) nowadays give away loans; you can apply for them in-store.
- Finally, in some cases there are **special loans**, such as student loans or government loans linked to government grants and initiatives, which offer more favourable repayment terms.

Choosing the right type of loan is not always a simple task. That's why it's good to keep yourself informed, ask for clarification and weigh your choices based on your real needs and your own financial circumstance.

WHAT DO ALL THESE WORDS MEAN?

When you borrow an amount from a bank, you repay the principal (amount borrowed) plus interest through scheduled, often monthly, instalments.

- The **interest rate** can **remain the same throughout or for part of the agreed term**, so you know the amount of your instalment in advance. Some times, it can be variable, so it may fluctuate throughout the loan term, usually tied to the European Central Bank's rates or other indexes. This means that your monthly instalment will also fluctuate.
- It is not unusual for banks to request **additional guarantees**, such as the prenotation of a property or a guarantor.
- In fact, in some loans, the **instalment** may be **subject to an insurance** (e.g. life or property insurance) to **cover unexpected circumstances**.
- If one or more **instalments are overdue**, you can expect **even higher interest on late payments**.

A bank always assesses your creditworthiness, i.e. your ability to repay the loan consistently, based on your income and financial history.

HOW DOES DEBT OCCUR?

This is easy: debt occurs when **your expenses exceed your income**. At first you may not realise it, because you have one or more credit cards at your disposal or you can take out a personal **loan**. These are solutions that, for a while, seem to cover your budget deficit. In reality, though, your deficit widens over time, precisely because your expenses consistently exceed your income.

And not only that: remember what you've learnt about **interest** in the chapter about savings? For better or for worse, compound interest is a double-edged sword, because it exponentially grows whatever value it is applied to—whether that is wealth or debt.

If, for example, you have taken or are considering taking out a **€5,000** consumer loan at an interest rate of 8% for two years, at the end of those two years you will have paid **€5,800** (with simple interest) or about €5,437 (with interest only repayments, where each month you repay interest and part of your loan principal). This means that you will pay **800 euros more** (or about 437 euros more) to pay the loan off.

So, should you stop borrowing altogether?

In the chapter about cutting back on expenses we explained how to weigh the pros and cons of borrowing before making a purchase.

For some people, a business loan or even a mortgage could be considered a form of investment. If, as an entrepreneur, you devote resources to developing your business, this could have a multiplier effect on your profitability. On the other hand, the mortgage payment that replaces the rent you would have paid every month anyway will, in the long run, make you and your family owners of an asset.

But is it the same for the other loans? In general, and with the exception of needing to borrow to deal with an emergency, it's worth remembering that **mortgages** and **business** loans are usually the only ones that make sense, financially speaking, for your long-term planning. This, of course, depends on their amount and the return you expect to get on the investment you are making (buying a house, machinery, etc).

The other loans, e.g. **consumer** loans, have very high **interest rates** and are usually intended to cover a non-productive need of yours (see page 61 for the distinction between productive and consumer expenses), which means that you will somehow not get back the money you paid to pay off these loans—so it is not in your interest to take them.

On the issue of credit cards, the answer is more complex, as their use has pros and cons.

A credit card can have important **advantages** when you use it (instead of cash) to buy goods and services that **you can afford to pay for anyway**.

- It helps you build a **good credit history**—to prove that you are reliable when it comes to paying off your debts.
- It allows you to keep your cash in your account longer; the same cash you would have spent on your purchases. This **earns** you interest on the money you save, but by paying off your credit card balance in full and on time, you avoid **being charged** interest on the amount you borrowed.
- You no longer have to keep **receipts** from your purchases to ensure your **tax-free** threshold for the tax authorities.
- It protects you from **fraud** and theft, as you can always report any unauthorised charge and avoid financial liability.
- It gives you immediate **access** to funds for urgent, unforeseen expenses.

Where is your financial/credit history entered and who knows what about it?

TIRESIAS SA is a Credit Bureau that maintains, among other things, Credit Behaviour Data Defaults. This includes data on the Default Financial Obligations System (DFO), the Mortgages and Prenotations to Mortgages System (MPS) and the Credit Consolidation System (CCS) for businesses and individuals. In other words, if you have a blot on your financial / credit history (bounced cheques, debt settlement requests, termination of credit card agreements, termination of personal, consumer, mortgage and business loans, bankruptcies, etc.), this is recorded in the credit bureau's registry.

If you are wondering what information TIRESIA holds about you, you can find out by filling out an application form and submitting it in person at the Public Service Office.

You must remember that TIRESIA's data is accessible by banks and may influence their decisions on whether to grant you a loan, on what interest, etc.

How can you improve the picture in the credit behaviour data defaults?

By settling your financial obligations in good time (payments of instalments, bills of exchange, cheques, etc.) and by not accepting financial risks that you are not sure you will be able to cope with in the future.

However, often the way we usually use our credit cards creates significant **disadvantages**.

- If you don't already have a good credit history, it's **hard** to get a new card.
- Access to your credit card may push you to make **impulsive** and **unnecessary** purchases that your income cannot cover.
- If you don't pay the full amount you owe at the end of each month, you will be charged very **high interest rates**.
- Some credit cards charge an **annual fee** to their holders.
- If you don't pay off your credit card debts on time, your credit history will **suffer**.

Did you know...

You may suddenly have to pay an annual fee on your credit card, either because it's been x years since you got it or because you haven't made enough transactions with it in the past 12 months.

So, don't forget to check, apart from the interest rate of your credit card, any extra charges you need to be aware of.

How can I choose the right credit card for me?

- Compare their **interest rates** and **other charges**.
- Choose a credit card that offers you **loyalty programs** and other benefits you already need—not the other way around.
- Check how **widely accepted** the card you are considering is, especially in foreign countries.

You should learn to read and understand at all times every section of the credit statement you receive each month from your bank. This will ensure that you use your credit card correctly and that there are no unauthorised charges on your account.

frequently asked questions #19

Is it not enough to only pay the minimum amount displayed on my credit card statement?

No, it is not. Keep in mind that by paying only the minimum monthly amount, very little is applied to your actual principal balance. As a result, you get into a debt trap. Because the interest is typically compounded daily, the remaining balance continues to accrue interest, which is added to your balance, creating a cycle

continued →

where your debt barely decreases. This is why credit institutions encourage you to pay only your minimum amount—the longer you extend the time it takes to pay off your card, the more their profit increases. The only way to break this circle is to start paying off both the interest and the principal you borrowed. And that takes planning and discipline.

In order to take your financial future into your own hands it is crucial that you set up a **realistic budget** and a **proper debt repayment plan** based on the amount you owe. If you cannot manage your debt as it is, you should contact your creditor(s) in good time to negotiate a settlement.

Exercise



How will you know you need to deal with your debts directly?

Answer the following questions honestly, circling the answer that corresponds to what happens most often. If you answered YES to even one of the questions, then you will immediately need to take time to assess your financial situation.

- | | |
|--|----------|
| You are permanently behind in your monthly payments or other accounts. | YES / NO |
| You run out of money at an increasingly early date before the month ends. | YES / NO |
| You systematically avoid the phone calls you receive from your bank or other creditors. | YES / NO |
| You are seriously worried about the consequences of your debt and this has affected your mental balance and your daily life. | YES / NO |
| The instalments you would have to pay each month to pay off your debt equal or exceed 40% of your net income. (This rate applies to revenues above €2,000. The lower your income, the lower the rate should be.) | YES / NO |

BUILD YOUR PLAN, STEP BY STEP

1. List all your personal debt

Make a complete list of all the credit cards, personal loans, business loans and mortgages you may have. Ideally, you should know the initial capital you borrowed, the interest rate, the minimum monthly payment and the repayment terms (how many years you have to pay it off in) for each of these debts.

If your monthly mortgage payment (or your rent) is more than 30% of your net monthly income, then you are carrying excessive debt and you need to think of strategic solutions to reduce the burden. Consider looking for a roommate, moving out, renting out parts of your house for filming and/or events.

If your monthly credit card payments and any consumer loans (car, student, vacation loans, etc.) exceed 10-15% of your net monthly income, then you are carrying excessive personal debt. You need to stop charging your cards and think strategically how to reduce your debt in each of the above categories.

2. Focus on paying off debt at the highest interest rate.

They are the ones that absorb the largest amounts and that's why you should prioritise them when you're making your repayment plan. To understand exactly how the repayment of each individual debt works, keep the following in mind:

Now comes the difficult part

Is your property at risk because you are struggling with debt? Go to the website of the Special Secretariat for Private Debt Management(<http://www.keyd.gov.gr/>) for information and tools that will help you cut your losses and address the situation constructively.

Each time you pay an instalment on a debt, part of that instalment is used to cover the interest that has accumulated and the rest is used towards your principal. In the first few months (or years) of a repayment plan, your money mainly covers interest. But as the principal slowly decreases, the interest is reduced, and so the part of the instalment used to repay the principal is constantly increasing.

This knowledge can help you make decisions about your debt repayment plan—it makes sense, for example, to pay more in each instalment at the beginning of a repayment plan, so that your interest rate is reduced more quickly and the repayment period is shortened. This is why it is useful, before taking out a loan, to check whether paying off your debt quickly is going to incur a penalty.

3. **If, based on your current income**, you cannot keep up with payments that will help you to really reduce your debt, contact your bank(s) and negotiate lower credit card interest rates or a restructuring of your loan payments. This restructuring may include: extending the repayment period, freezing part of your loan, reducing your total debt in exchange for an upfront payment, etc.) Similarly, contact the public bodies to which you owe money and ask about your debt settlement options.
4. **Freeze the credit cards you owe, and remember not to issue new ones!** Use a debit card linked to your account for your daily transactions.

frequently asked questions # 20

What does it mean to become a loan guarantor?

The guarantor(s) who co-sign(s) the loan agreement with the debtor pledge to the bank that they will assume full responsibility to repay debtor's debt (including principal, interest and fees) if the debtor defaults.

Put simply, the bank will turn to you as guarantor if the borrower is unable to repay his/her loan on time—even if there are more guarantors or collateral (e.g. a mortgage prenotation on a property). And last but not least, this liability survives the borrower.

As a guarantor, you cannot unilaterally withdraw from your obligations just because you have changed your mind or got divorced.

Useful Tip

Consult an insurance adviser or your bank about how much it would cost taking out an insurance policy that would pay off your loan, in the event of death or permanent disability. Request a quote or the pre-contractual information document and examine closely the coverage details. The cost of such insurance is much less than the cost that would fall on you or, worse still, on your heirs if you failed to meet your loan obligations. Some insurance policies will even provide financial compensation to help cover your essential expenses while you are jobless (i.e. due to involuntary unemployment).

Investments

IN THIS CHAPTER YOU WILL LEARN:

- Core investment concepts.
- Brief information on the most common and accessible investment options.
- The key connections between financial and investment goals.
- The most critical questions that need to be answered before you invest.

Why invest?

The easy answer is "to make your money **work for you** rather than relying on active labour"; still, you also need to know that every investment involves risk and it is important to separate your expectations from reality—what your optimistic goal is and what will happen. The value of your investments can go up, as well as down, so it is important to be prepared for every eventuality. Building an investment strategy with realism and with some knowledge of core investment principles is essential. Many of these principles are outlined below. For each individual, the answer to the question "**why should I invest**" masks a variety of objectives that each of us may have in relation to our investments. **Clarifying these objectives** is the foundation of successful investing; it allows us to better understand the rationale behind investing and to choose the right **products**.

Our investment objectives are derived from our broader economic **goals** and from a combination of our current and future **needs**. Our goals and needs help us determine the right type of investments for us, based on the level of **risk** we are willing and able to take.

In investment, it is crucial to understand two things: the significance of long-term planning and that the time dimension is considered the cornerstone of successful investing. In other words, the investments we choose must align with the actual time we have available (remember the element of honesty in the section about our relationship with money). And when referring to a long-term time horizon, we usually mean more than 5 years (this, of course, will be determined depending on the different asset classes we choose, but for some asset classes this time horizon may be 10 years or more). This will give us more opportunities to gradually build our own investment portfolio (i.e. the mix of assets/investment we acquire), to manage fluctuations calmly and to adapt our strategy to market changes accordingly.

Your goal may be to grow your capital over a longer period of time in exchange for more alternatives, which will allow you to manage risk more effectively and leverage your potential returns.

On the other hand, if you approach **retirement**, you may be more interested in preserving your capital. This means that you evaluate risk taking differently, and perhaps more conservatively, focusing more on generating a fixed **income** from your current investments.

To further clarify these goals, you need to set **priorities** and answer some key questions that will help you move your thinking and plans forward.

Exercise



Questions to help you build your investment plan

Based on your answers, you can either choose the right investment for your money or provide the right details to an investment advisor to help you make the right decisions.

1. What are your plans for your **retirement**? When would you like to retire? What is your current income that covers your lifestyle? How much money do you reckon you would need when you retire? Will the pension you will get from your social security fund be enough to cover your needs? Is there anything you can do to cover the potential difference between the money you will receive at that time and what you would like to have as income?
2. What are your **financial goals**? Do you dream of buying a house? Sending your children to study abroad?
3. Are you more interested in **protecting** your property or would you be willing to take an investment **risk** if it could bring you higher returns?
4. Do you have **time** ahead of you? Are you willing to receive the profits from your investment as a lump sum at the end of the period you have set, or do you prefer to receive a fixed dividend (income) at regular intervals?
5. What do you **know** about investments? Do you keep track of the financial markets as part of your job? Have you made an investment before? How was your experience?

continued →

6. What is your **financial situation**? How many people do you support with your salary? What debts have you taken on? Do you have other income sources? Do you expect to receive a large sum of money, e.g. a lump sum or inheritance, at a later stage of your life? Will you need financial support and, if so, when?
7. What is your relationship with **risk**? It is important to understand that the returns (or gains/losses) you expect from your investments are proportional to the risk that comes with each investment product. In other words, higher returns usually come with (and require) greater risk taking. Try to imagine, as honestly as you can, how you would react and feel to all the possible outcomes (profit / loss / zero outcome) of the investments you would like to make. Try to answer this question both for the positive scenario where your investments lead to profits and the negative scenario where your investments lead to losses, i.e. the loss of money from the capital invested.

At this point, you should go back to your **budget** and the **savings** plan you have set up, based on your medium and long-term **goals**. If you know how much money you need to cover the **distance** between your current financial situation to a situation where you could buy your dream home or obtain a Masters' degree, you will have an investment compass that points to what **returns** you should aim for and what **risk** you are willing to take to get those returns.

frequently asked questions # 21

How will I know if I have the skills to make an investment move?

You may have already been exposed to the investment world without necessarily realising it. An **insurance** policy, the money you have in your savings **account**—all of these are a form of investment for your future, even if the risk involved is **relatively** small. If you run your own **business**, you may already be following the financial markets and be more familiar with the concept of risk-taking.

Before you start investing, you must realise that among the investment choices you will make, there will be some that will be unsuccessful and financially damaging for you. Having said that, be prepared to

continued →

lose your capital in some of the investments you make. No one was born ready to invest, but by gaining more knowledge about the investments you are interested in and the economy in general, you will feel more confident and able to understand what you need to do to improve your financial planning.

The stock exchange, i.e. a market where financial products such as stocks, bonds, **ETFs** (you will find more about financial products below) are traded, is not only addressed to brokers and institutional investors, but to small investors as well. Transactions are carried out through investment companies, banks offering investment services, platforms providing **online** financial services.

In some cases, online transactions can provide easy access to small investors who would rather navigate financial waters alone and, in doing so, reduce the cost of their investment. It is very important to check the suitability and legality of the companies, online platforms and consultants you choose to work with. Only legitimate, duly licensed companies and certified consultants can provide the relevant services. Depending on the type of investment and the company you choose to trade with, you can even start with small amounts. The charges-fees offered by each option will also be similar, based on the company's pricing policy. However, if you wish to have access to personalised support, you will need to look for specialised advisors. Typically, with online platforms you are required to do your own research into information, insight and clarifications that would provide you the necessary confidence to make your investment decisions. Even if your funds are limited, you can still participate in **collective investment schemes** such as **Mutual Funds**, taking advantage of a financial product managed by professionals.

The aim of this chapter is to help you fill in any gaps you may have in core investment concepts and to organise any fragmented knowledge you may have so that you can better understand the logic behind investing and your choices. It is, however, important, even if you believe that your current knowledge is enough to manage your money, to remember one basic **rule** about investing: **avoid investment products and strategies that you do not fully understand**. If you don't understand how a product works and the risks involved, you can consult a qualified **adviser**. If you don't understand the answer he or she gives you, ask for clarifications or consult another expert. Do not make any investment if you do not fully understand the product in which you are willing to invest.

So what options are available to me?

It would take another multi-page guide to really cover the full spectrum of options available to you, so here we will limit ourselves to a brief presentation of the most common and accessible options, in the hope that you will be willing and curious to seek more **information**, either in more specialised books and courses, or from qualified financial advisors.

Attention: Remember that none of the following products have guaranteed returns and that past performance is not a reliable indicator of future returns.

frequently asked questions # 22

Am I required to have a large capital to invest?

No, you are not. Even if you do have a large amount of capital available to invest, it is better, especially if you don't have much investing experience, to invest small amounts at first and scale up gradually. This is useful because you can get a better average acquisition price for your assets down the road. This is what investors usually do, as none of us knows with absolute certainty when the time to invest is right. By scaling up gradually, we do not invest all our money in one good or bad market day and we also give ourselves time to evaluate how we react to risk. There is a chance that between a good and a bad market day there is price fluctuation that will provide us with insight into our investment personality. Although this strategy does not protect you completely from market fluctuations, the average cost of investing in the market in the long run will probably be smaller compared to the cost of one big investment. This method is particularly useful when there is increased market volatility or when you are not sure which way the market is going (which, of course, is the case for most small investors). In any case, investing small amounts is totally feasible. So don't let the lack of an important fund stop you from investing—no matter how small your capital is, it can yield more than it would if you didn't invest it at all.

Unit Linked Insurance Plans

Unit Linked Insurance Plans (ULIPs) are financial schemes that combine life insurance and opportunities to invest in the investment products that each plan chooses to include. Depending on how it has been designed, the plan may give you the option to obtain the proceeds on maturity or collect part of the proceeds regularly for a predefined period of time. The risk assumed depends on the financial products in which each plan invests. You need of course to find out, before investing, about the various other restrictions that the chosen plan may have, such as whether you can add more money into the plan, what happens if you are unable to make the agreed regular payments, what happens if you need to withdraw your funds before the plan's expiry date, or whatever else you are concerned about. As these plans also include an insurance part, ask how the plan actually covers you or the persons you have designated as beneficiaries of the insurance. Each plan is unique in its design and terms, so remember to request clarifications for each new plan, including how risky the proposed ULIP is.

Bonds

When you invest in bonds you are essentially lending your money to the company or the state that issues the bond. Bonds are issued by either governments or companies and give the bondholder the right to receive their face value at maturity. That is, the amount that the investor lends to the bond issuer, the issuer promises to repay the investor at the maturity of the bond. As in a loan, the person who lends the money expects to receive an interest rate, i.e. an amount as a "fee". Bonds, depending on their specific characteristics, give you the right to collect a certain amount or amounts (known as bond coupons), which are paid by the issuer at predetermined times until maturity or in a lump sum at maturity. If you hold the bond until maturity and you have invested in it from the beginning of its issuance, you know what the return on your investment will be. However, if you decide to liquidate the bond before maturity or if you acquired it after it has been issued, this can affect your final return either upwards or downwards. Bonds are usually issued for a fixed term of more than one (1) year.

The **risk** of investing in bonds varies and mainly depends on the creditworthiness and reliability of the issuer. There are low to high-risk bonds, depending on how likely it is that the bond issuer will be able to meet the repayment or not.

Did you know...

Before you make any investment, you should consult an accountant about any associated tax charges.

Promissory notes

These are short-term debt instruments issued by governments, sold at a price lower than their face value (i.e. sold at a discount). Their yield (profit) is the difference between the discounted purchase price and the face value received at maturity. Although they are a form of borrowing, we do not classify them as bonds because of their duration, which is usually less than one (1) year. They can also be redeemed before maturity, based on the current market value. They usually carry lower risk than longer-dated government bonds, and the risk of a promissory note is directly tied to the issuer's ability to repay.

Shares

Buying shares makes you a partial shareholder of the company that issued those shares. Ownership is determined by the number of shares held by the individual in relation to the total number of shares issued by the company. For example, if a company has 1,000 shares and a person owns 100 shares, that person will own 10% of the company's share capital. The shareholders of a company expect to profit from the difference between the selling price of a share and its acquisition value. This literally means that the share's value has gone up. However, if the shares' price sold by the shareholder is lower than the price at which he/she acquired them, he/she will incur a loss. Some companies decide to share some of their profits. In this case, shareholders can receive the so-called "dividend". Just as when you own a business, you take the risk of losing the capital you have invested in it, when you buy shares in a company, you have no guarantee that your investment will go well. The risk of investing in shares is high and arises both from the company itself and the ability of its management to generate profits and ensure the continuation of its activities, as well as from the general economic situation which affects the expectations of investors from the market and the general conditions in the markets which will affect the overall value of the company's share.

Fear and passion

If you start investing in shares, you should remain firm in your investment principles, regardless of market volatility.

When prices are rising, you should restrain your desire to buy, which can push you into investments that offer very high temporary returns alongside equally high levels of risk; these can put your capital at risk.

When prices fall, you should contain your fear and not sell in a panic. If the companies you have invested in are based on strong fundamentals, their price usually corrects when the market rebounds. At this stage, we would suggest you consulted a professional you trust to help you make the right decisions.

Rumours and hearsay are an integral part of the investment world, yet although they can be exciting, they should not influence your investment decisions. When you hear a suggestion that prompts you to buy or sell, make sure you understand the reasons behind it.

Try to keep your emotions out of your investment decisions. This rule applies to all investments, but is more difficult to apply to shares. If you have become familiar with a company you have invested in, it is easy to get carried away and want to hold on to its shares, even when their price is falling; you still think that they are worth more than their current valuation.

Remember that the outcome of an investment also has to do with the time you choose to stay in the market. While formulating your investment plan, it is crucial to set your limits. Set price limits for the management of your shares.

The price limit also determines the target price at which you want to buy or sell your shares and helps you to limit your losses and profits based on your own investment strategy. Set a stop loss from the start: if you see your investments reaching this level, you should sell, limiting your loss to this level. Also set a take profit limit, which will be your upper limit and will act as a trigger for selling and reconsidering your investment positions before the market adjusts. In other words, when returns reach the desired levels, we can restructure our portfolio, withdraw our profits and decide how to deploy our funds (capital and profit) by adjusting our strategy to the new conditions and goals.

It is important to remember not to put all our eggs in one basket and that it's best to have diversification across many types of investment categories. Even within a single, preferred asset class, make sure you choose as many different investments as possible to spread the investment risk across more sources. Very often, it is useful to consult someone who knows the market professionally and who has earned your trust.

Mutual Funds and Exchange Traded Funds (ETFs)

Both Mutual Funds and ETFs are issued by MFMCs—Mutual Fund Management Companies. Mutual Funds (or Funds) belong to a broader category of collective investments, i.e. they pool funds from numerous investors and the capital collected in each Fund is managed by the MFMC, on behalf of the unit-holders. The MFMC selects and manages the composition for each Fund through a series of selected securities (shares, bonds, money market instruments, other funds, etc.). ETFs are designed to replicate and track the performance of an index. They are shares of Funds that are traded on the Stock Exchange. ETF transactions are carried out in a similar way as the stock transactions during trading hours. Unlike ETFs, Funds can be bought and sold at their price at day's end; such price is determined after the value of the assets included in the Fund has been set. Fund unit-holders anticipate that the price of a share will go up and, when they decide to sell, they expect to make a profit from the difference between the selling price and the price they paid to acquire the shares. Similarly with shares, there is no guarantee that investors will achieve a

return on their investment in funds. Funds, however, offer you a wealth of options, allowing you to put your money in different markets and different types of investments, both at home and abroad, as well as in different currencies. Investing in funds therefore offers risk diversification, as whatever amount one decides to invest, he/she participates in the various investments in financial products selected by the MFMC for each Fund. It also enables even small investors to have access to portfolios managed by professionals. Fund risk ranges from low to very high, depending on the asset composition of each Fund. Diversification (or risk spreading) are also offered by ETFs. An individual can invest in a basket of securities through an ETF. These securities make up the index that is replicated by the ETF. ETFs carry two main risks: market volatility that affects the underlying index and tracking error, where the fund fails to perfectly mirror the index to which it is tied.

Related sources:

<https://www.athexgroup.gr/documents/10180/596700/ETFs+Investors+Guide-A4-Int-JAN-09.pdf/23fe2165-646d-4d18-bbc7-99488218e234>

<https://www.investor.gov/introduction-investing/investing-basics/glossary/exchange-traded-fund-etf>

Alternative investments

These include hedge funds, private equity, derivatives, real estate, socially responsible investments, foreign exchange, commodities (e.g. gold), and passion investments (e.g. art, wine, antiques).

Risk: depending on the investment product

Cryptocurrencies

These are digital tokens of storing value and/or mediums of exchange. They enable direct payments between traders through a peer-to-peer (P2P) transaction system, without the intermediation of banks, as in conventional transactions. In practice, however, they seem to function more as a new form of asset and less as mediums of exchange. Cryptocurrencies (or cryptos) (among the best known are Bitcoin, Ethereum and Binance coin) are using encryption technology to secure their transactions, which is why the first compound of the word is crypto-. Transactions are approved by a decentralised network of computers (nodes) using specific mechanisms. For each type of crypto transaction, a different procedure is applied. Bitcoin works with "miners" who verify transactions, by solving math equations; these transactions are then recorded in a public ledger (known as "blockchain"). The high risk of investing in crypto is driven by their sharp price fluctuations. These assets are highly volatile; this volatility is associated with high risk in the conventional investment world. Their price is heavily reliant on supply and demand, on news and decisions announced by technology companies and opinion makers, as well as by the broader macroeconomic

environment and the market sentiment that can influence investor psychology. It is worth noting that another defining difference between cryptocurrencies and conventional currencies is the lack of a central authority (e.g. a Central Bank or governmental body) that would set the number of cryptocurrencies that can be traded and would regulate their trading. Finally, it is important to understand that cryptocurrencies are very high-risk assets and speculative as an investment; they are not a conventional means of saving. In conclusion, if you do decide to invest in cryptocurrencies, only invest money that you can afford to lose and stay up to date with all new developments and news that may affect their prices.

Related sources:

<https://bitcoin.org/el/>

<https://www.bankofgreece.gr/enimerosi/epeksigiseis/ti-einai-to-bitcoin>

<https://www.ecb.europa.eu/ecb-and-you/explainers/tell-me/html/what-is-bitcoin.el.html>

<https://a8inea.com/kryptonomismata-explained-youth-edition/>

frequently asked questions # 23

How can I reduce the risk of my investments?

Investing involves risks. These vary depending on the market conditions and the individual characteristics of each investment product—in other words, there is a real chance of losing your capital. That's why financial advisors recommend investing your money in more than one investment products that are not dependent on each other; a potential drop in the performance of one of them would not affect the whole of your capital, but only a part of it. This also allows you to take advantage of the pros of each asset class, which has different risk and return characteristics, and behaves differently in the market than the others.

You know that:

You can have a positive impact on the environment and society by choosing to invest in companies that have strong ESG strategies and/or maintain Social, Corporate and Environmental Responsibility practices. This is a trend that exists in many developed economies. Anyone interested in learning more can search for the term **Sustainable / Responsible investment**.

All you need to know to consider an investment opportunity

WHAT IS THE “TIME VALUE OF MONEY” (TVM)?

This expression is used in finance because **the value of a given amount of money varies over time**. For example, if you buy a one-year bond with a face value of €100 and an interest rate of 4%, you may no longer have €100 in your wallet, but you will have €104 in a year. Therefore, 100 euros is the current discounted value of “104 euros in one year”.

On the other hand, the present value of an amount of, say, 100 euros in one year will be equal to the **market value** that this amount will have in one year —which is usually reduced due to inflation. The idea of the time value of money is thus tied to the concept of **interest** (or **inflation**) and what economists refer to as “the opportunity cost” of money.

Key variables used to study and solve problems on the time value of money is **capital**, **time**, **interest** and **interest rate**.

- **Capital (C)** is any economic asset that is measured in monetary units and used to generate income, increase wealth, or produce further goods and services (productive purposes).
- **Time (t)** is the period during which capital is used for productive purposes.
- **Interest (I)** is the cost paid for borrowing a sum of money or the benefit received for lending/investing it.
- **Interest rate (i)** is the percentage of interest relative to the principal.

The sum of $C+I$, which results from adding the interest I to the capital C is known as the **final value** or the **Future Value** of the capital and is denoted by **FV**. The process by which accrued interest is added to the

initial capital is known as **capitalisation**. There are two capitalisation methods, depending on where the interest is calculated:

- **Simple interest** is a method of calculating interest based solely on the initial principal amount, without adding interest to the principal for subsequent periods.
- **Compound interest or compounding** is a method of calculating interest on the initial principal amount, including all previously accumulated interest.

frequently asked questions # 24

How will I know if I should save, invest or do both?

There is no clear answer to this question. It depends on the time horizon, your goals, your debt levels, and your risk tolerance. A common mistake that we make is leaving our money sitting in a savings account for long periods of time, therefore losing the return we could have made if we had invested it. On the other hand, it is not wise to invest the money you have saved for emergencies or for a short-term goal because, if you need it, it may not be easy to liquidate it and, if you lose it, you will not have the time to compensate for the loss. Saving usually comes before investing, i.e. I start saving first, as I need to ensure that I have an amount available for an emergency, and then decide which part of my savings surplus I am willing to invest. It is very important to always have a “buffer” of readily available cash in case of an emergency, as mentioned above.

On investing.com

(and on the [Investing.com](https://investing.com) app) you will find a whole set of insightful financial tools for the global financial markets.

Did you know...

A Warwick Business School analysis of 2,800 investors over a 36-month period found that women outperformed men in investment returns by 1.8%.

An analysis on Hargreaves Lansdown's client base came to the same conclusion. Women's investments performed better than men's by 0.8% over a 3-year period. Hargreaves Lansdown noted that if this performance pattern continued for 30 years, the average woman would end up with a portfolio worth 25% more than the average man.

Inheritance matters

IN THIS CHAPTER YOU WILL LEARN:

- What is the estate of the deceased?
- What criteria do I use to decide whether to accept or renounce an inheritance?
- How much time do I have to accept or renounce?
- Who are the heirs?
- What happens when there is a will?

This chapter was written with the valuable contribution and guidance of Ms Eleni Matraki, Lawyer/Accredited Life, Executive & Business Coach

Within the first few months after the death of the testator, the heir must take the necessary steps and make important decisions. To avoid any missteps, they should do the following:

STEP 1

What is the estate? To accept or to renounce?

The estate of the deceased consists of assets and liabilities. Assets include all real estate, (houses, land, plots of land), bank accounts and other bank products (bonds, shares), vehicles, jewellery, works of art, etc. Liabilities include the debts of the property.

The heir must gather all the necessary documents (title deeds, bank accounts, stocks, etc.) as soon as possible while promptly conducting a search for all the financial obligations of the deceased (open accounts, tax obligations, debts arising from contracts with third parties, etc.) to establish whether to accept or renounce the inheritance.

The estate is a single property and cannot be accepted or partially renounced. Generally speaking, if the debts are disproportionately greater than the assets, renunciation is the preferred solution.

I. HOW MUCH TIME DO I HAVE AVAILABLE:

1. **4 months to renounce the inheritance:** The renunciation is made by a formal declaration to the Registry of the Magistrate's Court where the deceased had his/her residence at the time of his/her death, within four months from the time the heir was informed of their status as a provisional heir. Foreign residents have 1 year to renounce the inheritance.
2. **6 months to prepare the Estate Tax Return** to be filed with the Tax Office of the deceased's last residence. Foreign residents have 1 year to prepare the Estate Tax Return.
ATTENTION: Filing a declaration with the tax office does not constitute a title. Title is considered only the deed of acceptance of inheritance!

Who are the heirs?

1. **Where there is a will**, the heirs are named in it.
2. In **intestate inheritance (without a will)** the heirs are defined according to Articles 1813-1824 of the Greek Civil Code, as follows:
 - When there are children, the spouse is entitled to 1/4 of the inheritance and the remaining 3/4 will be shared by the children.
 - When there are no children, the spouse is entitled to 1/2 of the inheritance, and the deceased parents and brothers will share the remaining 1/2 of the inheritance.

Did you know...

In the **inheritance law**, when there is no will (intestate succession), the law dictates that the estate is distributed among relatives based on **six (6) orders**. Relatives under the first, second, third, fourth, fifth and sixth order in the succession will be called in to accept or renounce it.

The **first order** includes the descendants of the deceased (children, grandchildren, great-grandchildren and so on).

The **second order** includes the parents of the deceased, the siblings, as well as the children and grandchildren of the siblings who have died before the deceased.

continued →

The **third order** includes the grandparents of the deceased, and their children and grandchildren.

The **fourth order** includes the great-grandparents of the deceased.

The **fifth order** includes the surviving spouse who inherits the entire estate, if no relatives exist in the first four classes. If there are relatives, the surviving spouse in the first order shall inherit 1/4 of the estate, while in the 2nd, 3rd and 4th order she shall inherit 1/2 of the estate.

If there are no relatives and no surviving spouse, the Greek State is called as the heir of the estate.

What happens when there is a will?

The will is the testator's last will and testament for the fate of his/her property after his/her death. For this reason, once there is a valid will, the provisions of the will shall apply. The will can be public or private.

PUBLIC WILL

A public will is formally drafted by a notary public in the presence of three witnesses. It has high probative value, it constitutes an enforceable title, and is published by a notary public at the Magistrate's Court as soon as he/she is informed of the testator's death.

HOLOGRAPHIC WILL

This will is written entirely in the testator's handwriting and signed by them. Once the will has been found, the bearer of the will must present it for publication to the Magistrate of the deceased's last residence or his/her own residence. For the insinuation of a will, two witnesses are required to verify the handwriting of the deceased.

If multiple wills exist, the most recently executed will prevail, provided that the most recent will revokes the older will in terms of content.

ATTENTION: This information is for general and informational purposes only and does not establish a client-lawyer relationship. If you are facing a legal issue, you should contact a lawyer.

The role of significant others in your financial plan

IN THIS CHAPTER YOU WILL LEARN:

- How to set joint financial goals with your partner.
- How to assess the progress of your plan.
- How to handle sensitive situations (and discussions) around money with those around you.
- Tips on how to introduce children to the basics of financial literacy.

As you get to know yourself better, you will begin to see clearly the consequences of your financial behaviour, not only on your own life but also on the lives of those around you. Based on this understanding, you will slowly be able to share your life and financial goals more openly with your loved ones – friends, partner, family, wider community – and you will begin to communicate with them more effectively and make decisions together that will allow you to navigate further together.

HOW TO WORK TOGETHER WITH YOUR PARTNER FOR YOUR FINANCIAL FUTURE

No matter how good you feel in your relationship with your partner or how long you have been together, you may still find it difficult to discuss financial matters with him/her. You may think that such a discussion would focus on what each of you **spends** and end up fighting about it, but in fact, it should start with what you both **want** to do in life and how money can help you **achieve** it.

With this as a starting point, you will eventually get to the discussion of how you can **cut** costs (and where) in order to come closer to your common goals.

Repetition is key

Something important to remember is that this conversation is not something that can be done once and for all. People's goals change over time, and it is a mistake to assume that because your values once aligned this is still necessarily the case.

Exercise (for home use)



This date is going to be different. Find a day that works for both of you, make sure you have enough time and peace of mind, and answer the following questions as a couple.

- Who will be responsible for your budget?
- Who will be responsible for paying the bills?
- How will you make decisions about your purchases together?
- How will you arrange each one's personal expenses?
- How will your planning work for your longer-term goals?
- How are you planning to separate your needs from your wants?
- Who will be responsible for your savings and investments?
- Who will be handling your tax affairs?
- Who will be handling your insurance plans?
- How will you ensure your financial independence after retirement?

What could be your common goals?

It would be helpful to discuss your concerns, how you perceive money and how certain experiences around money have defined you. Understanding your partner's relationship with money is very important to ensuring that you can discuss about it in an equal and respectful atmosphere. To begin exploring your shared **values** and **vision**, you can start a series of discussions around the following topics. Bear in mind that the list is indicative.

- **Health**
- **Family expenses**
- **Security**
- **Travel**
- **Material things**
- **Matters of succession**
- **Geographical area**
- **Professional development**

Use these categories (or any other you add) and discuss your answers to arrive at your common goals.

Once you have arrived at your medium and long-term **goals**, you should make a financial **plan**, a roadmap, if you like, with all the necessary **steps** that will allow you to reach your **destination**.

How does each of you perceive the **housing need**, e.g. to own or to rent? Approximately how much does a **house** cost in the area where you want to buy? If you want to buy, how much money would you need to save and in **what timeframe**, so that you can supplement your capital with a mortgage paid monthly? If you prefer renting, what percentage of your monthly income are you willing to allocate for your rent?

What plans do you have for your children's **education**? What kind of **savings** plan can you use to cover the costs that will arise later? How much money will you deposit into it each month?

What needs do you foresee your **parents** will have, 10 or 20 years from now? How can you build a financial **emergency healthcare fund**?

By sticking to this process you will agree on smaller (monthly or annual) savings and investment goals. For this **agreement** to bear fruit, it is necessary to define from the outset how you will monitor your progress—overall and on an individual basis. There are three ways to do this: **weekly**, **monthly** and **quarterly**. Mark the dates in your **diary** in advance so that you know when you will have this discussion again and you are not tempted to postpone it.

During these brief checks, you should evaluate together: what went according to plan? What didn't? Was there an unforeseen **expense** that threw you off budget? Are you considering making a purchase you hadn't agreed to? Do you need to make an **adjustment** to your plan?

There is, of course, a chance that these discussions will lead to unexpected **tensions**: about expenses you or your partner did, disagreements about goals that one of you considers necessary for the future, but the other refuses to even discuss.

If this happens:

1. Remember that just because you spot these differences in the way you deal with your finances **does not mean that you should end** all discussion, but you can take it from there in a more constructive way.
2. Commit yourself to approaching these tensions as a **team** whose members support, not turn against each other.
3. If you find it impossible to break free from the pattern of criticism and confrontation and cannot come up with a common plan, you may need to seek the support of a couples **expert** or take a deeper look at whether, despite your fundamental differences, you still want to be together.

At every step of this process, it is also worth remembering that this is not about achieving all your financial goals 100%, but about beginning to communicate more **honestly** and **transparently** about this very important aspect of your life together.

SOME TIPS ABOUT THE DISCUSSIONS WITH YOUR PARTNER

Your first conversations do not have to be long or elaborate. For starters, you can take ten minutes to discuss your views and experiences of money so far.

Remember the “5 Money Personalities”?

You now know which personality applies to you. Before you start talking to others around you about money, go back to page 23 and think about what kind of personality your partner or your parents or your friends are, so that you can understand them better and communicate with them more effectively.

Start with what you **know**. What assets do each of you have? How much debt do you carry? What is your income and joint expenses? Do you have investments? How secure are they? What interest rates and hidden fees might you be paying on your credit cards and bank accounts? Use all the documents you have, as well as what each of you knows and has experienced, to gain a deeper understanding of your overall financial situation.

Make sure you are both as precise as possible about what this "working together" means. Some couples decide that they will put all their income into a joint account, while others prefer to set up a joint account where each partner contributes a percentage of his or her income, while maintaining separate individual accounts for personal expenses. Other couples have no joint accounts at all, but define in advance exactly who will pay what.

Note: *this last option is not very helpful if you want to set common goals and pursue them together. It usually creates a sense of separation and distance, where everyone is very protective of "what is theirs" but not very generous with "what is ours".*

You also need to take a similar approach to your **debts** – whether you will deal with them individually or collectively – and to the assets you will acquire along the way—whether they will belong to both of you jointly or will be shared in some way.

Agree on a **shopping cost limit**: if either of you wants to buy something that exceeds this limit, you should first discuss it with the other.

Feel free to share your **fears** and concerns about money with your partner. Little does it matter if you think they are well-founded, realistic, or ridiculous. You will probably discover that he/she has his/her own fears, different than yours, and together you can discuss how these are reflected in your money-related behaviour. This will also allow you to better understand why one of you reacts as they do and together you can find better ways to deal with difficult times.

It is common for one of the two partners to say "I have no idea what this is all about" and try to avoid discussion and any joint decision-making. Try to avoid this pitfall: even if you are not both as active in managing your finances, you should at least be equally **aware** of your situation, difficulties and progress.

Yes, you will have to **compromise**—but that's not necessarily a bad thing. Compromise is a tool that helps both of you to be heard, have an active part in your joint decisions and plans, and make your relationship even stronger.

frequently asked questions # 25

What if our earnings are very different?

When one member of a relationship earns significantly more than the other (who may not even be working), the challenge is for both to find a way to maintain a degree of autonomy while still working as a team. If both earn some income, however small, a joint account to which each contributes in proportion to their earnings,

continued →

is a good solution to maintain both their cooperation and their autonomy. If one of you has no income, the right balance depends on the duration and cause of the unemployment—is it a joint decision for one of you to stay at home to look after the dependent family members? Is his unemployment a temporary situation that they are trying to change? Have you both decided that one of you should invest in a career change or a business venture? Depending on the circumstances of your own lives, you can find a solution that will ensure that you both feel like useful, independent and productive members of your team.

Some common practices that may give you ideas, adapted to your own circumstances:

1. **A single pot** in proportion to each member's earnings—e.g. if the earning ratio is 60/40 then the transfer to the joint account should be 60% / 40%.
2. **Predefined expense categories for each member.** Usually, the member with the highest income would bear the biggest expenses.
3. **A joint bank account**, with an amount to be mutually agreed upon, to which the member with the lowest income can contribute.
4. **If not all members have income, it can be agreed that all common expenses will be covered by the breadwinner**, and it can also be discussed how the incomeless member can be supported to cover personal expenses. Depending on the situation, you might explore together how the incomeless member's contributions—through managing household chores and caring for dependent family members—can be acknowledged and valued as meaningful input that generates savings and strengthens the household's overall financial well-being. Do not forget that honesty and the willingness to coexist in an atmosphere of harmony and equality must be the foundation upon which our financial discussions with the significant people in our lives are built.

DO YOU TELL THE TRUTH TO YOUR PARTNER ABOUT FINANCES?

According to a 2018 survey¹, 41% of people who share money with a partner admit to having lied to their partner about finances, while 75% of people say that financial deception affected their current/past relationships in some way. A percentage of them said that this deception ultimately resulted in divorce.

This is called "financial infidelity" and includes behaviours such as **spending** money secretly, **over-charging** credit cards in secret, keeping hidden savings **accounts** or money hidden in safe deposit boxes and taking out loans without your partner knowing. Simply said, this happens whenever one of the partners lies about their financial behaviour.

Financial infidelity is just as **painful** and damaging to your relationship as any other kind of infidelity. What's more, it often has practical **consequences** that will negatively affect both of you over time. If you suspect that your partner behaves like that or if you catch yourself lying about money, it is important to take immediate action:

1. **Stop immediately:** recognise that your behaviour is not acceptable and stop it.
2. **Be honest:** you should share with each other what you have been doing behind your partner's back and commit that both of you will be open about your transactions from now on.
3. **Have a good talk:** your behaviour may be hiding other problems in the relationship or, more often than not, personal fears and insecurities. Share the feelings that lie behind your financial infidelity so that you can manage them differently as a couple.
4. **Come to an agreement:** negotiate your needs and wants, and agree on a plan of action for your financial decisions. If you are the one who lied, make sure that this plan of action makes you feel comfortable enough so you don't have to resort to covert behaviour again to feel safe.
5. **Abandon secretness:** when you are tempted to hide something from your partner, remind yourself that financial infidelity and secrets can ultimately drive you apart.

Safety first

We all have a right to financial independence—to be deprived of it would be an act of violence. If, for example, a person controls your money, creates debt in your name, prevents you from becoming financially independent and/or earning your own money, they are financially abusing you. This phenomenon is more common than you might think and more often than not coexists with other types of violent behaviour, physical or emotional. If you find yourself in such a situation, before you get into a discussion about money with the person who is abusing you, you should make sure that your physical or mental integrity is not at risk.

An application for the management of expenses by one or more persons:

goodbudget.com

HOW TO TALK TO YOUR PARENTS ABOUT MONEY

You may be living with your parents and have not yet settled on a financial plan for your life together. Or you may be worried that your **elderly** parents are in poor financial shape and are not taking the necessary steps to deal with the situation. Whatever your relationship with them, it is not wise to assume that, as your elders, they have all the answers or that you have no role to play in their financial future. It is therefore useful to consider – if you have not already done so – **communicating** openly with them about the financial predicament they are in.

If your family is facing **challenges** such as a recent divorce, a member with disability, an illness or bankruptcy, such a discussion may seem more difficult, yet it's absolutely necessary.

The key issue is to assess your parent's financial habits to determine whether they are **prepared** for emergencies, long-term care, and retirement—and what they will pass on to you in the event of one of them passing away. This is critical, not only because the time they have to address these issues is relatively limited, but also because if they are not well prepared, the burden of such an eventuality will likely fall on you and your siblings, if you have any.

If you need a carefully thought **introduction** into the subject, you can try saying something like: *"I would like to discuss a Plan B, just in case",* or *"I want to know what your wants and priorities are so that I can better support you in the future".* Finally, ask them to share practical details with you, such as where they keep documents related to any insurance plans, tax obligations or assets they have in their possession.

If you are aware of, or suspect that your parents are not comfortable talking to you about this because they realise how poorly prepared they are, don't embarrass them by insisting. Instead, have a more **general discussion** about important things that everyone should know or useful steps that everyone (including you!) should take. If your parents are completely unwilling to discuss anything that has to do with finances, ask them to at least tell you if they have ever gone to someone to discuss their financial situation and if there is someone they could seek out in case of a **crisis**.

HOW TO TALK TO YOUR CHILDREN ABOUT MONEY

Being parents, as often as not, we are the first and only **teachers** of our children when it comes to financial literacy. School provides hardly any financial education and, of course, it is not wise to wait until your children decide to study something related to economics to learn the basic **principles** that can make such a big difference in their lives.

Things get even more difficult when, as parents, we decide to cover our children's expenses, even when they are long past adulthood. This invisible **safety net** keeps them away from the need to learn to manage their money effectively. And it affects both their financial independence as well as our own.

Needless to say, the discussions we can have with our children about money change and evolve over time. Our aim should be to talk to them openly about money so that they know they can share any questions they have with us. And, obviously, to help them become familiar with age-appropriate financial concepts.

SOME EXERCISES YOU CAN DO

It is usually more effective to talk about money with our children through practical examples or games.

Some ideas to get you started discussing transactions and the use of money in our daily lives can be found below:

Let's go shopping together

We can turn a visit to a food, clothing or home store into a constructive consumer journey. From organising the visit (making a list of what we need, preparing/deciding how we are going to pay e.g. cash, credit card, vouchers/promotional vouchers, which means of transport we will be using to get there), analysing the shopping process (explaining/discussing why we choose certain products over others—quality criteria, budget criteria, less packaging materials, environmentally friendly or fair trade processing, etc.), completing the transaction/payment process (how I do a transaction, how I check the total charged on the receipt, how I keep receipts together and protect my wallet, card or my codes on my mobile phone) to arranging and organising the items I bought (also discussing practical issues e.g. how to store perishable products, maintain, reuse them).

Activity with cards

If you are in the mood for play, you can create cards for needs and cards for wants. You can prepare digital cards together with your children, either on your PC (e.g. on Canva) or physical cards, by drawing, painting and colouring them with whatever materials you have available at home (cardboard, pictures from magazines/collage, packaging from your children's favourite items, markers, etc).

Think of 10 categories or specific needs/wants that you know your children are interested in and allow them to suggest 2-3 more categories. For example, you could make cards for some of the following categories and specify whether they relate to needs or wants based on your own lifestyle:

- **Food** (vegetables, pulses, meat, fish, dairy products, bread, fruit)
- **Clothes** (shoes, tops, underwear, pants, swimwear, sportswear)
- **Stationery & school supplies** (notebooks, books, pencils, post-it notes, bookmarks)
- **Furniture/equipment matching their room decor** (desk chair, lamp for reading, printer, tablet)
- **Transportation** (bus tickets, car fuel, taxi costs, cost of parking)
- **Expenses for your pet** (food, vet, care, accessories)
- **Body / health care** (pediatrician, sports activities)
- **Educational activities** (tutorials, art / after-school activities)
- **House** (electricity, heating, water, telephone)
- **Insurance** (for health, home/car damage)
- **Games** (board games, electronics, dolls, crafts)

- Holidays/camps
- Eating in a restaurant, pastry shop
- Branded clothing / sports items
- Books, movies for entertainment
- Gifts for relatives, friends, parties
- Beauty care products (cosmetics, perfumes, fashion accessories)
- New mobile phone model
- Subscriptions to entertainment / music platforms
- Room decoration (decorative lighting, modern furniture, posters and wall paintings)

Divide the cards into two boxes, with one box for needs and the other for wants. Ask the children to place the cards in each box while they explain in their own way why each card represents a need or want for them. This activity can spark a discussion about how we can separate needs from wants and how each person may consider certain categories of expenses as needs or wants, based on their own values and priorities.

If you broadly agree on the categories that both sides (parents and children) consider as needs and wants, you can adapt the activity into a game, where, for example, the fastest player who completes correctly the sorting in each box is the winner.

You can have such a conversation during a trip to the **supermarket** with a toddler, while sorting out your **accounts** when your primary school child is doing their homework, while eating out with your children as a family, while your teenage son or daughter shares with you a **dream** of theirs that they would like to realise in the next few years. Such occasions can start very important, enthusiastic and hopeful, discussions about budgeting, saving, frugality or even investing.

Websites and apps that will make financial literacy simple and stress-free:

¹ www.kidsfinancialeducation.com

² roostermoney.com

³ ldim-eid-peiraia.att.sch.gr/ekpaideytiko_yliko/euro%20final.pdf

⁴ op.europa.eu/en/publication-detail/-/publication/0de50c77-5c04-11e9-9c52-01aa75ed71a1

⁵ europa.eu/taxedu/home_el

⁶ <https://a8inea.com/i-oikonomiki-ekpaidefsi-twn-paidiwn-einai-dynami/>

HOW TO TALK TO YOUR FRIENDS ABOUT MONEY

It is important to talk to your friends about financial matters, on one hand, because it can break down the **taboos** often affecting our behaviour in these matters and also give you a better idea of your rights, obligations and prospects, and on the other hand, because your friends can be excellent allies in your efforts to achieve your financial goals. But what happens if you have to decide whether to follow their suggestions

or whether you want to propose something that your friends or yourself cannot afford? It would be better if each party were honest about financial limitations being the reason why they cannot participate in a joint activity. They could also come up with alternative plans or take a rain check for an activity that would accommodate everyone.

All you need is to share your vision and plan with them and, of course, listen to their plans and dreams. This is not a matter of having someone tell you how to live your life, or having you take on that role. It is to share with your friends your **feelings** and **difficulties** about money and, perhaps, get some useful **ideas** on how you can handle something that is bothering you.

What is more, if you see that they have good practices that could be useful to you, it would be very helpful to ask politely if they would like to share their tips with you.

HOW TO GET STARTED

If you feel uncomfortable starting a discussion specifically about money, try making money talk part of your **daily** routine. Feel free to ask your friends how much they are willing to pay for something or to set a financial limit to your activities together.

After all, a conversation with your close friends should not need to start with *"How much do you earn?"* but with *"What are your childhood beliefs about money and how have they shaped your adult financial behaviour?"*

And if, during the discussion, a friend of yours confides something personal or brings up something that makes you shift your position on the matter even slightly, you shouldn't rush to move on to the next topic; explore instead their confession in **more depth**. You can ask *"What makes you say that?"* or *"That's interesting what you've just said but I'm not sure if it's absolutely clear to me. Can you tell me a bit more?"*. It may seem simple, but it will take your discussion further by showing your friend that you're listening **carefully** and taking their thoughts and feelings into account.

How to handle sensitive situations

If a friend asks you nosy questions about your finances

It is your right not to respond to something or someone that makes you uncomfortable. To set your limits you can say: *"The truth is I don't feel that comfortable with this particular discussion, so I'd rather we didn't get into it"*.

If a friend criticises you for the way you're handling your money

It is useful to listen to what they have to say with an open mind, just in case there is something in their words worth keeping. If, again, you are confident about your choices, you can answer something like *"We all have different financial priorities and for me, XYZ is very important—it brings me joy and improves my life!"*. If they insist, you can say: *"OK, I get that you don't like discussing this topic so I won't bring it up again. But because it is important to me, it makes me sad to hear you talk about it with such contempt"*.

If some well-to-do friend of yours complains about their financial "troubles"

Even if you think you know exactly what they earn and what they spend it on, the truth is that there will always be things you don't know about their situation—so don't be too quick to judge. But if you feel unappreciated because you are in a much more difficult situation than they are, you can say: *"Would you mind if we both paid a little more attention to how we talk about money when we're together? The truth is that I don't know the details of your finances, but it makes me sad when I hear you complain so much about your salary when you earn twice as much as me. I don't know exactly how to respond to that"*.

If a friend makes sarcastic comments about your high salary or your family estate

The first time this happens, you can simply grimace or let silence speak. But if your friends insist, you can say: *"I've noticed you make a lot of jokes about my husband's salary/wealth or an inheritance that fell into our lap, and the truth is I don't know what to respond to that. I feel kind of guilty and it doesn't seem fair. Could you please stop doing that?"*.

If a friend of yours has lost their job

At first you may feel embarrassed or even guilty at the thought of having such a conversation, especially if you still have your job. But it is important to manage this awkward feeling and let your friend know that you are thinking about them. If you want to support them financially, so as not to make them feel that you are giving them a handout, you can offer a gift, such as gift voucher from their favourite clothing store, bookstore or homeware shop and accompany it with a loving note that is more caring than pitiful.

If you decide to lend money to a friend

Only do it if you can commit to not trying to control the situation. You should only lend what you can afford to lose. To avoid losing your friend, you should treat this loan as a gift. If you ever get the money back, that's swell; but don't expect to get it back, because the emotional pressure on your friend will be unbearable. So, if you are counting on that money and can't afford to lose it, it might be better to be honest and offer an alternative to borrowing.

If your friends are doing things that your restricted budget cannot support

Your friends are your friends for reasons that have nothing to do with how much money you make or how much you can spend. So it's unlikely that they'll stop wanting you for company just because you can't go skiing with them or eat in that expensive restaurant—and if that happens, they're probably not worth being your friends in the first place. For your part, you should not take it for granted that those around you – no matter how much they love you – know how much money you earn or if you are struggling to get by. If you don't tell them, they're very unlikely to figure it out for themselves—and all this time, they'll be just as uncomfortable as you are every time you come up with a bad excuse not to go out with them. Or you will have to make allowances that you will certainly regret further down the road.

So it's worth explaining to them that you are trying to reduce your expenses or save for the x goal you have set for the next few years, so that they understand that your refusal has nothing to do with them but with your own dreams for your life (for which, in theory, they should be supportive). Start suggesting ideas for things you can do together without a lot of money. That said, explain (and prove) that you won't mind if they sometimes do things without you that you can't afford. Another option is to find alternative ways to spend time together. If you can't join them for a drink, you could invite them over before they go out, or suggest going together to a meeting of your reading club.

*** On the other hand, if a friend points out that they cannot follow for financial reasons, you need not feel embarrassed. You can say:**

"I totally understand! If we can get cheaper tickets for the concert, are you in or would you rather not come anyway?" or "No worries! Do you want us to go out for a coffee instead of dinner?" or "I'm sorry things aren't looking up financially. Let's talk next week and come up with a low-cost plan" or "I'm sorry you're not coming with us, but I'm glad you're doing what's right for you" or "I know it's expensive, but I really want to go. How about me paying the difference? I'd be happy to, what do you think?"

If you need financial advice

The wisdom and experience of your friends can help you immensely in making the right financial decisions and building a better future. To avoid embarrassing a friend who doesn't feel comfortable sharing how much money they earn or what investments they have, you can keep the conversation at a general level by asking, for example, what they know about the x insurance plan or what they think about a particular bank.

If a friend of yours is making the wrong financial decisions

If you notice that a friend of yours does a poor management of their finances, it's reasonable to wonder if you have the right to talk to them about it—after all, none of us like to be told what to do with our money. One way to approach this issue is to give an example: share with your friend a financial challenge of your own to spark a discussion about possible options and why some of them are more responsible than others. Always remember that you can never know exactly what the other person's financial situation is and why they might make the decisions they do. It is wrong, therefore, to jump into conclusions without knowing exactly how much your friends earn, who may be supporting them financially, who they may be supporting, what kind of assets they have, or what kind of experiences they have. Whatever discussion you start with them, make sure it is based on genuine interest and on your wish to learn what you don't know.

frequently asked questions # 26

In the end, how can I manage my debt?

The most important step -that is, acknowledging the need to manage your debt- your debt has been taken. But who are you going to talk to now? Why... to your creditors! It is crucial to contact your bank as soon as possible and explain the situation. In cases of serious financial distress, banks often provide options such as extending the loan term, restructuring payments, arranging alternative repayment plans, or even settling the debt.

Kindly keep in mind that as of 2015, with Law 4354/2015, the Greek legal framework provides for the existence and operation of debt management companies. That is, banks are allowed to assign their non-performing loans to third parties for managing, restructuring or collection purposes.

You should also be aware that this debt settlement will be entered in TIRESIA; this means that, for the next few years, you will not be able to get a new loan—not even to buy a TV set. However, public utility companies (PPC, EYDAP, DEPA, etc.) and the social security funds also offer similar debt settlement programmes and advantageous programmes for vulnerable groups.

If the above does not provide a solution to your financial distress, you can always seek the protection of the law. Law 3869/2010 was the main legal framework for the protection of heavily indebted households in Greece.

In 2015, it was significantly amended by Law 4336/2015. This made the inclusion procedure more stringent and set new requirements, i.e. stricter inclusion criteria and more supporting documents, restrictions on the protection of primary residences with objective value ceilings, exclusion of certain debts, such as unsecured business loans, and mandatory cross-checking of financial data through AADE, EFKA and KEAO.

From 2019 onwards, Law 3869/2010 was essentially replaced by a new system of debt settlement and insolvency (Law 4738/2020), which provides for out-of-court debt settlement through gov.gr, debt restructuring in up to 240 (monthly) instalments and the possibility of a "second chance" with a viability check and the possibility of a debt haircut.

Although the framework of L. 3869 no longer applies to new applications, old ones are still brought to court and protect those individuals who had filed their application in a timely manner.

To complete this process effectively, it is important to seek the assistance of a qualified lawyer and/or financial advisor, because there are "debt relief companies" that promise a "debt haircut" or other easy solutions for a fee, and many are fraudulent scams.

frequently asked questions # 27

Should I be a guarantor for my friend's or relative's loan / credit card?

Being a guarantor is riskier than taking out a loan yourself, as you have no control over the other person's prudent (or not) management of the other person you are being a guarantor for. Therefore, before deciding, you should carefully consider the following:

- Is there any chance in the near or distant future that you will need to **borrow** yourself? If you become a guarantor today, your ability to borrow in the future is reduced. Depending on the stage of life you are in, you may need a credit card to buy a laptop or pay your ENFIA in instalments, take out a consumer loan to furnish your home, a business loan to start or grow your business or a mortgage loan to house your family.
- **Do you trust** the person you guarantee for that they will make regular repayments? Does he or she have a steady job and income? Is he or she a reliable payer in general or does he or she have a history of debt? Is his or her lifestyle consistent with his/her income or does he/she spend recklessly?
- **What** is the loan for? Growing the business, financing their studies, buying property for investment could lead to increased income and trouble-free repayment. On the downside, if the loan is to cover previous debt or an impulse purchase, the outcome will likely be disastrous.
- Has the borrower taken steps to **insure** his/her loan in case of unemployment, accident, or even death?
- If the person you guarantee for **misses payments**, can you assume full payment of the remaining instalments—without **ruining** your own budget?
- What is the **time horizon** of the loan? Have you considered the possibility of passing on a debt to your heirs?
- Do you understand that the borrower's failure to make payments on time would have an **impact** on your own **credit rating and the poor track record will accompany you for many years?**

Don't feel uncomfortable if you decide to refuse, so as to avoid unpleasant implications in the long run and save yourself the psychological distress!

ANNEX

Here you will find:

- 1** Form E1 (Personal Income Tax Return)

- 2** Form E2 (Leases and Other Real Estate Concessions)

- 3** Form E3 (Statement of Revenue and Expenses for Traders)

- 4** Form E9 (Declaration of Real Estate Data)

- 5** Income Tax Return Clearance Note

1 Form E1 (Personal Income Tax Return)

The E1 form is the basic Income Tax Return for natural persons in Greece.

It records all the revenue earned by a person during the year from various sources, such as:

- Salaries and pensions
- Business revenue
- Income generated from real estate
- Capital gains, etc.

The E1 also includes information on taxpayers' imputed income.

[YOU MAY FIND THE TEMPLATE HERE >](#)

2 Form E2 (Leases and Other Real Estate Concessions)

Form E2 is used by individuals to declare income derived from real estate leases or other concessions.

This form is used for the amounts collected from rents.

[YOU MAY FIND THE TEMPLATE HERE >](#)

3 Form E3 (Statement of Revenue and Expenses for Traders)

The E3 is the form used by self-employed persons and entrepreneurs to declare revenue and expenses from their business activity.

It includes the following:

- Revenue generated from business activity
- Expenses linked to the business (e.g., cost of goods, salaries, rent, etc.)
- Taxes related to the business

The E3 Form is submitted alongside the E1 Form to report business income on the tax return.

[YOU MAY FIND THE TEMPLATE HERE >](#)

4 Form E9 (Declaration of Real Estate Data)

The E9 is the form on which real estate of natural persons is declared to the tax authorities.

This contains:

- Real estate owned by a natural person, either in whole or in part.
- Real estate transfers (purchases, sales, donations, etc.)

The E9 form is updated every time there is a change in real estate, such as a purchase, sale, donation or transfer of property.

[YOU MAY FIND THE TEMPLATE HERE >](#)

5 Income Tax Return Clearance Note

The income tax clearance note is the document issued by the Independent Authority for Public Revenue (AADE) after the tax return (E1) has been processed. It contains the following information:

SECTIONS A & B. BASIC TAXPAYER INFORMATION

WHERE TO FIND IT:	The top of the document
WHAT IT CONTAINS:	<ul style="list-style-type: none"> – Name-surname – Tax Registration Number (AFM) – Marital status (Married/Unmarried)

C. TAX CLEARANCE

WHERE TO FIND IT:	"Income tax" section
WHAT IT CONTAINS:	<ul style="list-style-type: none"> – Preliminary income tax (calculated on the taxpayers' declared income) – Tax deductions (e.g. for children, medical expenses, donations) – Final tax after deductions

D. TOTAL REVENUE

WHERE TO FIND IT:	"Total Income" section
WHAT IT CONTAINS:	<ul style="list-style-type: none"> – Declared income, refers to family income and forms the eligibility basis for most benefits (e.g. A21 child benefit etc.) – Taxable income (the amount taxed after deductions) – Categories of revenue (salaries, self-employment, real estate, etc.)

If the taxable income is **lower than the declared income**, there are exemptions or deductions.

BALANCE TO BE PAID OR REFUNDED

WHERE TO FIND IT:	Last section of the Clearance Note
WHAT IT CONTAINS:	<ul style="list-style-type: none"> – Total tax to be paid – Amount already withheld (through salary or prepayments) – Final amount to be paid or refunded

If the total personal income is **over zero**, it means that the taxpayer has to **pay**. It is broken down into 8 equal monthly installments followed by the payment schedule. If it is **below zero**, the taxpayer is entitled to a **refund**.

[YOU MAY FIND THE TEMPLATE HERE >](#)

Table 4A

	Υπόχρεοι	Συζύγου/ΜΙΣΣ
ΠΙΝΑΚΑΣ 4. ΦΟΡΟΛΟΓΟΥΜΕΝΑ ΕΙΣΟΔΗΜΑΤΑ ΚΑΙ ΜΕΙΩΣΕΙΣ		
A. ΕΙΣΟΔΗΜΑ ΑΠΟ ΜΙΣΘΩΤΗ ΕΡΓΑΣΙΑ ΚΑΙ ΣΥΝΤΑΞΕΙΣ-ΠΑΡΑΚΡΑΤΗΘΕΝΤΕΣ ΦΟΡΟΙ ΚΑΙ ΜΕΙΩΣΕΙΣ		
1. Άθροισμα καθαρών ποσών από μισθούς, ημερομίσθια κ.λπ. (εκτός περ. 2, 3)	301	302
2. Άθροισμα καθαρών ποσών από κύριες συντάξεις (εκτός περ. 1, 3)	303	304
3. Άθροισμα καθαρών ποσών από επικουρικές συντάξεις, μερίσματα κ.λπ. (εκτός περ. 1, 2)	321	322
4. Αμοιβές μελών ΔΣ της περ.δ' παρ.2 του άρθρ. 12 ΚΦΕ, διαχ. ΕΠΕ, ΙΚΕ, ΟΕ, ΕΕ κ.λπ.	325	326
5. Εισόδημα από επιχειρηματική δραστηριότητα της περ.στ' παρ.2 του άρθρ. 12 ΚΦΕ	307	308
6. Άθροισμα καθαρών ποσών από παροχή εργασίας με εργάσιμο	309	310
7. Εισόδημα από οικοδομικά έτημα, αυτασφάλιση κ.λπ.	311	312
8. Εισόδημα των περ. 1, 2, 3, 4, 6, 15 & 17 πίν. 4Α και παρ. 4 άρθρ. 13 ΚΦΕ χωρίς ηλεκτρονική πληροφόρηση	343	344
9. Εισφορές σε ασφαλιστικούς οργαν. υποχρ/κής ασφάλισης που αποδίδονται από τον ίδιο τον ασφαλισμένο	351	352
10. Φόρος που παρακρατήθηκε στους μισθούς, συντάξεις, αμοιβές μελών ΔΣ (περ. 1, 2, 3, 4 & 17)	315	316
11. Φόρος που παρακρατήθηκε στην περίπτωση Β	347	348
12. Καθαρό ποσό από μισθούς, συντάξεις κ.λπ. αλλοδαπής προέλευσης όπου η Ελλάδα έχει δικαίωμα φορολόγησης	309	390
13. Φόρος που καταβλήθηκε στην αλλοδαπή για το εισόδημα των περ. 12, 15, 18 & 19	651	652
14. Καθαρό ποσό από μισθούς, συντάξεις κ.λπ. αλλοδ. προέλ. όπου η Ελλάδα, βάσει ΣΑΔΦ, έχει αποκλειστ. δικαίωμα φορολ.	391	392
15. Αποδοχές για υπηρεσ. που παρέχ. στην αλλοδαπή από φορολ. κάτοικο Ελλάδας και καταβάλ. από ημεδαπές εταιρείες	393	394
16. Ασφάλισμα οραδικών ασφαλιστηρίων συνταξιοδοτικών συμβολαίων αλλοδαπής	395	396
17. Αμοιβές της παρ.2α του άρθρ.15 ΚΦΕ, ημεδαπής προέλευσης (αθλητές, προπονητές κ.λπ.)	359	360
18. Αμοιβές της παρ.2α του άρθρ.15 ΚΦΕ, αλλοδαπής προέλευσης (αθλητές, προπονητές κ.λπ.)	397	398
19. Αποζημίωση λόγω διακοπής εργασιακής σχέσης αλλοδαπής προέλευσης	387	388

Table 4C1

	Υπόχρεοι	Συζύγου/ΜΙΣΣ
Γ1. ΕΙΣΟΔΗΜΑ ΑΠΟ ΑΓΡΟΤΙΚΗ ΕΠΙΧΕΙΡΗΜΑΤΙΚΗ ΔΡΑΣΤΗΡΙΟΤΗΤΑ		
1. Καθαρό εισόδημα από άσκηση ατομικής αγροτικής δραστηριότητας	461	462
2. Καθαρό εισόδημα από άσκηση ατομικής αγροτικής δραστηρ. αλλοδαπής προέλευσης	463	464
3. Ζημιά του ίδιου φορολογικού έτους από άσκηση ατομικής αγροτικής δραστηριότητας	465	466
4. Ζημίες προηγούμενων ετών από άσκηση ατομικής αγροτικής δραστηριότητας	467	468
5. Ακαθάριστα έσοδα από άσκηση ατομικής αγροτικής δραστηριότητας	475	476
6. Φόρος που καταβλήθηκε στην αλλοδαπή	469	470


 BACK TO REFERENCE

Table 4C2

	Υπόχρεο	Συζύγου/ΜΙΣ
G2. ΕΙΣΟΔΗΜΑ ΑΠΟ ΕΠΙΧΕΙΡΗΜΑΤΙΚΗ ΔΡΑΣΤΗΡΙΟΤΗΤΑ		
1. Καθαρά κέρδη από την άσκηση επιχειρηματικής δραστηριότητας	401	402
2. Ελάχιστο ποσό καθαρού εισοδήματος άρθρων 28Α-28Δ ΚΦΕ	405	406
3. Καθαρά τεκμαρτά κέρδη οικοδομικών επιχειρήσεων παρ.23 αρ. 72 ΚΦΕ	407	408
4. Ζημιά του ίδιου φορολογικού έτους από την άσκηση επιχειρηματικής δραστηριότητας	413	414
5. Ζημιές προηγούμενων ετών από την άσκηση επιχειρηματικής δραστηριότητας	415	416
6. Ακαθάριστα έσοδα από την άσκηση επιχειρηματικής δραστηριότητας	425	426
7. Εισόδημα από επιχειρηματική δραστηριότητα χωρίς έναρξη	403	404
8. Εισόδημα από επιχειρ. δραστηρ. χωρίς ηλεκτρ. πληρωφ. και χωρίς έναρξη	409	410
9. Εισόδημα από επιχειρηματική δραστηριότητα της παρ. 3 άρθρου 21 ΚΦΕ	427	428
10. Καθαρά κέρδη από επιχειρηματική δραστηριότητα αλλοδαπής	411	412
11. Φόροι 4%, 10% και 15% που παρακρατήθηκαν (παρ. 4,5α άρθρου 69 ΚΦΕ)	601	602
12. Φόροι 1%, 3%, 4%, 8%, 15% και 20% που παρακρατήθηκαν (παρ. 1δ, 2 άρθρ. 64 και 5γ άρθρ. 69 ΚΦΕ)	605	606
13. Φόροι για τους οποίους δεν υπάρχει ηλεκτρονική πληροφόρηση	611	612
14. Φόροι που καταβλήθηκαν στην αλλοδαπή	653	654
15. Φόρος που προσδιορίστηκε με τις διατάξεις του άρθρου 5 του ν.δ. 1146/1972	607	608
16. Καθαρά κέρδη της παρ. 1 του άρθρου 712 του ΚΦΕ	437	438
17. Ζημιά της παρ. 1 του άρθρου 712 του ΚΦΕ	439	440
18. Αμφισβητείτε σύμφωνα με την παρ. 4 του άρθρου 28Α ΚΦΕ, το ελάχιστο ποσό καθαρού εισοδήματος;	443	444

Table 4D1

	Υπόχρεο	Συζύγου/ΜΙΣ
Δ1. ΜΕΡΙΣΜΑΤΑ, ΤΟΚΟΙ, ΔΙΚΑΙΩΜΑΤΑ		
1. Μερισματα (προ φόρου) ημεδαπής προέλευσης (ΝΠ και Νομ. Οντότητες με διπλόγραφικά βιβλία)	291	292
2. Μερισματα (προ φόρου) αλλοδαπής προέλευσης	295	296
3. Εισαχθέντα μερίσματα πλειοκτητριών εταιρειών που υπάγονται στο ν. 4607/2019 και μερίσματα πλειοκτητριών επιχειρήσεων του άρθρ.57 ν. 4646/2019	299	300
4. Τόκοι (προ φόρου) ημεδαπής προέλευσης	667	668
5. Τόκοι (προ φόρου) αλλοδαπής προέλευσης	669	670
6. Δικαιώματα (προ φόρου) ημεδαπής προέλ. που εισπράττονται και δεν αφορούν την επιχειρ. δραστηριότητά σας	671	672
7. Δικαιώματα (προ φόρου) αλλοδαπής προέλ. που εισπράττονται και δεν αφορούν την επιχειρ. δραστηριότητά σας	673	674
8. Φόρος που παρακρατήθηκε για μερίσματα ημεδαπής προέλευσης	293	294
9. Φόρος που παρακρατήθηκε στην Ελλάδα για μερίσματα αλλοδαπής προέλευσης	297	298
10. Φόρος που παρακρατήθηκε για τόκους ημεδαπής προέλευσης	675	676
11. Φόρος που παρακρατήθηκε στην Ελλάδα για τόκους αλλοδαπής προέλευσης	677	678
12. Φόρος που παρακρατήθηκε για δικαιώματα ημεδαπής προέλευσης	679	680
13. Φόρος που παρακρατήθηκε στην Ελλάδα για δικαιώματα αλλοδαπής προέλευσης	681	682
14. Φόρος που παρακρ. στην αλλοδαπή από εισοδήμ. των περ. 2,5 και 7 που έχει δικαίωμα φορολόγ. και η Ελλάδα	683	684



**BACK TO
REFERENCE**

Table 4D2

	Υπόχρεου	Συζύγου/ΜΙΣ
Δ2. ΕΙΣΟΔΗΜΑ ΑΠΟ ΑΚΙΝΗΤΗ ΠΕΡΙΟΥΣΙΑ		
1. Ακαθάριστο εισόδημα από εκμίσθωση:		
α) κατοικιών	103	104
β) καταστ/των, γραφείων, αποθηκών, χώρων στάθμευσης, κατοικιών υπεκμισθωμένων, ξενοδοχείων, κ.λπ.	105	106
γ) βιομηχανοστασίων, εμπορικών κέντρων με υπαγωγή σε ΦΠΑ	109	110
δ) γαιών - γης, εγκαταστάσεων ή κατασκευών (ιχθυοκαλλιέργειες, λίμνες κ.λπ.)	101	102
ε) χώρων τοποθέτησης επιγραφών	107	108
2. Ακαθάριστο εισόδημα από υπεκμίσθωση ακινήτων	111	112
Στην περίπτωση αυτή, τί ενοίκιο έχετε καταβάλει	113	114
3. Ακαθάριστο εισόδημα από υπεκμίσθωση γαιών - γης	115	116
Στην περίπτωση αυτή, τί ενοίκιο έχετε καταβάλει	117	118
4. Ακαθάριστο εισόδημα από δωρεάν παραχώρηση:		
α) κατοικιών	129	130
β) καταστημάτων, γραφείων, αποθηκών, χώρων στάθμευσης, ξενοδοχείων, κλινικών, κ.λπ.	143	144
γ) γαιών - γης, εγκαταστάσεων ή κατασκευών (ιχθυοκαλλιέργειες, λίμνες κ.λπ.)	141	142
δ) χώρων τοποθέτησης επιγραφών	147	148
5. Ακαθάριστο εισόδημα από ιδιοχρησιμοποίηση		
α) καταστημάτων, γραφείων, αποθηκών, χώρων στάθμευσης, ξενοδοχείων, κλινικών, σχολείων, κ.λπ.	145	146
β) γαιών - γης, εγκαταστάσεων ή κατασκευών (ιχθυοκαλλιέργειες, λίμνες κ.λπ.)	149	150
6. Ακαθάριστο εισόδημα κοινόχρηστων χώρων από:		
α) Εκμίσθωση καταστημάτων, γραφείων, αποθηκών κ.λπ. (εκτός κατοικιών)	131	132
β) Εκμίσθωση κατοικιών και δωρεάν παραχώρηση - ιδιοχρησιμοποίηση κατοικιών, καταστημάτων, γραφείων κ.λπ.	133	134
7. Εισόδημα από αποζημίωση καταβληθείσα με νόμο από μισθωτή στον εκμισθωτή και από άλλη αξία (δικαίωμα εμπορικής εκμετάλλευσης)	121	122
8. α) Αποζημίωση καταβληθείσα με νόμο στο μισθωτή για τη λύση της επαγγελματικής μίσθωσης		
β) Ακαθάριστο εισόδημα του ακινήτου της περ. 8α	165	166
γ) Δαπάνες για γαίες - γη (περ. 1δ, 3, 4γ & 5β)	159	160
9. Ακαθάριστο εισόδημα για το οποίο δεν βεβαιώνεται χαρτόσημο/ΨΗΤΕΣΥ εκτός από την περ. 1γ	741	742
10. Καθαρό εισόδημα ακίνητης περιουσίας που βρίσκεται στην αλλοδαπή	171	172
11. Φόρος της περ. 10 που καταβλήθηκε στην αλλοδαπή και έχει δικαίωμα φορολόγησης και η Ελλάδα	175	176
12. Ανείσπρακτα εισοδήματα της παρ. 4 άρθρου 39 ΚΦΕ	125	126

Table 4E

	Υπόχρεου	Συζύγου/ΜΙΣ
Ε. ΕΙΣΟΔΗΜΑ ΑΠΟ ΥΠΕΡΑΞΙΑ ΜΕΤΑΒΙΒΑΣΗΣ ΚΕΦΑΛΑΙΟΥ		
1. Υπεραξία των άρθρων 42 και 42Α του ΚΦΕ, ημεδαπής προέλευσης	829	830
2. Υπεραξία των άρθρων 42 και 42Α του ΚΦΕ, αλλοδαπής προέλευσης	865	866
3. Φόρος που παρακρατήθηκε στο εισόδημα της περ. 2	867	868
4. Ζημιά του ιδίου φορ. έτους από μεταβίβαση τίτλων ημεδαπής ή αλλοδαπής της παρ. 1 άρθρου 42 ΚΦΕ	871	872
5. Ζημιές προηγούμενων φορ.ετών από μεταβίβαση τίτλων ημεδαπής ή αλλοδαπής της παρ.1 άρθρου 42 ΚΦΕ	873	874
6. Εισαχθείσα υπεραξία από την πώληση μετοχών πλειοκτητριών εταιρειών που υπάγονται στο ν. 4607/2019	875	876

Table 6 Code 781

	Υπόχρεο		Συζύγου/ΜΙΣ	
ΠΙΝΑΚΑΣ 6. ΠΡΟΣΘΕΤΑ ΠΟΣΑ ΕΙΣΟΔΗΜΑΤΟΣ ΚΑΙ ΛΟΙΠΑ ΠΛΗΡΟΦΟΡΙΑΚΑ ΣΤΟΙΧΕΙΑ				
1. Ποσό μείωσης προκαταβλητέου φόρου (παρ. 1 άρθρ. 70 ΚΦΕ)	655		656	
2. Εισοδήματα που απαλλάσσονται από το φόρο ή φορολογούνται με ειδικό τρόπο χωρίς ηλεκτρονική πληροφόρηση	659		660	
3. Εισοδήματα που απαλλάσσονται από το φόρο ή φορολογούνται με ειδικό τρόπο, με ηλεκτρονική πληροφόρηση	619		620	
4. Απαλλασσόμενο από το φόρο εισόδημα από επιχειρηματική δραστηριότητα κατ' άρθρο 5Γ ΚΦΕ στην περίπτωση προσδιορισμού ελάχιστου καθαρού εισοδήματος των άρθρων 28Α-28Δ ΚΦΕ	445		446	
5. Φόρος που παρακρατήθηκε στα εισοδήματα της περ. 2	433		434	
6. Φόρος που παρακρατήθηκε στα εισοδήματα της περ. 3	613		614	
7. Εισοδήματα ανεργίας ΔΥΠΑ, ΓΕΝΕ, ΕΤΑΠ - ΜΜΕ	661		662	
8. Καθαρά κέρδη από συμμετοχή σε νομικά πρόσωπα ή νομικές οντότητες που τηρούν απλογραφικά βιβλία	431		432	
9. Ενοίκιο που πληρώσατε για κύρια κατοικία της οικογένειας:				
Όνοματεπώνυμο ή Επωνυμία ιδιοκτήτη	ΑΦΜ ιδιοκτήτη	Φιλοξενία	Επιφάνεια σε τ.μ.	Μήνες
		Αριθμ. δήλωσης μίσθωσης		Αριθμ. δήλωσης μίσθωσης
	801	092 ΝΑΙ	091	097
	811		098	081
	802	094 ΝΑΙ	093	098
	813		099	082
	803	096 ΝΑΙ	095	099
	816		083	015
10. Ενοίκιο που πληρώσατε για κατοικία παιδιών της οικογένειας που σπουδάζουν στο εξωτερικό:				
Όνοματεπώνυμο ή Επωνυμία ιδιοκτήτη	ΑΦΜ ιδιοκτήτη	Αριθμ. δήλωσης μίσθωσης	Αριθμός παρεχόμενου ρεύματος	
	804	084	088	817
	805	085	089	819
	806	085	090	821
				822
11. Ενοίκιο ακινήτων εκτός από κύρια κατοικία και κατοικία παιδιών που σπουδάζουν	417	797	087	419
12. Ενοίκια που καταβάλλονται σε Ιερές Μονές Αγίου Όρους (παρ. 3 άρθρ. 22 ν. 4283/2014)				421
13. Εισοδήμα από δικαιώματα προαίρεσης και δωρεάν μετοχές σε εργαζομ. / εταιρούς / μετόχους	423			424
14. Λοιπά πληροφοριακά στοιχεία - χρηματικά ποσά που δεν μειώνουν την ετήσια δαπάνη	429			430
15. Μη εισαχθέντα μερίσματα και μη εισαχθείσα υπεραξία από πώληση μετοχών ηλαιοκτητριών εταιρειών που υπάγονται στον ν. 4607/2019	435			436
16. Χρηματικά ποσά τα οποία δεν αποτελούν εισόδημα και προέρχονται από διάθεση περιουσιακών στοιχείων, δάνεια, δωρεές κλπ	781			782
17. Αδιάθετα ποσά από εισαναπατριζόμενα κεφάλαια (άρθρ. 38 ν. 3259/2004 - άρθρ. 18 ν. 3842/2010)	783			784
18. Ανάλωση κεφαλαίου που ήδη φορολογήθηκε ή απαλλασσόταν από το φόρο	787			788
19. Μη εισαχθέντα μερίσματα ηλαιοκτητριών εταιρειών πλοίων δεύτερης κατηγ. κ.λπ. ν. 27/1975	649			650
20. Απαλλασσόμενο από το φόρο εισόδημα από εκμίσθωση κατοικιών	119			120
21. Απαλλασσόμενο από το φόρο εισόδημα από φιλοδωρήματα που λαμβάνουν μισθωτοί χωρίς ηλεκτρονική πληροφόρηση	689			690
22. Απαλλασσόμενο από το φόρο εισόδημα από φιλοδωρήματα που λαμβάνουν μισθωτοί με ηλεκτρονική πληροφόρηση	691			692



Table 7 Code 049

	Υπόχρεοι	Συζύγου/ΜΙΣ
ΠΙΝΑΚΑΣ 7. ΔΑΠΑΝΕΣ ΚΑΙ ΛΟΙΠΑ ΠΟΣΑ ΠΟΥ ΑΦΑΙΡΟΥΝΤΑΙ ΑΠΟ ΤΟ ΣΥΝΟΛΙΚΟ ΕΙΣΟΔΗΜΑ Ή ΑΠΟ ΤΟ ΦΟΡΟ		
1. Δαπάνη αγοράς αγαθών και παροχής υπηρεσιών με ηλεκτρονικά μέσα πληρωμής	049	050
2. Δωρεές άρθρου 19 ΚΦΕ: Στο εξωτερικό 031	032	και συνολικά 059
3. Πολιτιστικές χορηγίες του ν. 3525/2007	061	062
4. Μισθώματα επιχειρήσεων τριτογενούς τομέα (παρ. Β2 άρθρων 43 και 44 ν. 4030/2011)	077	078
5. Ποσό επένδυσης για παραγωγή οπτικοακουστικού έργου άρθρου 71Ε ν. 4172/2013	663	664
6. Ποσό δαπάνης για την ιδιωτική χρηματ. πολιτικού κόμματος ή συνασπισμού κομμάτων (άρθρ. 8 ν. 3023/2002)	055	056
7. Ποσό δαπάνης για την ιδιωτ. χρηματ. υποψηφ. Βουλής Ελλήνων και Ευρωπ. Κοινοβουλίου (άρθρ. 8 ν. 3023/2002)	057	058
8. Ποσό για απαλλαγή από την καταβολή φόρου των ν. 3908/2011, ν. 4399/2016 κ.λπ.	623	624
9. Εισφορές κεφαλαίου του άρθρου 70Α του ΚΦΕ	625	626
10. Επιλέξιμες δαπάνες του άρθρου 39Β του ΚΦΕ	627	628
11. Δωρεές προς το ΚΠΙΣΝ, ΕΒΕ και ΕΛΣ του ν. 3785/2009	629	630
12. Ποσό που καταβλήθηκε στους ΕΛΚΕ από μη ασκούντες ατομική επιχειρηματική δραστηριότητα για τα έτη 2018-2022	633	634
13. Δωρεές προς την εταιρεία "Εθνικό Μητρώο Νεοφυών Επιχειρήσεων Α.Ε."	635	636
14. Δωρεές προς κοινωφελή ιδρύματα και εγγεγραμμένες οργανώσεις της Κοινωνίας των Πολιτών του ν. 4873/2021	063	064


 A blue button with a white left-pointing arrow and the text "BACK TO REFERENCE" in blue capital letters.

Useful resources

Doebler D. 2018. *12 reasons women need to close the financial literacy gap*, accessed 28 September 2020
<https://wtop.com/business-finance/2018/09/12-reasons-women-need-to-close-the-financial-literacy-gap/>

Wong K. 2019. *A Woman's Guide to Salary Negotiation*. The New York Times, accessed 28 September 2020
https://www.nytimes.com/guides/working-womans-handbook/salary-negotiation-woman?te=1&nl=in-her%20words&emc=edit_gn_20191004?campaign_id=10&instance_id=12847&segment_id=17597&user_id=e04f9f4812606e2c7f01b5b2180b0f85®i_id=64777030

O'Keeffe Merrick K. 2020. *Ask an Expert: Here Are 7 Things a Financial Expert Says to Do to Prepare for COVID-19*. Create & Cultivate, accessed 28 September 2020
https://www.createcultivate.com/blog/ask-an-expert-financial-advice-to-prepare-for-covid-19?utm_source=LEVO&utm_campaign=948e79eae-EMAIL_CAMPAIGN_2019_01_10_11_49_COPY_01&utm_medium=email&utm_term=0_172b1fe91d-948e79eae-107211465

Martin C. 2019. *Cardi B's Tips for Making 'Money Moves'*. The New York Times, accessed 28 September 2020
https://www.nytimes.com/2019/04/10/style/self-care/cardi-b-beautycon.html?te=1&nl=in-her%20words&emc=edit_gn_20191004?campaign_id=10&instance_id=12847&segment_id=17597&user_id=e04f9f4812606e2c7f01b5b2180b0f85®i_id=64777030

Carrns A. 2019. *Even in Strong Economy, Most Families Don't Have Enough Emergency Savings*. The New York Times, accessed 28 September 2020
<https://www.nytimes.com/2019/10/25/your-money/emergency-savings.html>

Financial Women's Association Programs. *Financial Literacy*. Financial Women's Association, accessed 28 September 2020
<https://www.fwa.org/page/finlit>

Australian Government, Financial Literacy Foundation. 2008. *Financial literacy: Women understanding money*.
<https://moneysmart.gov.au/>

Miller D. 2017. *Here's How Male and Female Millennials Spend Money*. SmartAsset, accessed 28 September 2020

https://smartasset.com/checking-account/millennial-money-spending-habits?te=1&nl=in-her%20words&emc=edit_gn_20191004?campaign_id=10&instance_id=12847&segment_id=17597&user_id=e04f9f4812606e2c7f01b5b2180b0f85®i_id=64777030

Carrns A. 2020. *How to Build an Emergency Fund in the Middle of an Emergency*. The New York Times, accessed 28 September 2020

<https://www.nytimes.com/2020/03/20/your-money/coronavirus-emergency-fund.html>

How to have a conversation about money. 2020. The Money Advice Service, accessed 28 September 2020

<https://www.moneyadviceservice.org.uk/en/articles/how-to-have-a-conversation-about-money>

Mohr T. 2016. *I Still Do This. Do You?*. Tara Mohr, accessed 28 September 2020

<https://www.taramohr.com/overcoming-self-doubt/i-still-do-this-do-you/>

MoneyCounts: A Penn State Financial Literacy Series. *Federal Income Tax for U.S. Individuals. Introduction: Overview of the taxing system*. The Pennsylvania State University, accessed 28 September 2020

https://psu.instructure.com/courses/1806581/pages/introduction-overview-of-the-taxing-system?module_item_id=22029048

MoneyCounts: A Penn State Financial Literacy Series. *Financial Literacy for Women. Introduction: Why financial literacy for women?*. The Pennsylvania State University, accessed 28 September 2020

https://psu.instructure.com/courses/1806581/pages/introduction-why-financial-literacy-for-women?module_item_id=22284509

Invest In Girls - A Program of the Council for Economic Education. 2018, accessed 28 September 2020

<https://www.investgirls.org>

Money Clubs. WIFE.org. 2020, accessed 28 September 2020

<https://www.wife.org/moneyclubs>

Ward L. 2020. *Money conversations you should have with your partner every single year*. HerMoney, accessed 28 September 2020

https://www.hermoney.com/connect/love/money-conversations-you-should-have-with-your-partner-every-single-year/?utm_source=ActiveCampaign&utm_medium=email&utm_content=Financial+wellness+in+the+Corona+age%3A+How+to+cope+when+the+world+is+crumbling&utm_campaign=HM_newsletter_March272020

Chira S. 2018. *Money Is Power. And Women Need More of Both*. The New York Times, accessed 28 September 2020

<https://www.nytimes.com/2018/03/10/sunday-review/women-money-politics-power.html>

The WISER Blog. 2020. Women's Institute for a Secure Retirement (WISER), accessed 28 September 2020

https://www.wiserwomen.org/?id=38&page=National_Education_and_Resource_Center_on_Women_and_Retirement_Planning

National Financial Educators Council. 2016. *NFEC Learner Framework & Standards for High School, College & Adults*

https://www.financialeducatorsCouncil.org/wp-content/uploads/DOC_PKG_EXC_-NFEC-Learner-Framework-Standards-for-High-School-College-Adults-_3.4.09.pdf

Krawcheck S. 2020. *Sallie Krawcheck's Top 3 Smart Money Moves to Make During the COVID-19 Crisis*. Create & Cultivate, accessed 28 September 2020

https://www.createcultivate.com/blog/ask-an-expert-how-to-make-smart-money-moves-during-covid-19?utm_source=LEVO&utm_campaign=80ef4d14b7-EMAIL_CAMPAIGN_2019_01_10_11_49_COPY_01&utm_medium=email&utm_term=0_172b1fe91d-80ef4d14b7-107447953

Women's Financial Security. Spotlight on Women's Financial Security. *Stanford Center on Longevity*, accessed 28 September 2020

<http://longevity.stanford.edu/spotlight-on-womens-financial-security>

Teaching Women Financial Literacy. 2020. National Financial Educators Council, accessed 28 September 2020

<https://www.financialeducatorsCouncil.org/women-financial-literacy>

Resources. 2020. The Economist Educational Foundation, accessed 28 September 2020

<https://economistfoundation.org/resources>

Hasler A. Lusardi A. 2017. *The Gender Gap in Financial Literacy: A Global Perspective*. Global Financial Literacy Excellence Center

<https://gflec.org/wp-content/uploads/2017/07/The-Gender-Gap-in-Financial-Literacy-A-Global-Perspective-Report.pdf>

Feminist Economics. 2020. The Guardian, accessed 28 September 2020

<https://www.theguardian.com/us-news/series/feminist-economics>

Siegel Bernard T. 2018. *When She Earns More: As Roles Shift, Old Ideas on Who Pays the Bills Persist*. The New York Times, accessed 28 September 2020

<https://www.nytimes.com/2018/07/06/your-money/marriage-men-women-finances.html>

Boden A. 2018. Why we need to #MAKEMONEYEQUAL. Starling Bank, accessed 28 September 2020
https://www.starlingbank.com/blog/make-money-equal/?te=1&nl=in-her%20words&emc=edit_gn_20191004?campaign_id=10&instance_id=12847&segment_id=17597&user_id=e04f9f4812606e2c7f01b5b2180b0f85®i_id=64777030

Russia/WB/OECD Trust Fund for Financial Literacy and Education. 2013. *Women and financial literacy*. OECD/INFE Evidence and Policy Response
http://www.oecd.org/daf/fin/financial-education/TrustFund2013_OECD_INFE_Women_and_Fin_Lit.pdf

Konish L. 2019. *Women are more likely to leave financial planning to their spouses. Here's why that's a problem*. CNBC, accessed 28 September 2020
https://www.cnbc.com/2019/03/18/women-are-more-likely-to-leave-money-decisions-to-their-spouses.html?te=1&nl=in-her%20words&emc=edit_gn_20191004

Women's Financial Education, accessed 28 September 2020
<https://www.womensfinancialeducation.com.au>

Educational material. 2020. European Central Bank, accessed 28 September 2020
<https://www.ecb.europa.eu/ecb/educational/html/index.el.html>

Προγράμματα Δια Βίου Εκπαίδευσης για το Ανθρώπινο Δυναμικό των Εμπορικών Επιχειρήσεων. 2014. *Κατάρτιση και υλοποίηση οικογενειακού προϋπολογισμού*. Εθνική Συνομοσπονδία Ελληνικού Εμπορίου.
http://repository.edulll.gr/edulll/bitstream/10795/1682/3/1682_4_%CE%95%CE%9D%CE%9F%CE%A4%CE%97%CE%A4%CE%91%202_COVER.pdf

Palmer B. & S. 2012. *The Five Money Personalities: Speaking the Same Love and Money Language*. Tennessee. Thomas Nelson
<https://www.goodreads.com/book/show/15864598-the-5-money-personalities>

Banca Etica
<https://www.bancaetica.it/about-us>

RESOURCES FOR THE EXERCISES

MoneyCounts: A Penn State Financial Literacy Series. *Budgeting. Chapter 5. Review cash flow and set up a budget*. The Pennsylvania State University.
https://psu.instructure.com/courses/1806581/pages/chapter-5-review-cash-flow-and-set-up-a-budget?module_item_id=21484758

MoneyCounts: A Penn State Financial Literacy Series. *Financial Literacy for Women. Chapter 3. Top financial missteps women take.* The Pennsylvania State University.

https://psu.instructure.com/courses/1806581/pages/chapter-3-top-financial-missteps-women-take?module_item_id=22284621

MoneyCounts: A Penn State Financial Literacy Series. *Saving and Investing. Chapter 2. How do I decide if I should save, invest or both?.* The Pennsylvania State University.

<https://psu.instructure.com/courses/1806581/pages/chapter-2-how-do-i-decide-if-i-should-save-invest-or-both>

MoneyCounts: A Penn State Financial Literacy Series. *Money and Relationships. Introduction: Discussing money in relationships.* The Pennsylvania State University.

https://psu.instructure.com/courses/1806581/pages/introduction-discussing-money-in-relationships?module_item_id=22282999

MoneyCounts: A Penn State Financial Literacy Series. *Money and Relationships. Chapter 1. What is my relationship with money?.* The Pennsylvania State University.

<https://psu.instructure.com/courses/1806581/pages/chapter-1-what-is-my-relationship-with-money>

A useful financial calculator tool:

<http://www.fncalculator.com/>

More exercises for all sections:

<https://www.wife.org/moneyclubs/money-zone-directory>

And simple action plans for some of the sections in this guide:

<https://www.wife.org/moneyclubs/dotoday>

Notes

WHAT DOES "FINANCIAL LITERACY" MEAN?

- 1 OECD/INFE. 2011. *Measuring Financial Literacy: Core Questionnaire in Measuring Financial Literacy: Questionnaire and Guidance Notes for conducting an Internationally Comparable Survey of Financial literacy*. Paris: OECD, text at <https://www.oecd.org/finance/financial-education/49319977.pdf>, p.3
- 2 OECD. 2016c. *Survey of Adult Skills (PIAAC)* (Database 2012, 2015), text at: www.oecd.org/site/piaac/publicdataandanalysis.htm.

WHY DOES FINANCIAL LITERACY MATTER?

- 1 Campbell JY. 2009. *Household Finance*, National Bureau of Economic Research, Massachusetts Lusardi, Annamaria & Tufano, Peter, *Debt literacy, financial experiences, and overindebtedness*, National Bureau of Economic Research, Massachusetts
Moore D., 2003, *Survey of Financial Literacy in Washington State: Knowledge, Behavior, Attitudes, and Experiences*, Social and Economic Sciences Research Center, Washington Perry, V. G., & Morris, M. D. 2005, *Who Is in Control? The Role of Self-Perception, Knowledge, and Income in Explaining Consumer Financial Behavior*. Journal of Consumer Affairs
Lusardi, A., and O. S. Mitchell. 2007a. *Baby boomers retirement security: The role of planning, financial literacy and housing wealth*. Journal of Monetary Economics
Lusardi, A. and O. S. Mitchell. 2008. *Planning and Financial Literacy. How Do Women Fare?* American Economic Review
- 2 Kessler, R. C., & Neighbors, H. W. 1986. *A new perspective on the relationships among race, social class, and psychological distress*. Journal of Health and Social Behavior
McLoyd, V. C. 1989. *Socialization and development in a changing economy: The effects of paternal job and income loss on children*. American Psychologist
Seccombe, K. 2000. *Families in poverty in the 1990s: Trends, causes, consequences, and lessons learned*. Journal of Marriage and the Family
Lorant V, Deliege D, Eaton W. et al. 2003. *Socioeconomic inequalities in depression: a meta-analysis*. American Journal of Epidemiology
Hammack, P.L., Robinson, W.L., Crawford, I. et al. 2004. *Poverty and Depressed Mood Among Urban African-American Adolescents: A Family Stress Perspective*. Journal of Child and Family Studies

- Marmot, M. 2005. *Social Determinants of Health Inequalities*. Lancet
- Mackenbach JP, Stirbu I, Roskam A-JR, et al. 2008 *Socioeconomic inequalities in health in 22 European countries*. N Engl J Med
- Shanks, T.R.W. & Danzinger, S.K. (2011). *Anti-poverty policies and programs for children and families in Jeffrey M. Jenson & Mark W. Fraser (Eds.) Social Policy for Children and Families: A Risk and Resilience Perspective*. London
- Bosma H, Peter R, Siegrist J, Marmot M. 1998. *Two Alternative Job Stress Models and the Risk of Coronary Heart Disease*. American journal of public health.
- Conger, Rand D., et al. 1990. *Linking Economic Hardship to Marital Quality and Instability*. Journal of Marriage and Family
- Muntaner C, Eaton WW, Diala CC. 2000. *Social Inequalities in Mental Health: A Review of Concepts and Underlying Assumptions*. Health.
- 3 UBS Global Wealth Management. 2019. *Investor Watch report of 2019*, accessed 28 September 2020, text at: <https://www.ubs.com/global/en/media/display-page-ndp/en-20190306-study-reveals-multi-generational-problem.html>
- 4 As above
- 5 Weir DR, Willis RJ. 2000. Prospects for Widow Poverty. In: Mitchell OS, Hammond PBrett, Rappaport AM, eds. *Forecasting retirement needs and retirement wealth*. Philadelphia: University of Pennsylvania Burkhauser R. & Giles P. & Lillard D. & Schwarze J. 2005. *Until Death Do Us Part: An Analysis of the Economic Well-Being of Widows in Four Countries*. The journals of gerontology. Series B, Psychological sciences and social sciences.
- 6 Gillen M, Kim H. *Older Women and Poverty Transition 2009: Consequences of Income Source Changes From Widowhood*. Journal of Applied Gerontology.
- Gornick J. C., Munzi T., Sierminska E. & Smeeding T.M. 2009. *Income, Assets, and Poverty: Older Women in Comparative Perspective*, *Journal of Women, Politics & Policy*
- 7 DAC Network on Gender Equality (GENDERNET), OECD. 2011. *Women's Economic Empowerment*, Issues paper, 2011, text at: <https://www.oecd.org/dac/gender-development/47561694.pdf>, p. 6
- 8 Eurostat Statistics Explained, *Wages and labour costs*. 2020, accessed 28 September 2020, https://ec.europa.eu/eurostat/statistics-explained/index.php/Wages_and_labour_costs/el EIGE, Gender Equality Index, *Index Score for Greece for 2019*, accessed 28 September 2020, <https://eige.europa.eu/gender-equality-index/2019/EL>
- 9 Global Financial Literacy Excellence Center. 2017. *The Gender Gap in Financial Literacy: A Global Perspective*, text at: <https://gflec.org/wp-content/uploads/2017/07/The-Gender-Gap-in-Financial-Literacy-A-Global-Perspective-Report.pdf?x87657>, p. 18-19

- 10 OECD. 2016. "OECD/INFE International Survey of Adult Financial Literacy Competencies", OECD, Paris, text at: <https://www.oecd.org/daf/fin/financial-education/OECD-INFE-International-Survey-of-Adult-Financial-Literacy-Competencies.pdf>, p. 9
- 11 Australian Government, Financial Literacy Foundation. 2008. *Financial literacy: Women understanding money*, text at: <https://financialcapability.gov.au/files/women-understanding-money.pdf>, p. 4

WHY WOMEN TURN A DEAF EAR TO FINANCES?

- 1 Australian Government, Financial Literacy Foundation. 2008. *Financial literacy: Women understanding money*, text at: <https://financialcapability.gov.au/files/women-understanding-money.pdf>, p. 34

YOUR PERSONAL RELATIONSHIP WITH MONEY

- 1 Bethany Palmer and Scott Palmer. 2012. *The Five Money Personalities: Speaking the Same Love and Money Language*. Tennessee. Thomas Nelson
- 2 Honda K. 2019. *Happy Money: The Japanese Art of Making Peace with Your Money*. London, United Kingdom. Gallery Books
- 3 Gallo E.F. Ph.D. 2001. *Understanding Our Relationship with Money*. Journal of Financial Planning

SAVINGS & PENSION

- 1 European Central Bank, "What is inflation?", accessed 28 September 2020, <https://www.ecb.europa.eu/ecb/educational/hicp/html/index.el.html>

THE ROLE OF OTHERS IN YOUR FINANCIAL PLAN

- 1 Harris Poll. 2018. *Celebrate Relationships, But Beware of Financial Infidelity*. NEFE, accessed 28 September 2020, <https://www.nefe.org/news/polls/2018/celebrate-relationships-but-beware-of-financial-infidelity.aspx>

