KONDA

Barometer

THEMES

Economic Concerns and
Perception of Risk
December 2014

KONDA
ARAŞTIRMA VE DANIŞMANLIK

CONTENTS

1. EXECUTIVE SUMMARY

The survey which forms the basis of this report was conducted on December 6-7, 2014 by face-to-face interviews with 2567 individuals in 148 neighborhoods and villages of 104 districts including the central districts of 30 provinces.

THEME OF THE MONTH: Concerns about Affording a Living and Risk Perception
As the theme of the survey of this month, we examined the cost of living and analyzed people's concerns on affording a living, their relations with and views on their debts, their risk perception on financial matters and their predictions as to how they will earn their living in the future.

In general, more than half of the society has concerns about the future such as not having enough money in retirement and failing to maintain living standards. Short term concerns such as meeting grocery or health expenses are less common, yet higher in lower income groups. Concerns about employment are more common in certain employee groups such as laborers, shopkeepers and farmers compared to high level employees and these concerns tend to increase with lower age and educational level.

The ability to make credit card payments or not is quite an explanatory matter of concern. 47 percent of the adult population owns credit cards and more than one third of them are able to pay their credit card debts regularly whereas the rest have problems in this regard. Lower income groups have more concerns in this matter and have difficulties in paying credit card debts. However, the findings of the survey reveal that there is no relation between credit card debt and support for the governing party. In other words, we observe that the Ak Parti electorate do not support their party with the expectation of stability and paying their debts, on the contrary majority of the Ak Parti supporters do not own credit cards and those that do are more dedicated to paying their debts.

We asked about lottery as an indicator of the decisions people make in financial matters and it turns out one in every eight people play the lottery and one in every three people are cigarette smokers. As both lottery players and smokers choose to spend rather than save money indicate that lottery and smoking are risky behaviors.

Analyzing the saving preferences of people, we observe that high income groups and the lowest income groups are more tended to spend away an extra 1,000 liras they might get whereas the groups in the middle are more tended to saving. This tendency shows that soceity's saving habits reflect a great deal of variation and they do not differ between the two usual polarities.

Within the context of the theme of this month, we also included related parts from the previous themes of Future Orientation (September'13 Barometer Report) and Economic Ideology (February'12 Barometer Report).

2. ECONOMIC CONCERNS AND PERCEPTION OF RISK

This month, we focused on the economic conditions of the voters and examined the economic concerns of voters, their debts and perceptions of debt, their perceptions of financial risk and their predictions on how they will sustain their livelihood in the future. When selecting this theme, one of our purposes was to determine whether there is any relation between political preferences and economic concerns, and particularly debts.

2.1. Economic Concerns

We directed 6 questions to the respondents in order to understand to what extent they have economic concerns. Individuals are more concerned about prospective issues such as bing unable to maintain their living standards or to have sufficient funds in retirement than daily concerns such as being unable to pay daily expenses, rent or installments.

60 percent or 3 out of every 5 adults are concerned about not having sufficient funds in retirement. 55 percent of the respondents state that they are "concerned" or "extremely concerned" about being unable to maintain their living standards, and 51 percent stated the same about their medical expenses. It is noteworthy that a vast majority of society is concerned about prospective issues.

It is necessary to draw particular attention to the 36 percent who are "concerned" or "extremely concerned" about being unable to pay for grocery expenses. 1 out of every 3 adults in Turkey, in other words, almost 19 million adults are worried about meeting immediate requirements, which is an alarming outlook in terms of their psychological wellbeing.

One third of the respondents are concerned about being unable to pay their credit card debts, and when we leave the respondents who do not have a credit card out of the calculations as it will be seen in the following section, we can reach the conclusion that credit cards debts also are a major source of concern among society.

Economic Concerns

Concern	Extremely concerned	Concerned	Slightly concerned	Not at all concerned
Having insufficient funds during retirement	21	39	17	23
Being unable to maintain living standards	14	41	24	21
Being unable to afford medical expenses	14	37	27	22
Being able to pay for daily expenses such as groceries	12	34	28	27
Being unable to afford rent or installments for my house/car	12	29	21	38
Being unable to pay the minimum amount due for credit card	11	23	15	51

■ Extremely concerned ■ Concerned ■ Slightly concerned ■ Not at all concerned

When we take a closer look at who are more concerned and which issues lead to a greater concern among the respondents, we can state that income level determines the level of concern, and social status determines the issues that the respondents are concerned about.

It is possible to observe that the respondents in the low income group are more concerned about short-term issues such as being able to afford medical expenses or daily expenses. Respondents in higher income groups are less concerned in general, and their concerns revolve around long-term issues such as being able to afford a living during retirement. This becomes more evident when the response rates are compared based on monthly household income and income per capita.

Concern about being unable to pay for short-term expenses by income groups

	Being able to pay for daily expenses such as groceries	Being unable to afford medical expenses
Turkey	2,7	2,6
TRY3001 or above	3,2	3
TRY2001- 3000	2,9	2,8
TRY1201 - 2000	2,7	2,6
TRY701 - 1200		2,5
TRY700 or below	2,2	2,1
Upper	3	2,8
New middle	2,9	2,8
Lower middle	2,6	2,5
Lower	2,3	2,2

<< Extremely concerned   Not at all concerned >>
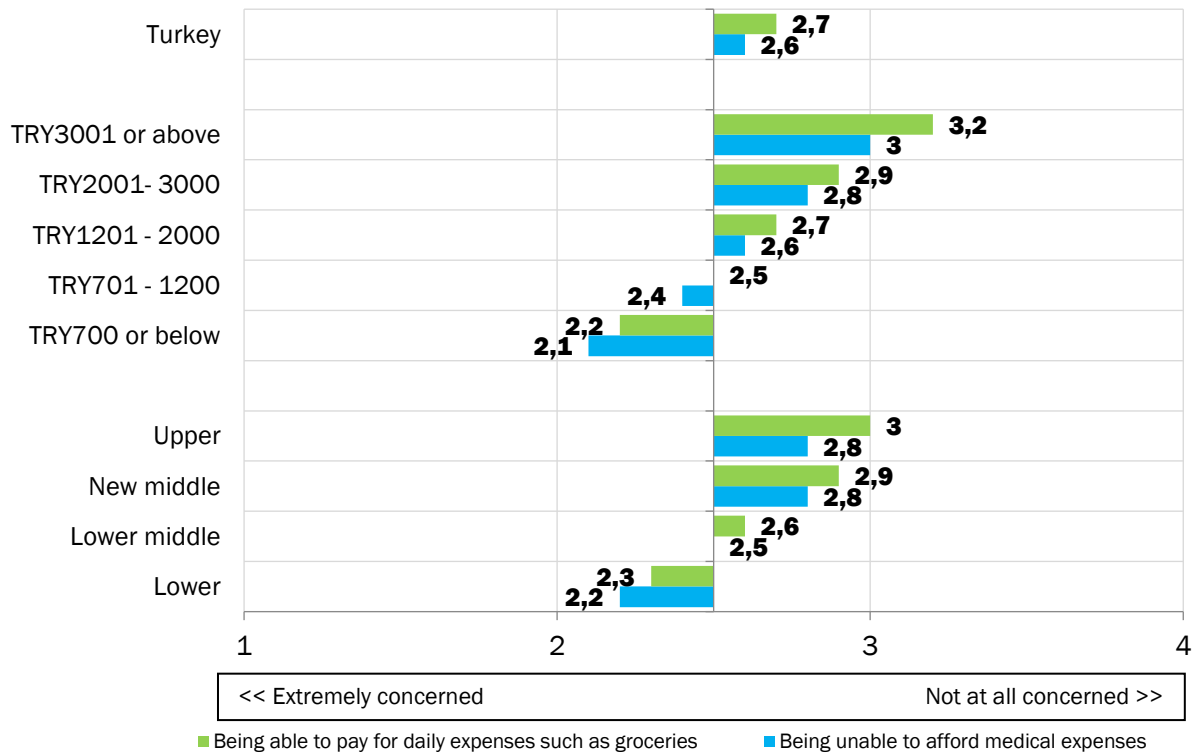
Concern about being unable to pay for medical expenses and daily expenses causes difference among different income groups and different classes. A similar predicament can be observed when we analyze the response rates by educational attainment level: Individuals with a lower educational attainment level are more concerned than better educated individuals. However, lifestyle and degree of piety lead to changes in the rate of respondents who are concerned about being unable to pay their rent or installments and about not having sufficient funds during retirement. Individuals who identify themselves as religious and religious conservative are generally less concerned about both being unable to pay their rent/installments and having sufficient funds during retirement.

Concern about being unable to pay for short-term expenses by income groups

	Having insufficient funds during retirement	Being unable to afford rent or installments for my house/car
Turkey	2,4	2,8
Modern	2,3	2,7
Traditional cons.	2,4	2,8
Religious cons.	2,6	3
Non-believer	2,1	2,4
Believer	2,3	2,8
Religious	2,5	2,9
Pious	2,6	3

<< Extremely concerned   Not at all concerned >>

■ Having insufficient funds during retirement
■ Being unable to afford rent or installments for my house/car
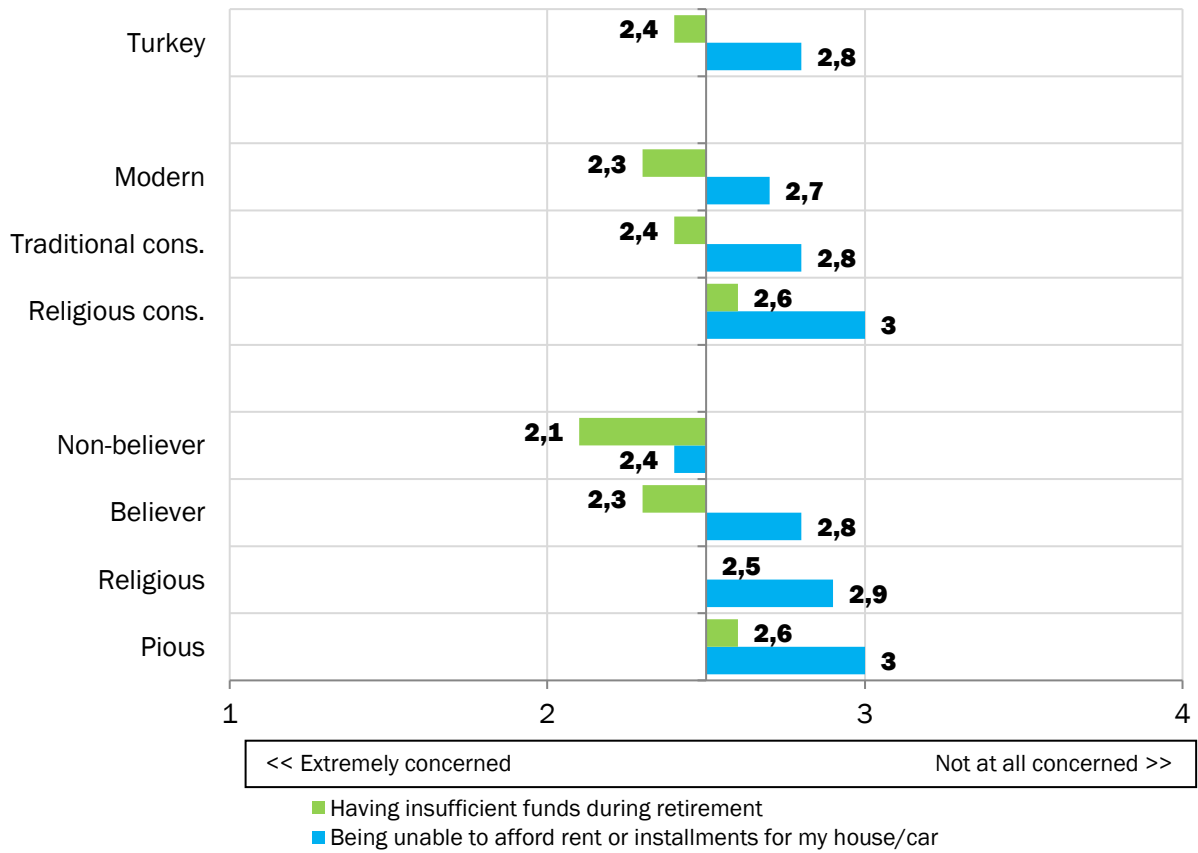
Naturally, the respondents who are retired and who are not yet retired have different levels of concern about being able to afford a living during retirement. It is observed that the retired are less concerned in general. Similar to the respondents from lower class, respondents who are unemployed or who are not senior level employees are mainly concerned about maintaining their living standards and being able to afford for their daily expenses.

Employment status	Concerns (4 point Likert scale: 1 – Extremely concerned; 4 – Not at all concerned)					
	General concern	Being unable to afford medical expenses	Being unable to afford rent or installments for my house/car	Being unable to maintain my living standards	Being unable to pay for my daily expenses such as groceries	Having insufficient funds during retirement
Senior level employees	2.8	2.8	2.9	2.7	2.9	2.4
Other employees	2.7	2.5	2.8	2.5	2.7	2.3
Retired	2.8	2.6	3.0	2.6	2.7	2.6
Unemployed	2.7	2.5	2.8	2.4	2.6	2.5
Turkey	2.7	2.6	2.8	2.5	2.7	2.4

2.1.1. Unemployment Concerns

In response to the question, "How likely do you think you are to find a new job that is as good as your current job in case you lose your job?", 1 out of every 3 respondents state that it is "extremely unlikely".
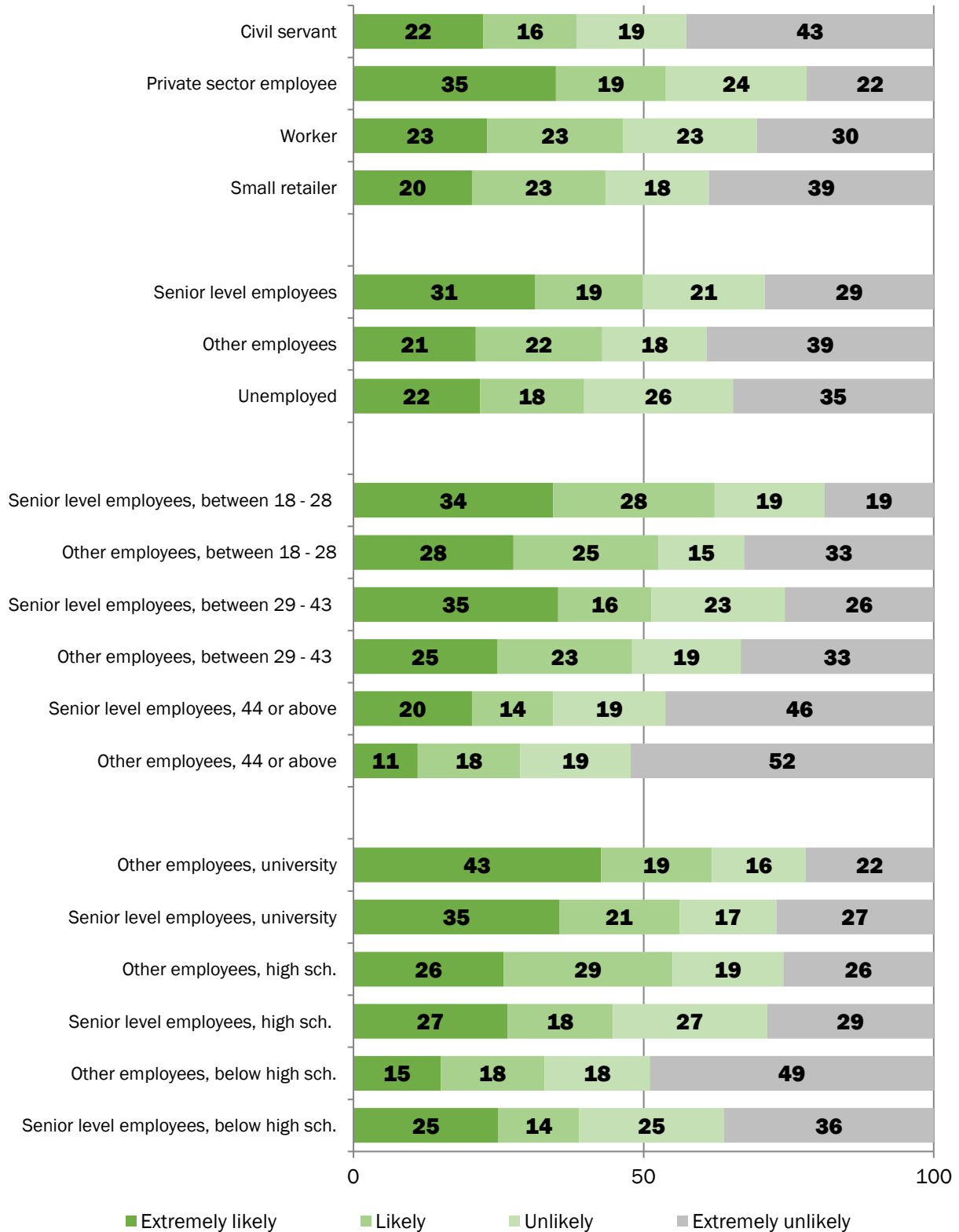
When we take a closer look at the responses given by the respondents who are currently employed, it is evident that private-sector employees are more confident that they can find a job which is equivalent to their current job. Although, workers and small retailers are less confident, it is remarkable that the confidence level of civil servants is at the same rate as that of the unemployed. This may be due to the fact that working as a civil servant is favored more than any other jobs.

The confidence level of senior level employees, which comprise of civil servants, private-sector employees and merchants, is higher than that of other employment groups (worker, small retailer, farmer, other). Age and educational attainment level are the most significant factors that influence the respondents' confidence levels in their ability to find an equivalent job to their current job.

In addition, increased concern about unemployment leads to increased concern about being able to maintain one's living standards and being able to afford daily expenses. In other words, these concerns are in parallel with each other. Thus, we can claim that concerns about unemployment is part of the overall concern about being able to afford a living even if the respondents are currently employed.

How likely do you think you are to find a new job that is as good as your current job in case you lose your job?

Category	Extremely likely	Likely	Unlikely	Extremely unlikely
Civil servant	22	16	19	43
Private sector employee	35	19	24	22
Worker	23	23	23	30
Small retailer	20	23	18	39
Senior level employees	31	19	21	29
Other employees	21	22	18	39
Unemployed	22	18	26	35
Senior level employees, between 18 - 28	34	28	19	19
Other employees, between 18 - 28	28	25	15	33
Senior level employees, between 29 - 43	35	16	23	26
Other employees, between 29 - 43	25	23	19	33
Senior level employees, 44 or above	20	14	19	46
Other employees, 44 or above	11	18	19	52
Other employees, university	43	19	16	22
Senior level employees, university	35	21	17	27
Other employees, high sch.	26	29	19	26
Senior level employees, high sch.	27	18	27	29
Other employees, below high sch.	15	18	18	49
Senior level employees, below high sch.	25	14	25	36

■ Extremely likely   ■ Likely   ■ Unlikely   ■ Extremely unlikely

2.2. Perception of Risk

In order to understand the respondents' behavior and decisions on financial issues such as going into debt and spending, we focused on their perception of risk and inquired about this topic by asking questions on games of chance and cigarette consumption.

2.2.1. Games of Chance

18 percent of the adult population, in other words, 1 out of every 5 or 6 individuals played one at least one of the games of chance (i.e. İddaa, National Lottery, etc.) over the last 12 months.

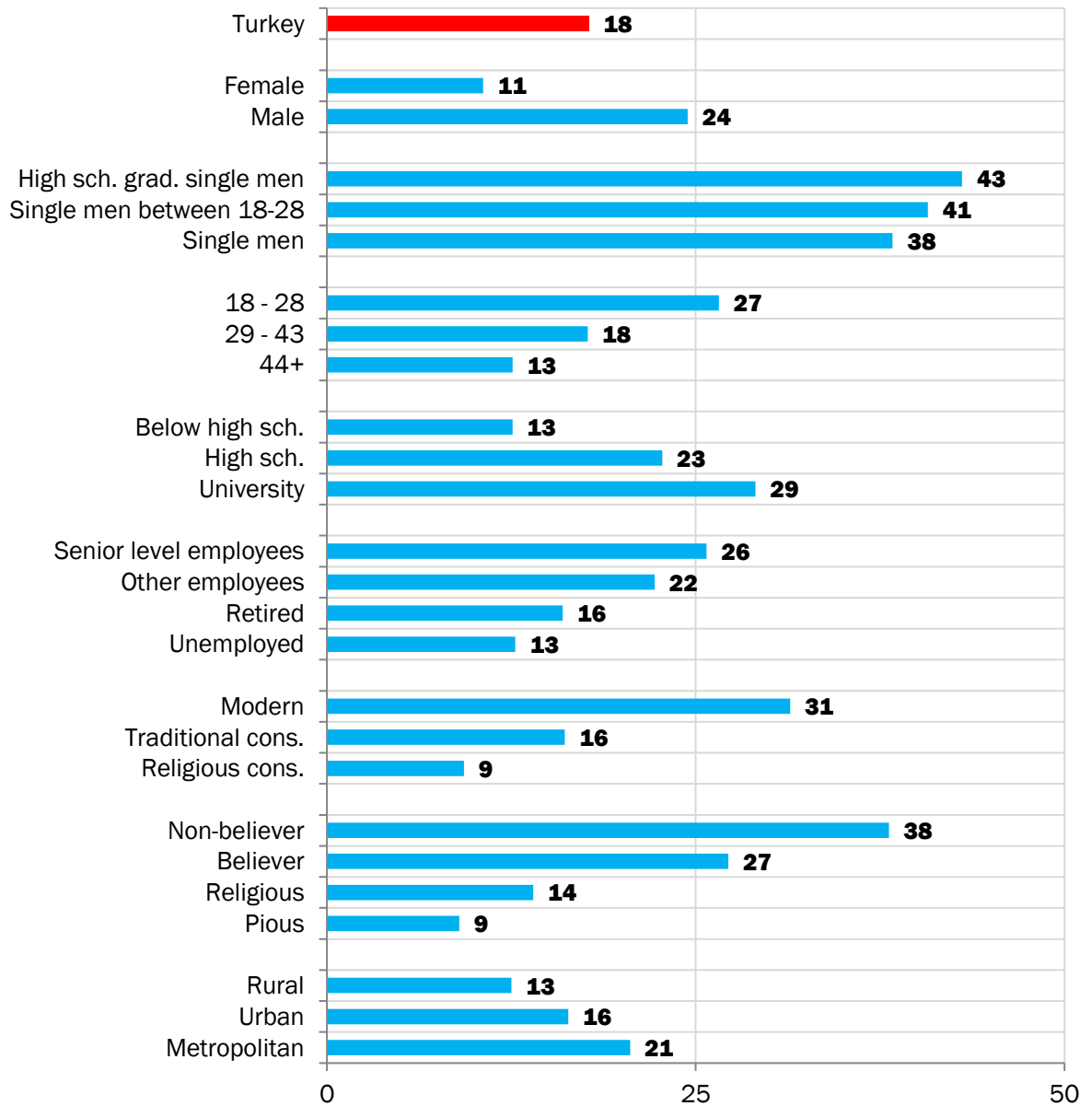| Have you played any games of chance (i.e. National Lottery, lotto, İddaa, etc.) over the last 12 months?	Percentage
Yes	18.2
No	81.8
Total	100.0

Respondents who played games of chance over the last 12 months	Number of times games of chance played over the last 12 months	Amount of money (in TRY) spent on games of chance over the last 12 months
Average	36.04	220.75
Median	5.00	50.00
Minimum	1	0
Maximum	500	12000

The survey findings reveal that playing games of chance is a consumption habit that is directly related to lifestyle. This is proved by the fact that 31 percent of moderns, 16 percent of traditional conservatives and 9 percent of religious conservatives play games of chance. Also the rate of the respondents who play games of chance decrease from 37 percent among non-believers to 9 percent among the pious. It is also noteworthy that 9 percent of the respondents who identify themselves as "individuals who fulfill the requirements of the religion completely" and whom we identify as "pious" play games of chance despite the fact that it is deemed a sinful activity.

The influence of lifestyle leads to major differences based on the other demographic characteristics such as level of income, educational attainment level, political preference and place of residence. Furthermore, the survey verifies the daily observation that men, particularly younger men, play games of chance at the highest rates. Men, young people and particularly single men play games of chance at the highest rates.
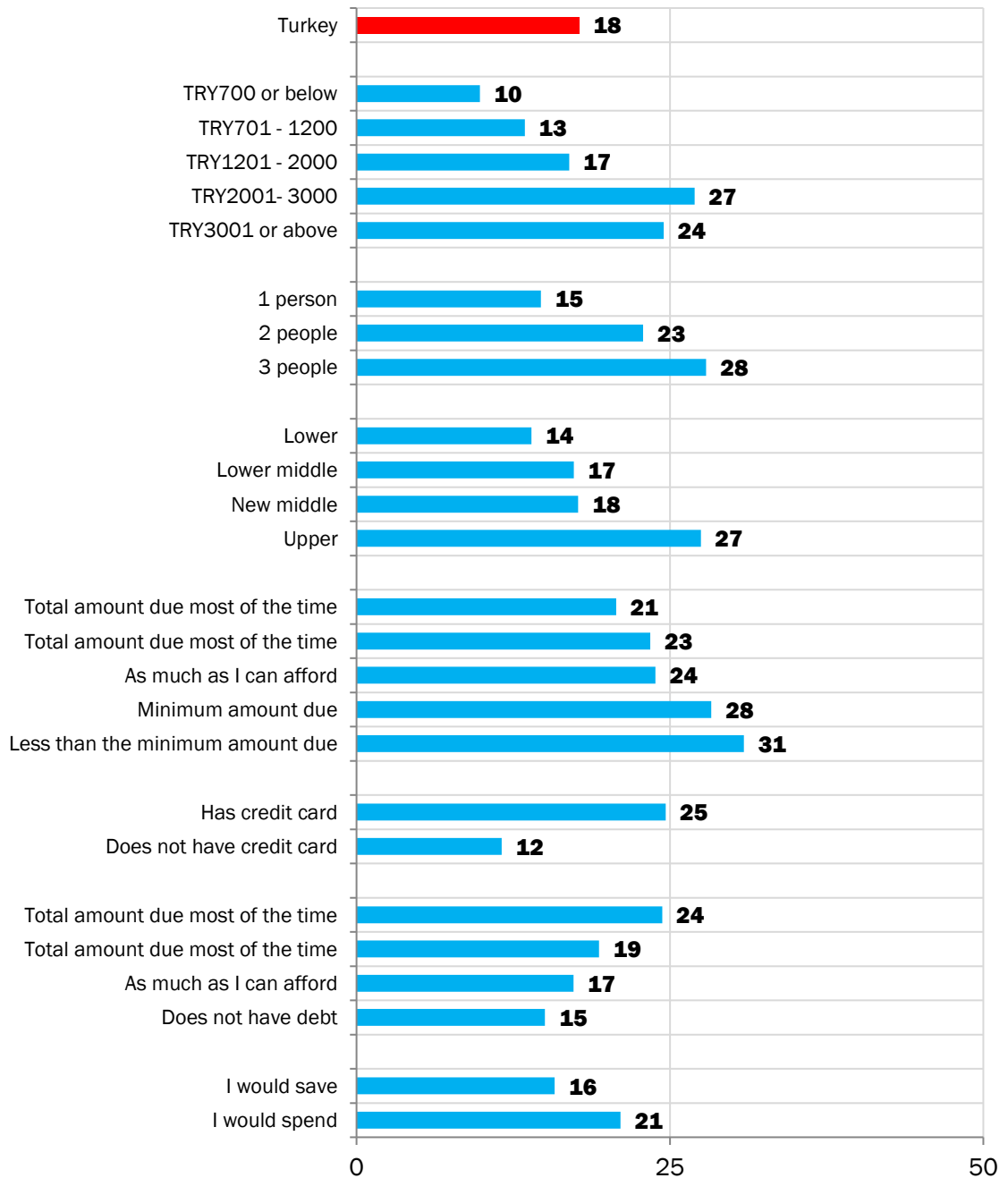
Rate of the respondents who played games of chance over the last 12 months

Category	Value
Turkey	18
Female	11
Male	24
High sch. grad. single men	43
Single men between 18-28	41
Single men	38
18 - 28	27
29 - 43	18
44+	13
Below high sch.	13
High sch.	23
University	29
Senior level employees	26
Other employees	22
Retired	16
Unemployed	13
Modern	31
Traditional cons.	16
Religious cons.	9
Non-believer	38
Believer	27
Religious	14
Pious	9
Rural	13
Urban	16
Metropolitan	21

The respondents who take risks in their financial decisions by playing games of chance are also more inclined to smoke cigarettes, which is another risky behavior.

Respondents who played games of chance over the last 12 months

Category	Value
Turkey	18
TRY700 or below	10
TRY701 - 1200	13
TRY1201 - 2000	17
TRY2001- 3000	27
TRY3001 or above	24
1 person	15
2 people	23
3 people	28
Lower	14
Lower middle	17
New middle	18
Upper	27
Total amount due most of the time	21
Total amount due most of the time	23
As much as I can afford	24
Minimum amount due	28
Less than the minimum amount due	31
Has credit card	25
Does not have credit card	12
Total amount due most of the time	24
Total amount due most of the time	19
As much as I can afford	17
Does not have debt	15
I would save	16
I would spend	21

Although the respondents who play games of chance do not appear to be more or less concerned than those who do not play games of chance, those who play games of chance are more concerned about not having sufficient funds in retirement.

When we analyze the responses in relation to level of income and the respondents' opinions on debt, we can observe that the rate of respondents who play games of chance increases in parallel to higher level of income. Also, the respondents who state that they are more likely to spend an extra TRY1000 they might get a hold of and those

who have a credit card, play games of chance at higher rates. This may be evaluated as an anticipated outcome.

However, a striking relation exists between credit card debts and playing games of chance. It is evident that individuals who have difficulty in paying for their credit card debts are more inclined to play games of chance, whereas individuals who have difficulty in paying their debt to their families and friends play games of chance less frequently. Although this research does not offer sufficient data to identify the reasons that lie behind this finding, we may speculate that individuals perceive not paying for their credit card debts and playing games of chance at the same level of risk, whereas they have a different perception of the debts that they have to pay to family and friends.
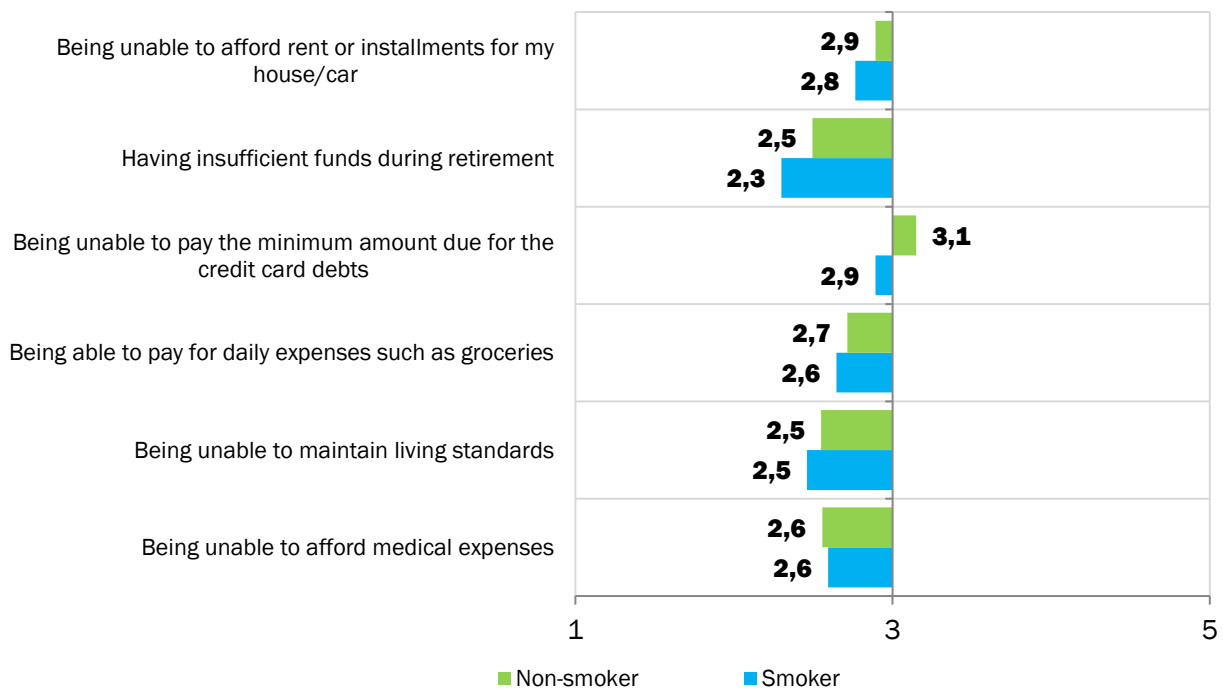
2.2.2.   Cigarette Consumption

As an attempt to understand individuals' perception of money, we asked the respondents whether they smoked or not in order to understand their inclination to take risks. 36 percent of the adults, the majority of whom are men, are smokers, and on average they spend TRY198 on cigarettes every month. In comparison to non-smokers, smokers are more concerned about all of the issues we inquired about. They are not only more concerned about paying their credit card debts, but also have more difficulty in making their payments.

Cigarette consumption is associated with being able to afford a living and with crisis expectation. A higher rate of the respondents who have difficulty in being able to afford a living are smokers compared to the respondents who do not struggle to sustain a livelihood. The rate of smokers among the respondents who expect a crisis is higher than that of among the respondents who do not expect for a crisis.

Despite these concerns, it is very likely that smokers will spend an extra TRY1000 they might receive or spend it on games of chance. In summary, smoking is a risky behavior that is closely related to economic concerns and saving habits.

Relation between smoking and concerns

Concern	Non-smoker	Smoker
Being unable to afford rent or installments for my house/car	2,9	2,8
Having insufficient funds during retirement	2,5	2,3
Being unable to pay the minimum amount due for the credit card debts	3,1	2,9
Being able to pay for daily expenses such as groceries	2,7	2,6
Being unable to maintain living standards	2,5	2,5
Being unable to afford medical expenses	2,6	2,6

■ Non-smoker   ■ Smoker

Profile of smokers:

Although the question on cigarettes was directed for the purpose of observing financial decisions of individuals, it also provided us with the opportunity to reveal the demographic groups in which the rate of smokers is higher and the demographic factors which are more influential on cigarette consumption.

To begin with, 1 out of every 2 men and 1 out of every 5 women are smokers. The rate of smokers is higher among young people, and lower among the middle-aged. The decrease in the rate of smokers is more significant among the respondents who are above 44. Similar to games of chance, smoking is also associated with level of income, lifestyle and degree of piety. However, in contrary to the overall trend, it is not possible to observe a gradual increase in the rate of smokers based on educational attainment level: Although the rate of smokers is higher among the respondents whose educational attainment level is below high school, the rate of smokers is the highest among high school graduates, not among university graduates.
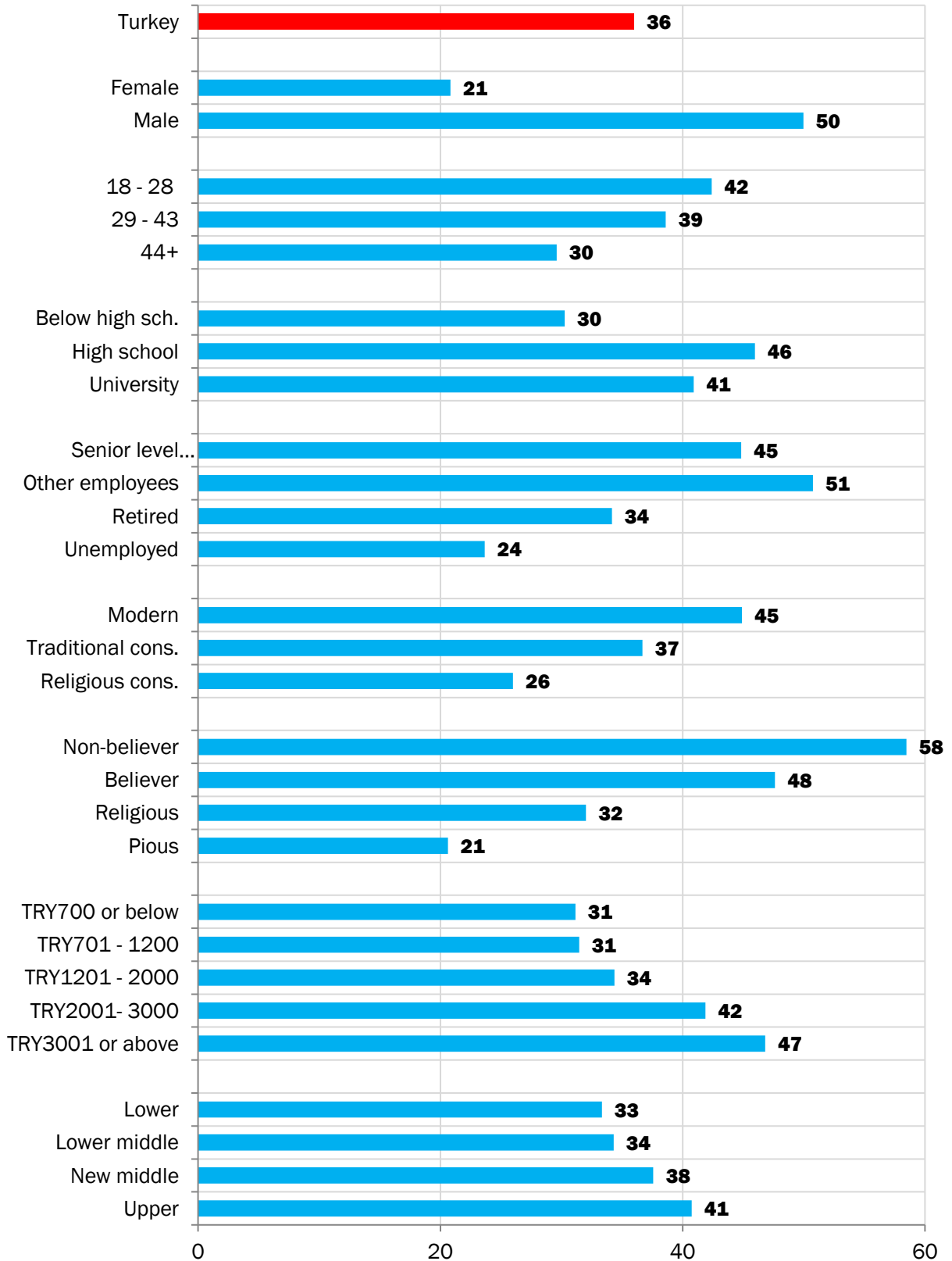
When we compare the rate of smokers among men and women in further detail, it is observed that the rate of smokers decreases with an increase in age and as we move from the moderns to the religious conservatives along the lifestyle-clusters axis. However, the analyses of household income, economic class and income per capita present that a decrease in income level leads to a decrease in the rate of smokers among women. However, the rate of smokers among men remains more or less the same regardless of the change in income level. Similarly, increased degree of piety leads to a decreased rate of smokers among both gender groups. The rate of smokers drops by half among men, and it drops down to one fifths among women.

		Smokers (percent)
Income per capita		
Women	TRY300 or less	14
	TRY301 - 500	18
	TRY501 - 1000	25
	TRY1001 or more	37
Men	TRY300 or less	52
	TRY301 - 500	49
	TRY501 - 1000	50
	TRY1001 or more	50
Degree of piety		
Women	Believer	32
	Religious	17
	Pious	8
Men	Believer	59
	Religious	47
	Pious	35

Rate of smokers

Category	Rate
Turkey	36
Female	21
Male	50
18 - 28	42
29 - 43	39
44+	30
Below high sch.	30
High school	46
University	41
Senior level...	45
Other employees	51
Retired	34
Unemployed	24
Modern	45
Traditional cons.	37
Religious cons.	26
Non-believer	58
Believer	48
Religious	32
Pious	21
TRY700 or below	31
TRY701 - 1200	31
TRY1201 - 2000	34
TRY2001- 3000	42
TRY3001 or above	47
Lower	33
Lower middle	34
New middle	38
Upper	41

2.3. Credit Card Payment Habits

Slightly less than half of the adults in Turkey have credit cards. More than one third of credit card holders state that they are able to pay their debts, while the rest express that they do not pay their credit card debts on a regular basis or cannot pay at all.

When we analyze the respondents' credit card debts along with the money they owe to other individuals, we can observe that 1 out of every 5 individuals have credit card debts and owe money to a family member or a friend.

How much of your credit card debt can you afford to pay every month?	Percentage	Percent (credit card holders)
I always pay the total amount due.	13.4	28.3
I pay the total amount due most of the time.	5.1	10.9
I pay as much as I can afford.	11.2	23.8
I pay the minimum amount due.	15.1	32.1
I pay less than the minimum amount due.	2.3	4.9
I do not have a credit card.	52.8	-
Total	100.0	100.0

Credit card debt	Debt owed to other individuals		
	Yes	No	Total
Yes	20	9	29
Yes	11	8	19
Does not have a credit card	26	27	53
Total	57	44	100

Credit card ownership is influenced by characteristics which are the indicators of a more modern lifestyle, exemplified by urbanization and place of residence, and demographic characteristic such as lifestyle, degree of piety, and particularly educational attainment level. On the other hand, the rate of the credit card holders who are concerned about being able to pay their credit card debts is influenced mainly by financial characteristics such as income level, economic class and perception of making a living. For example, the respondents who identify themselves as modern, who identify themselves as religious conservative and who reside in rural areas are equally concerned about affording to pay their credit card debts.

Concern about being unable to pay the minimum amount due (credit card holders)

	Extremely concerned	Concerned	Somewhat concerned	Not at all concerned
Turkey	17	37	22	25
Upper	10	31	26	33
New middle	16	34	21	29
Lower middle	18	41	22	19
Lower	25	45	13	17
TRY3001 or above	7	25	28	40
TRY2001- 3000	16	35	24	25
TRY1201 - 2000	17	41	20	22
TRY701 - 1200	21	43	19	17
TRY700 or below	32	41	9	18
Unemployed	22	37	22	20
Retired	15	35	23	27
Other employees	16	40	21	23
Senior level employees	12	34	23	31

Moreover, the below graph presents that 68 percent of the credit card holders who cannot pay their debts regularly are concerned about being unable to pay their debts, and one third of the credit card holders who pay their debts regularly are also share the same concern.

Concern about being unable to pay credit card debts

	Extremely concerned	Concerned		
Has credit card debt	24	44	19	14
Does not have credit card debt	6	27	26	41
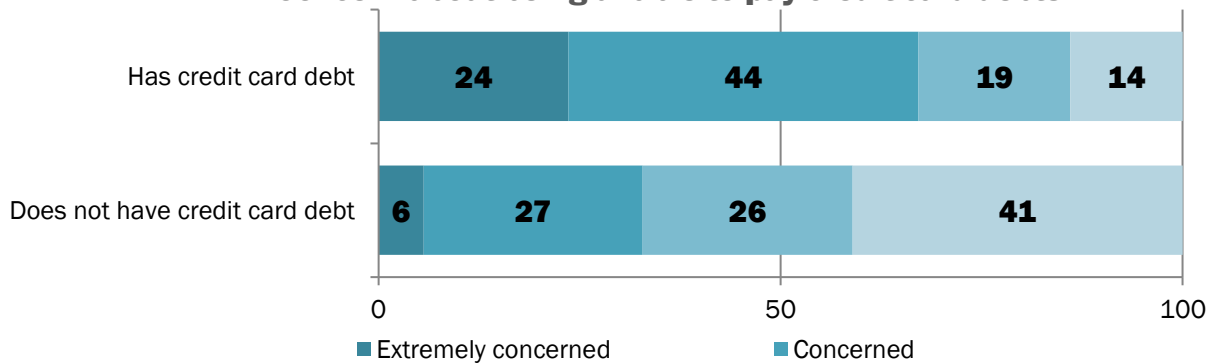
Profile of the credit card holders:

Under the scope of this theme, it is possible to investigate among which demographic groups credit card ownership is higher. The graph below demonstrates credit card ownership among women and men, income per capita of the credit card holders and the number of people each group corresponds to in the adult population. Higher economic class leads to increased credit card ownership among men and women, and we observe that it can be as high as 6-7 times with higher income per capita.

Credit card holders		Has credit card debt	No credit card debts	Does not have a credit card	Income per capita (TRY)	Average number of individuals
Women	Lower	22	5	73	195	1,539,000
	Lower middle class	27	13	60	489	3,261,000
	New middle class	30	18	52	520	2,086,000
	Upper	26	32	42	1323	2,390,000
	All women	26	16	58	662	9,277,000
Men	Lower	26	9	65	177	2,005,000
	Lower middle class	32	16	51	486	3,889,000
	New middle class	38	26	36	524	3,403,000
	Upper	27	41	32	1469	3,747,000
	All men	31	22	47	731	13,045,000
Turkey	Lower	24	7	69	185	3,544,000
	Lower middle class	29	15	56	488	7,150,000
	New middle class	34	23	43	522	5,489,000
	Upper	27	37	37	1412	6,137,000
	Turkey	28	19	52	702	22,323,000

2.3.1.   Political Preferences and Credit Card Usage

It is often stated that political preferences are shaped by economic factors. Some of the respondents who express these reasons state that many people have debts to pay, and therefore, they vote for Ak Parti for the sake of continued economic stability. In other words, they address their debts as a major concern that causes them to prefer avoiding the uncertainty of seeing another party as in government or a coalition government.

The findings on credit card debts and debts to other individuals presented in this month's theme enables us to investigate whether these statements are valid or not.

If there was an election today, who would you vote for?	Has/does not have credit card debts			
	Has credit card debt	No credit card debts	Does not have a credit card	Total
Ak Parti	22.7	20.6	56.8	100.0
CHP	35.8	24.8	39.4	100.0
MHP	44.2	13.1	42.6	100.0
HDP	21.5	9.6	68.9	100.0
Swing voter	27.8	15.7	56.6	100.0
Non-voter	31.8	13.0	55.2	100.0
Turkey	28.9	18.3	52.8	100.0

First of all, we can observe that only 43 percent of Ak Parti voters are credit card holders. This rate is even lower among HDP voters. When we observe the payment habits of Ak Parti voters who have a credit card, it is apparent that almost half pay or at least try to pay their debts. We also observe that other voter groups struggle more in paying their credit card debts.

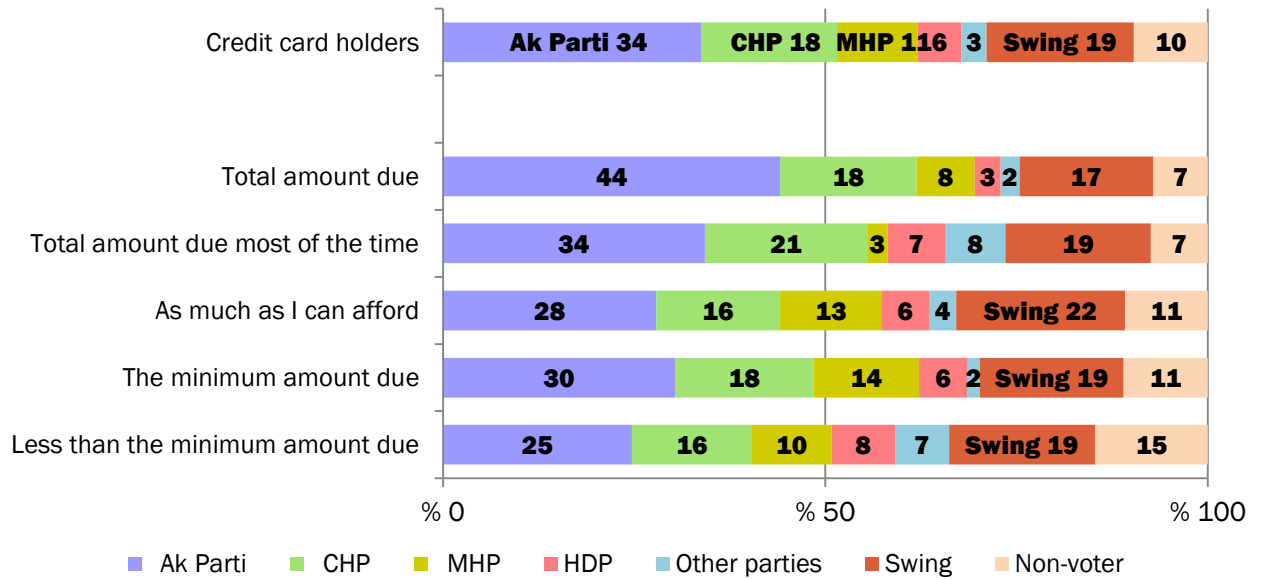| If there was an election today, who would you vote for?	Credit Card Payment Habits					
	I always pay the total amount due.	I pay the total amount due most of the time.	I pay as much as I can afford.	I pay the minimum amount due.	I pay less than the minimum amount due.	Total
Ak Parti	36.5	11.1	20.1	28.8	3.6	100
CHP	28	13	22	32.7	4.3	100
MHP	20.1	2.8	30.6	41.7	4.9	100
HDP	16.7	14.3	26.2	35.7	7.1	100
Swing voter	25.4	10.7	27.8	31.2	4.9	100
Non-voter	20.6	8.4	27.1	36.4	7.5	100
Turkey	28.2	10.5	24.1	32.4	4.7	100

Moreover, compared to other voter groups, Ak Parti voters who have a credit card are less concerned about paying the minimum amount due. 43 percent stated that they are concerned or extremely concerned. On the other hand, the rate of the respondents who are worried about paying the minimum amount due is respectively 58 percent among CHP voters, 61 percent among MHP voters and 57 percent among HDP voters who have a credit card. We frequently emphasize in the Morale Index that although their monthly income is lower than CHP and MHP voters, a lower rate of Ak Parti voters express that they have difficult in affording a living and that they expect a crisis.

Being unable to pay the minimum payment due for my credit card (credit card holders)	If there was an election today, who would you vote for?						
	Ak Parti	CHP	MHP	BDP/HDP	Swing voter	Non-voter	Turkey
Extremely concerned	11.9	18.8	21.1	28.6	19.7	17.3	16.8
Concerned	31.5	39.2	39.4	28.6	39.4	48.1	37.3
Somewhat concerned	25.6	22.4	19.7	21.4	19.2	15.4	21.8
Not at all concerned	31.0	19.6	19.7	21.4	21.7	19.2	24.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Thus, we cannot argue that the respondents who state that they would for Ak Parti are more concerned about debts. Furthermore, as presented in the below graph, respondents who can pay a higher portion of their debt are more likely to vote for Ak Parti. For this analysis, respondents who had debts other than credit card debts were left out of the calculation. Even so, the findings imply that the respondents who are less concerned about making a living vote for Ak Parti. Indeed, our findings in the section titled "Economic Concerns" verify that, compared to other voter groups, Ak Parti voters are less concerned in general.

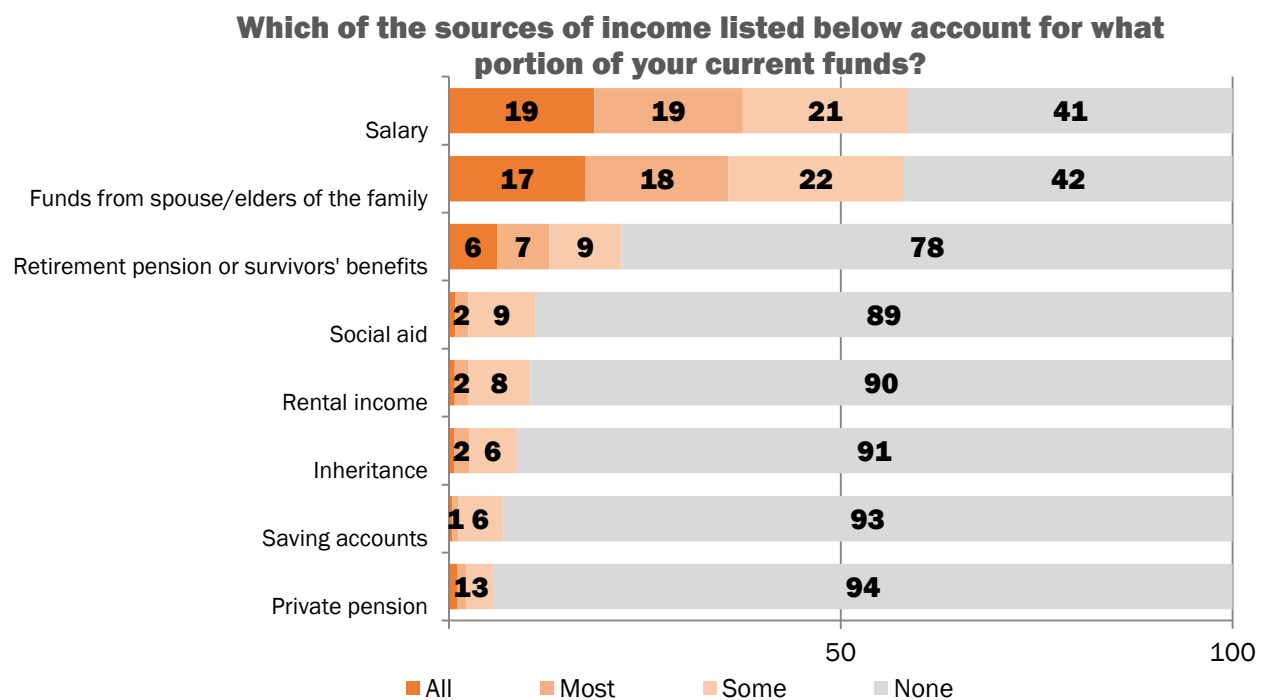## Political preference by payment of credit card debts

	Ak Parti	CHP	MHP	HDP	Other parties	Swing	Non-voter
Credit card holders	Ak Parti 34	CHP 18	MHP 11	6	3	Swing 19	10
Total amount due	44	18	8	3	2	17	7
Total amount due most of the time	34	21	3	7	8	19	7
As much as I can afford	28	16	13	6	4	Swing 22	11
The minimum amount due	30	18	14	6	2	Swing 19	11
Less than the minimum amount due	25	16	10	8		7	Swing 19	15

In summary, the findings of this month's theme do not support the statements that voters prefer the ruling party due to their debts and the expectation for stability. On the contrary, voters of the ruling party are less concerned and have less debt to pay.

2.4. Current Funds and Source in Income in Retirement

In our study on economic concerns and debts, we also investigated individuals' sources of income. The below graph demonstrates that the main sources of income of the respondents are their salaries or earnings from their jobs and the funds from their spouses/elder of the family. Other major sources of income are retirement pensions and survivors' benefits.
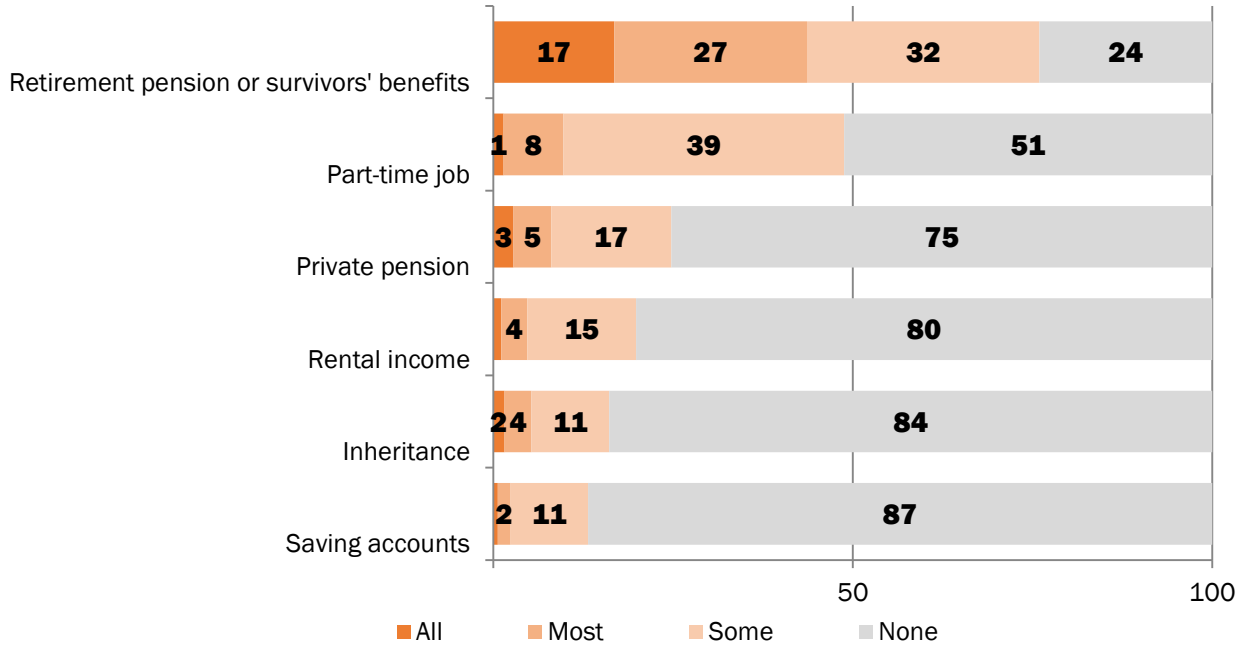
Social aids, rent, inheritance, savings accounts, and individual retirement compensation constitute an income source for barely 10 percent of the respondents. 3 percent of the respondents state that the response options do not account for "any portion of their income", in other words they do not have any sources of income.

Which of the sources of income listed below account for what portion of your current funds?

Source	All	Most	Some	None
Salary	19	19	21	41
Funds from spouse/elders of the family	17	18	22	42
Retirement pension or survivors' benefits	6	7	9	78
Social aid		2	9	89
Rental income		2	8	90
Inheritance		2	6	91
Saving accounts		1	6	93
Private pension		1	3	94

■ All   ■ Most   ■ Some   ■ None

When we inquired about the respondents' prospective funds during retirement, the majority stated that they predict their retirement pension or survivors' benefits will constitute their major source of income. In addition, it is worth noting that half of the respondents plan to have a part-time job and expect to generate additional income during their retirement. As we explained in the section on economic concerns, the majority of the respondents is concerned about not having sufficient funds during retirement and therefore anticipate that they would have to work even after retirement.

To what extent do you think that these source of income will account for your funds during retirement?

	All	Most	Some	None
Retirement pension or survivors' benefits	17	27	32	24
Part-time job	1	8	39	51
Private pension	3	5	17	75
Rental income		4	15	80
Inheritance	2	4	11	84
Saving accounts		2	11	87

■ All   ■ Most   ■ Some   ■ None

When we compare the current and prospective sources of income of the respondents, it is predicted that sources which are not currently significant in sustaining their livelihood will become more important during their retirement. The graph below provides a comparison between the breakdown of the respondents' current and future source of income. In the breakdown, the share of savings accounts increases from 7 percent to 13 percent during retirement, the share of inheritance increases from 9 percent to 16 percent, the share of rental income increases from 10 percent to 20 percent, and the share of private pension increases from 6 percent to 25 percent. In other words; while the share of savings accounts, inheritance and rents doubles, the share of private pension quadruples and 1 out of every 4 individuals express that private pension will be one of their sources of income during retirement.

Individual Pension
According to the "Individual Pension System 2013 Progress Report" published by the Pension Monitoring Center, about 5 million individuals are registered in the individual pension system.

As of December 2014: 4,991,997
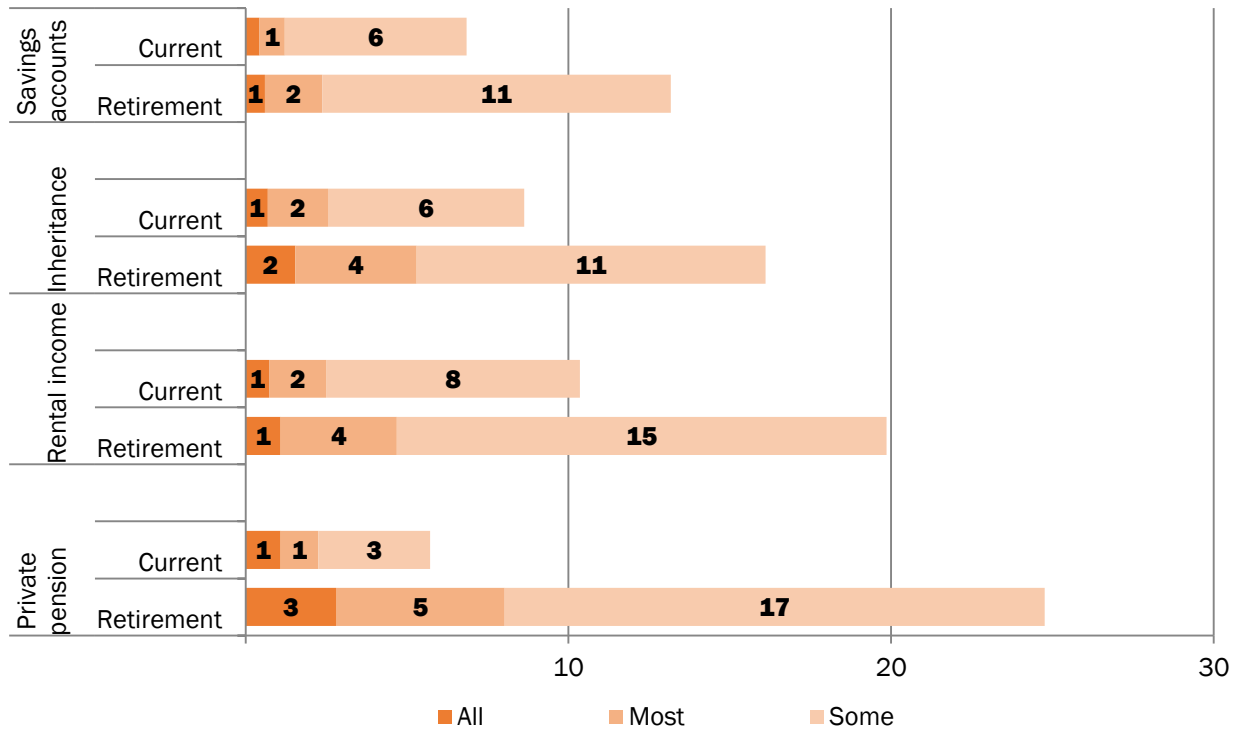As of the end of 2013:
Number of participants: 4,153,055
Size of funds (TRY) 25,145,718,418

Source: http://www.egm.org.tr/bes2013gr/bes2013gr_tr.pdf

What portion of your income do/will these items account for?

Legend: ■ All ■ Most ■ Some

Savings accounts
- Current: 1, 6
- Retirement: 1, 2, 11

Inheritance
- Current: 1, 2, 6
- Retirement: 2, 4, 11

Rental income
- Current: 1, 2, 8
- Retirement: 1, 4, 15
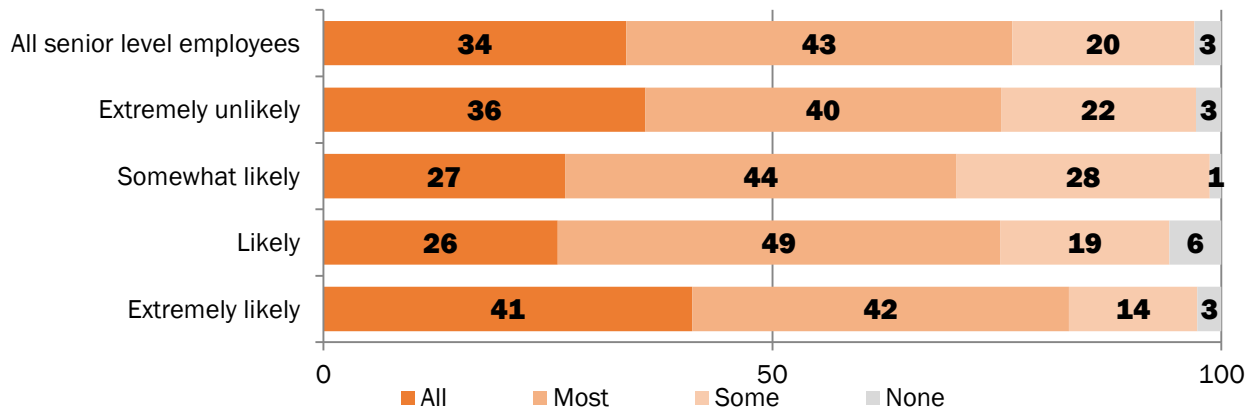
Private pension
- Current: 1, 1, 3
- Retirement: 3, 5, 17

Naturally, whether individuals are employed or not, whether they are students or not, whether they are dependent on their parents or not and whether they are retired or not influences respondents' sources of income and the weight of an individual source of income in their overall income. Social aid, rental income, inheritance, savings account and private pension are not significant sources of income for the majority of society. However, the fact that they are significant for certain demographic groups provide us with clues about society in general. The below points are particularly noteworthy for different demographic groups:

- There are stark differences between women's and men's sources of income, and the majority of women are supported by their spouses.
- Older age leads to increased dependence on social aid.
- Self-sufficiency becomes more prevalent as the level of educational attainment increases, implying that higher education leads to increased economic independence. In addition, with increased level of educational attainment, the rate of the respondents who have funds in their savings accounts increase and the rate of the respondents who have survivors' benefits decrease.
- Although lifestyle does not make a big difference, a higher rate of moderns is self-sufficient, and a higher rate of religious conservatives depends on social aid. In addition, the amount of the respondents who depend on inheritance increases. At this point, it is necessary to express the importance of age. In other words, religious conservatives depend on inheritance and social aid not only because of their lifestyle but also because they are older than average.
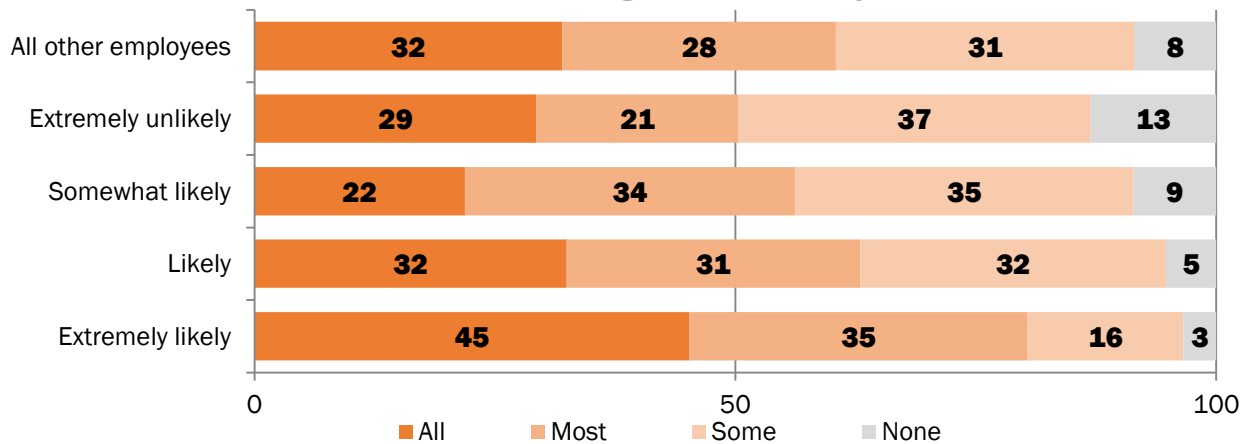
- Among the employed, it is more likely that their earnings/salaries of the respondents who feel confident that they can find an equivalent job will comprise all or a major portion of their funds. In other words, the respondents who feel confident that they can find a job as good as their current job depend on their earnings from their jobs. Although this is more prevalent among senior level employees, it can also be observed among other employee groups.
- As the respondents experience less difficulty in affording a living, the share of their own earnings, inheritance and rental income increases.

Share of self-earnings among senior level employees by concern about finding an equivalent job

	All	Most	Some	None
All senior level employees	34	43	20	3
Extremely unlikely	36	40	22	3
Somewhat likely	27	44	28	1
Likely	26	49	19	6
Extremely likely	41	42	14	3

Share of self-earnings among other employees by concern about finding an equivalent job

	All	Most	Some	None
All other employees	32	28	31	8
Extremely unlikely	29	21	37	13
Somewhat likely	22	34	35	9
Likely	32	31	32	5
Extremely likely	45	35	16	3

When evaluating the respondents' sources of income, conducting the analysis based on whether they are employed or not would be illuminating since we know that less than half (44 percent) of the adult population is employed. The rest of the population is retired, housewife, student or unemployed. To begin with, in parallel with expectations, the main sources of income of the employed are their earnings from their jobs, the main sources of income of the retired are their pensions, and the main source of income of the housewives and the students are the funds provided by their spouse or family. Although these findings verify the overall income structure observed
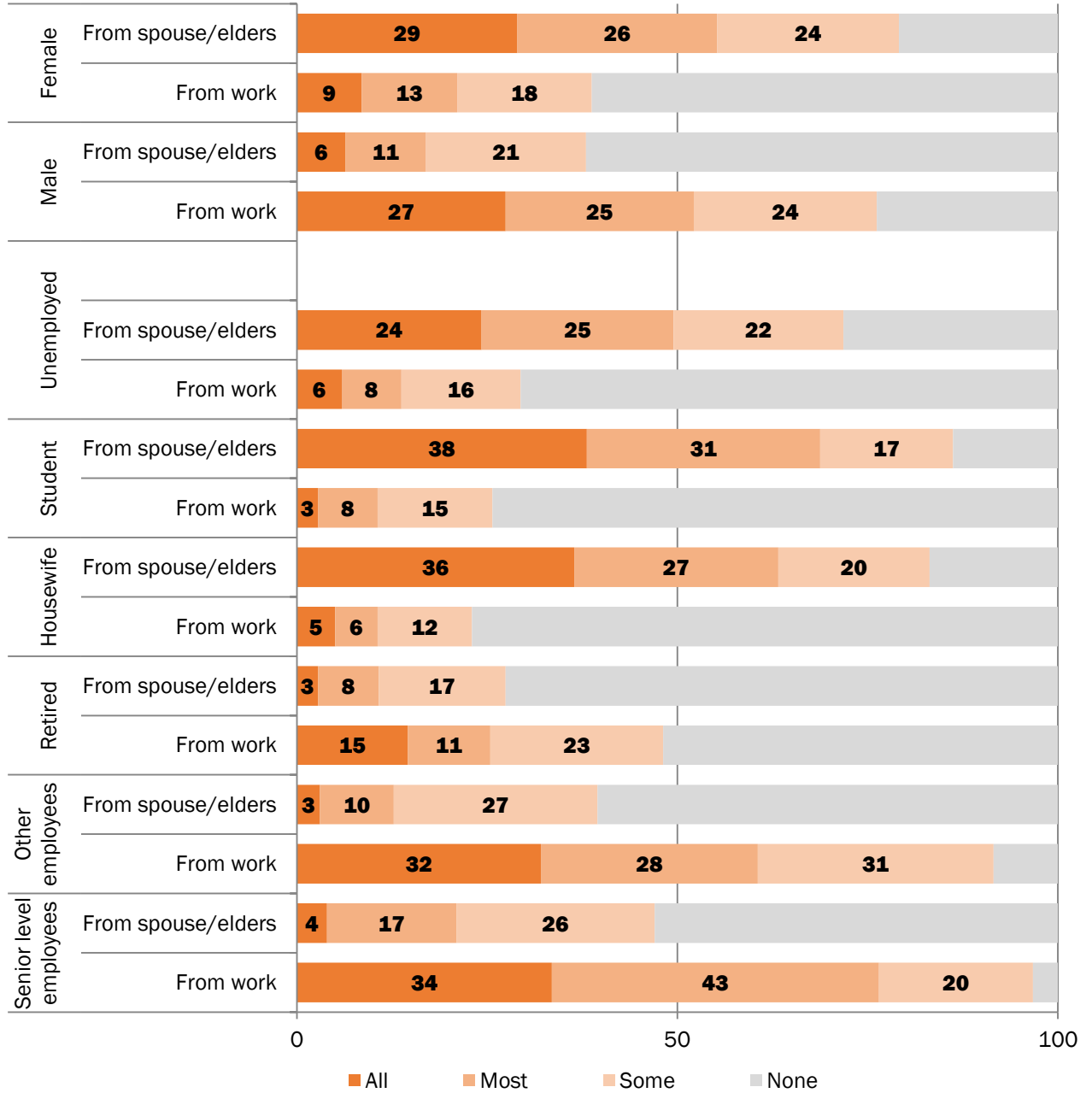
in society, the additional sources of income among each demographic group provides us with critical information on the sufficiency of the sources and dependencies.

- The vast majority of women and particularly the vast majority of housewives are supported by their spouses. 83 percent of housewives are supported by their spouses.
- A certain proportion of students state that they generate some income from their jobs.
- 81 percent of the retired, who constitute 13 percent of the adult population, state that their main source of income is their retirement pension, a considerable 48 percent of the retired also have additional earnings from their jobs. When we investigate this topic in further detail, it becomes evident that 27 percent of the retired do not receive any retirement pension, but earn salaries from their jobs. Therefore, we can anticipate that these individuals will continue to work, as they do not (yet) receive a retirement pension although they are retired in theory.

Respondents who are self-sufficient or who are supported by their spouses by gender

		All	Most	Some	None
Female	From spouse/elders	29	26	24	
	From work	9	13	18	
Male	From spouse/elders	6	11	21	
	From work	27	25	24	
Unemployed	From spouse/elders	24	25	22	
	From work	6	8	16	
Student	From spouse/elders	38	31	17	
	From work	3	8	15	
Housewife	From spouse/elders	36	27	20	
	From work	5	6	12	
Retired	From spouse/elders	3	8	17	
	From work	15	11	23	
Other employees	From spouse/elders	3	10	27	
	From work	32	28	31	
Senior level employees	From spouse/elders	4	17	26	
	From work	34	43	20	

2.5. Factors That Influence Investment Decisions

When investigating the financial preferences of the respondents, we directed the respondents the question, "What would you do if you had an extra TRY1000 after paying your current debts?" In response, 61 percent of the respondents stated that they would save the money, and the remainder 38 percent expressed that they would spend it. 61 percent of the respondents who would save the money stated that they would save it all and 25 percent stated that they would save less than half of the TRY1000.

What would you do if you had an extra TRY1000 after paying your current debts?	Percent (respondents who would put it aside)
I would save it	61.1
I would spend it	38.9
Total	100.0

Amount of savings (grouped together)	Percentage
Less than TRY500	8
TRY500	17
Between TRY 500 - 1000	13
TRY1000	61
Turkey	100

We can demonstrate what individuals understand from saving and spending better by directing the question on what they would with this money to the respondents as an open-ended question. The respondents who state that they would save the money express that they would either set the money aside as mattress savings, invest in gold/open a bank account or make an investment by buying a house, piece of land or establishing a business. On the other hand, the respondents who state that they would spend the money express that they would spend it on short-term expenses such as groceries or bills or they would go for shopping or take a vacation.
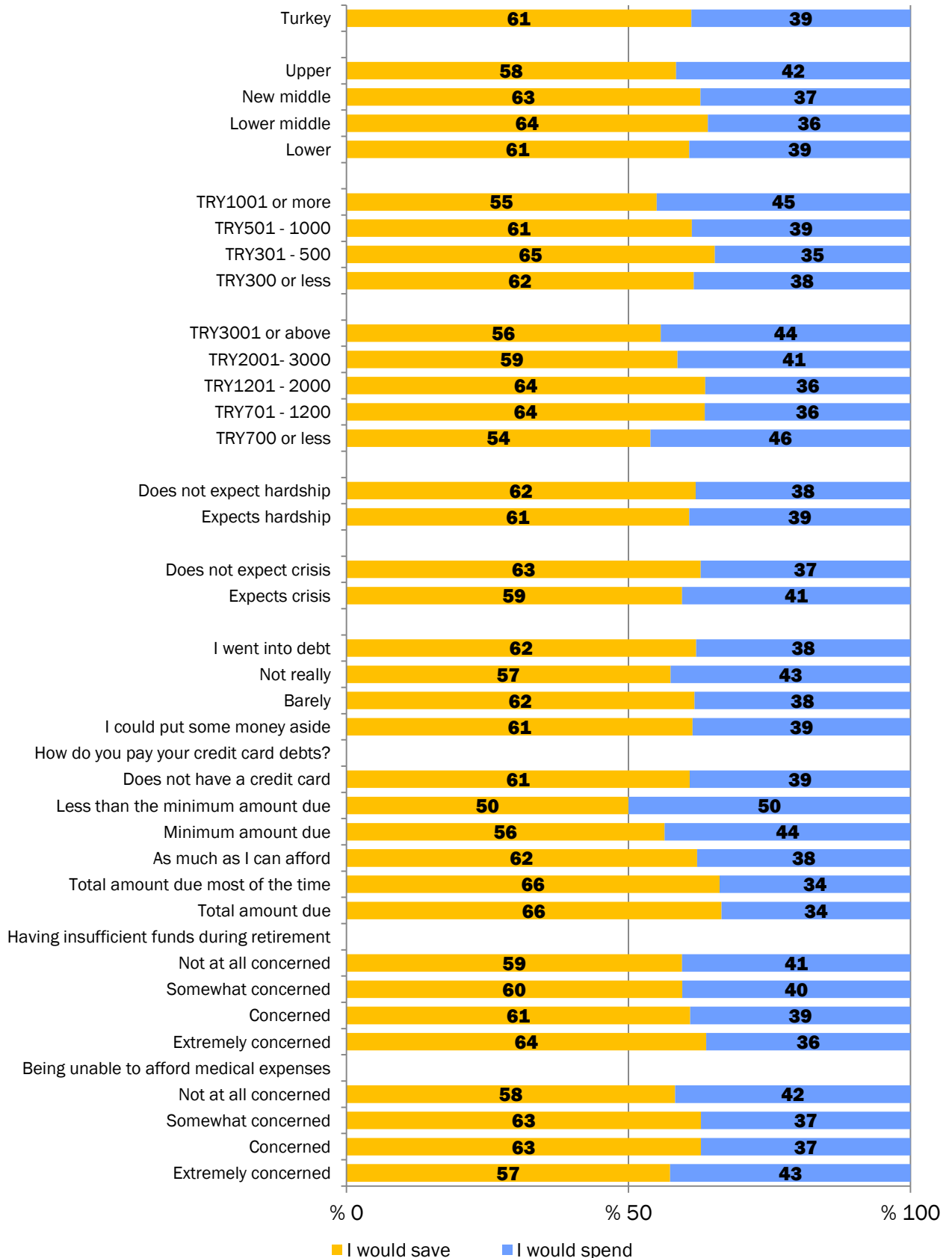
How do you save? What do you spend on?	What would you do if you had an extra TRY1000 after paying your current debts?		
	Save	Spend	Turkey
I would save the money.	32		19
I would pay for my needs.	5	38	17
I would spend it on shopping, vacation, etc.	1	35	14
I would put it in a bank.	19		12
I would invest in gold.	20		12
I would invest or establish a business.	14	5	11
I would put it aside for my children.	3	11	6
I would use it for my education.	2	4	3
Other	5	6	5
Turkey	100	100	100

The decision to save money is shaped by various demographic characteristics and other financial decisions. It is evident that women (65 percent) compared to men (57 percent); the respondents who live in metropolitan areas (64 percent) compared to those how live in towns (61 percent) and rural areas (53 percent) are more inclined to save. Similarly, the retired and the respondents who are more concerned about not having sufficient funds during retirement are more likely to save the TRY1000.

However, other demographic characteristics indicate that different tendencies different than those attested by the findings in our Barometer reports are also influential. The respondents who do not have economic concerns and the respondents who face difficulties in affording a living are less likely to save, while the respondents who are closer to the median in terms of economic wellbeing and social status have a greater tendency to save an extra TRY1000 they might receive. It is evident in the below graph that both the new middle class and the lower-middle class are more likely to save compared to the upper class, whereas the rate of respondents in the lower class who express their intention to save are less than those who say the same in the new middle and lower-middle classes. Likewise, the rate of the respondents who state that they would save decreases with decreased income; however, respondents with the lowest income (with a monthly household income of less than TRY700) are the least likely to save. The same holds true when we analyze the responses by the perception on being able to afford a living and the respondents' concerns about being unable to pay for their medical expenses.
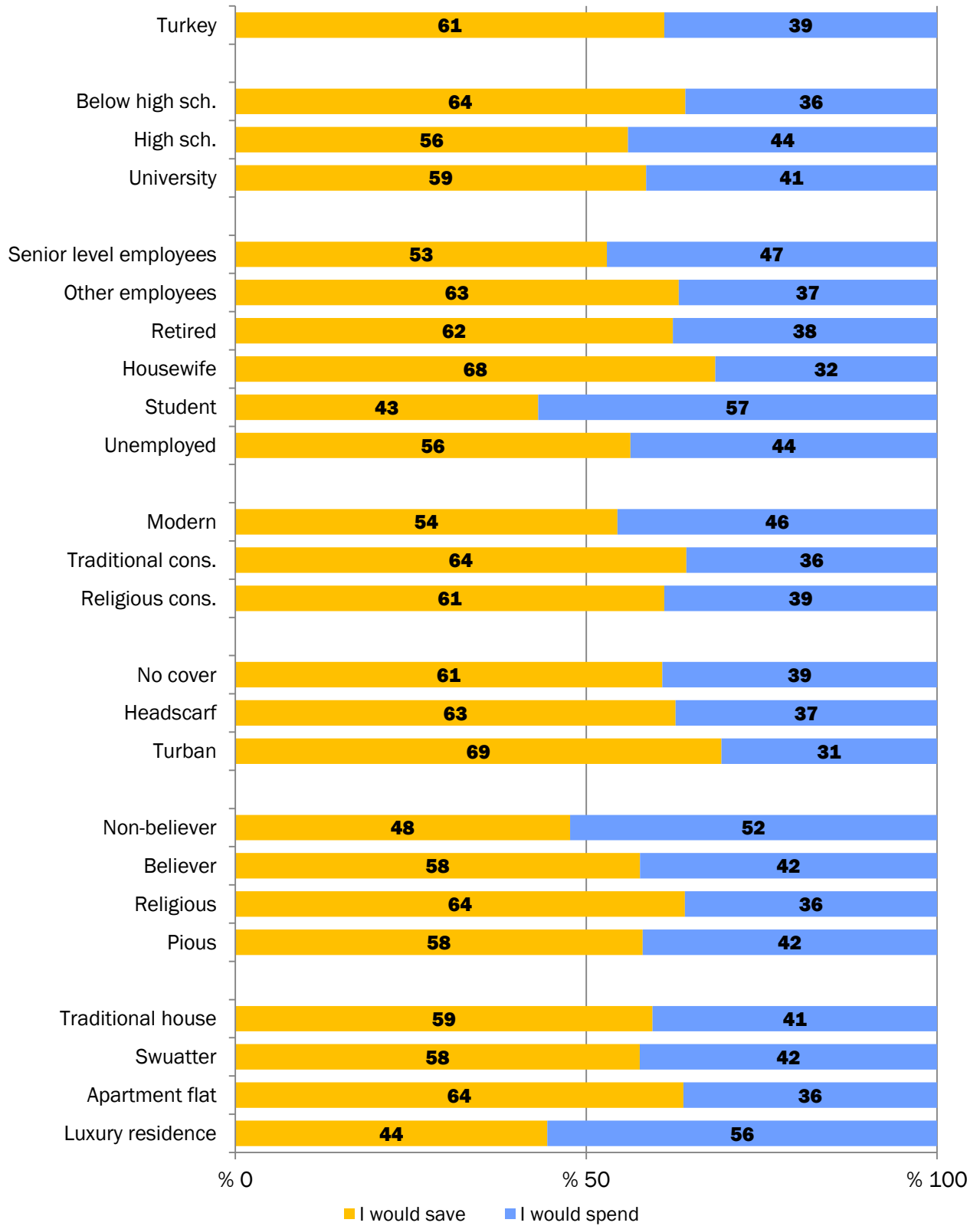
What would you do if you had TRY1000?

Category	I would save	I would spend
Turkey	61	39
Upper	58	42
New middle	63	37
Lower middle	64	36
Lower	61	39
TRY1001 or more	55	45
TRY501 - 1000	61	39
TRY301 - 500	65	35
TRY300 or less	62	38
TRY3001 or above	56	44
TRY2001- 3000	59	41
TRY1201 - 2000	64	36
TRY701 - 1200	64	36
TRY700 or less	54	46
Does not expect hardship	62	38
Expects hardship	61	39
Does not expect crisis	63	37
Expects crisis	59	41
I went into debt	62	38
Not really	57	43
Barely	62	38
I could put some money aside	61	39
How do you pay your credit card debts?		
Does not have a credit card	61	39
Less than the minimum amount due	50	50
Minimum amount due	56	44
As much as I can afford	62	38
Total amount due most of the time	66	34
Total amount due	66	34
Having insufficient funds during retirement		
Not at all concerned	59	41
Somewhat concerned	60	40
Concerned	61	39
Extremely concerned	64	36
Being unable to afford medical expenses		
Not at all concerned	58	42
Somewhat concerned	63	37
Concerned	63	37
Extremely concerned	57	43

% 0   % 50   % 100

■ I would save   ■ I would spend

What would you do if you had TRY1000?

Category	I would save	I would spend
Turkey	61	39
Below high sch.	64	36
High sch.	56	44
University	59	41
Senior level employees	53	47
Other employees	63	37
Retired	62	38
Housewife	68	32
Student	43	57
Unemployed	56	44
Modern	54	46
Traditional cons.	64	36
Religious cons.	61	39
No cover	61	39
Headscarf	63	37
Turban	69	31
Non-believer	48	52
Believer	58	42
Religious	64	36
Pious	58	42
Traditional house	59	41
Swuatter	58	42
Apartment flat	64	36
Luxury residence	44	56

■ I would save   ■ I would spend

If we take one step back to understand the reasons that lie behind this remarkable finding, we can observe that the respondents who are closer to the median in terms of social status are more likely to save in comparison to the two margins. For example, the respondents who live in apartment flats compared to the respondents who live in luxury housing and slum areas and traditional houses; the respondents who identify themselves as religious compared to the pious and the religious; traditional conservatives in comparison to moderns and religious conservatives are more likely to save money. In other words, when it comes to saving money, it is not possible to observe the direct relation that we usually observe in our analyses based on demographic characteristics.

We can also add that the decision to save money is associated with the tendency to take risks. Compared to the respondents who save the extra TRY1000 they may receive, the respondents who prefer to spend it are also more likely to spend more on games of chance and cigarettes.

What would you do if you had extra TRY1000 after paying your current debts?	Number of times games of chance played over the last 12 months	Amount of money spent on cigarettes (TRY)
Save	30	60
Spend	43	89
Turkey	36	71

2.6. Turkey Sample in Individual Risk and Income Attitudes

Assc. Prof. Dr. Ümit Gürün, Texas University, Dallas, USA
Asst. Prof. Dr. Belma Öztürkkal, Kadir Has University, Istanbul

The survey conducted by KONDA in December 2014 on 2567 individuals sampling the population in Turkey investigated the attitudes of individuals on taking risks and using their incomes.

52% of the subjects were male. The subjects had an average age of 41 the lowest being 17 and the highest being 87. The education level was high school or above in 41.2% of the subjects whereas the paternal education level of 15.1%was high school or above. 43.5% of the subjects were employed whereas 12.6% were retired.

The measurement of the level of anxiety of the individuals according to their financial situations in December in a scale of 1 to 4 revealed that the highest anxiety was lack of resources in retirement and failure to maintain the life standard followed by failure to meet

health costs, failure to meet food costs and daily costs, failure to pay rent and finally failure to pay credit card expenses.

Table 1. Individual Anxiety Level (Question: Please indicate how anxious you are regarding the financial matters below according to your current financial situation)

	Average Value	Person
Not having enough money in retirement	2.42	2414
Failure to maintain life standards	2.52	2527
Failure to meet health costs	2.57	2540
Failure to meet food costs	2.69	2525
Failure to pay rent	2.85	2512
Failure to make minimum payment of credit card	3.05	2367

Very anxious (1), Not anxious at all (4)

A differentiation based on gender has been observed. The anxiety level of women is higher than men with regard to health, rent, living cost and food costs whereas it is lower for making the minimum payment of credit cards and these results are statistically significant.

47.2% of the subjects use credit cards among whom only 39.2% have responsible attitudes in paying their credit card debts.[1] (In the USA, these rates are 68% and 54%, respectively.) Those who borrow from friends and family make 60% of the interviewees. This is similar to the rates in developed countries. For example, in the USA where banking is highly developed, 52% of entrepreneurs use as financial resources the funds of their close and distant relatives and friends. It is observed that women borrow from friends and family at lower rates than men. Further, women think that if they lose their jobs, they will have difficulty finding a new one at higher rates than men do.

75% of the interviewees indicated that they can make a living. The average household income is TRY 1.972. When the interviewees were asked what they would do with an extra fund of TRY 1,000 after paying their debts, 61% opted for saving it. According to gender, women are more prone to saving and less prone to spending than men. The significant finding here is that the saving rate of those who are responsible credit card users, i.e. who pay their credit card debts punctually, is 66.4% whereas irresponsible credit card users have a saving rate of 58.1%. The correlation of the tendency to save with other factors (gender, education level and monthly income) does not reveal any significant differences. More importantly, checking all the other factors by controlling them through multivariate analysis, we observe that the saving tendency of those who use their credit cards responsibly is 10% higher.

It may be considered that those who show responsible behavior save more by thinking about and planning for the future. Such people have less anxiety towards having insufficient money in retirement. The rate of those who particularly chose "very anxious" is 18% among the

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[1] The question asked: "How do you arrange your monthly credit card payments, how much of the total do you pay?"
Responsible credit card users were identified as those who chose the alternatives "all" or "all, although not every time." This definition is parallel to other measurements used in similar studies in the literature.

group of responsible credit card users whereas it is 25% in the other group. This is believed to result from deficiency in budgeting and planning due to lack of financial education and financial literacy.

17.8% of the interviewees spent TRY 237 (minimum TRY 2 and maximum TRY 12,000) for lottery games in the past year whereas 35.6% spent a monthly average of TRY 198 for cigarettes (minimum TRY 5 and maximum TRY 3,000). These two attitudes which might be considered as risky attitudes show significant differentiation in gender: 8.8% of women and 22.1% of men spend money on lottery games. Again, the rate of smoking in women is quite lower (18.6%) than men (47.3%).

The primary difference occurs in the anxiety for retirement. The level of anxiety about retirement of those who play lottery games (2.25) is higher than those who do not (2.45) (anxious=1/ not anxious=4).

The saving rate of these people is again lower than those who do not play lottery games with 54% to 63%, respectively. A comparison of those who smoke with those who do not again reveals a difference. The results show that those who are more active in smoking and playing lottery games save less and spend more. In addition, these people are more reckless in making the minimum payment of their credit cards. Moreover, these people have higher levels of anxiety regarding having insufficient money in retirement compared to those who do not smoke or play lottery games. Providing financial education to these people thereby equipping them with discipline in financial decision-making will help them gain control of their spending and enhance their savings for retirement. It is a significant point that the average monthly cigarette costs of those who smoke (TRY 198) is very close to the amount they can deposit to an average individual pension (TRY 240).

Table 2-Risky Attitude and Financial Risk Taking / Anxiety Level

	Smokers	Non-smokers	Lottery Games	No Lottery games
Not having enough money in retirement	2.30	2.50	2.25	2.47
Failure to maintain life standards	2.46	2.55	2.49	2.52
Failure to meet health costs	2.59	2.56	2.63	2.56
Failure to meet food costs	2.65	2.71	2.80	2.67
Failure to pay rent	2.77	2.89	2.88	2.85
Failure to make minimum payment of credit card	2.89	3.15	2.86	3.10
Responsible in credit card payments %	37.00	41.40	34.36	41.16
Made a living past month %	77.40	77.66	77.40	74.87
Saving rate % (with an extra fund of TRY 1,000)	56.65	63.75	54.28	62.77
Spending rate % (with an extra fund of TRY 1,000)	51.90	46.60	53.74	47.13

Very anxious (1), Not anxious at all (4)

In terms of place of birth and place of survey (probably, also place of residence), no differences were observed in anxiety levels regarding retirement or responsible use of credit cards.

A comparison between the group with a household population of 1-2 persons and the group with a higher household population revealed that the former has a lower level of anxiety regarding current financial situation. Those in this group act more responsibly about credit card payments. They borrow less from family and friends. Yet, they show no difference from those in the group with higher household population in terms of saving and spending tendencies of an extra fund of TRY 1,000 after paying their debts.

Increase in the number of persons who provide income in the household brings a parallel increase in the number of playing lottery games (income providers > 1 9.1% and income provider=1 5.7%). When people know that there is another person who will provide income to the household, the rate of speculative attitude increases and this finding is statistically significant in t-test measurements.

As the number of persons who provide income to the household increase, anxieties lessen with respect to maintaining life standards, failure to meet heath costs, food costs and daily costs or paying rent.

The analysis reveals paternal education level as a significant factor. The level of anxiety for current financial situation is lower in people whose fathers have an education level of high school or above. The responsible attitude towards credit card payments again increases in those with a paternal education level of high school or above. They borrow less from friends and family and consider their chances of finding a new job when they lose their current one, higher. However, interestingly, these people think less about saving and more about spending if they get an extra fund of TRY 1,000 after paying their debts. They also play lottery games and smoke at higher rates. This might be due to risk taking because of lower levels of anxiety.

Those who own automobiles show no difference of attitude regarding saving and spending attitudes if they get an extra fund of TRY 1,000 after paying their debts, compared to those who do not own automobiles. Current anxiety level is lower in those who own automobiles. Those who own automobiles have higher responsibility than others regarding paying credit card debts and they consider their chances of finding a new job if they lose their current one, higher than others.

As would be expected, anxiety regarding current financial situation in those with a monthly income of TRY 1,200 or less is higher than those with higher monthly incomes and the results are statistically significant. There is no significant difference in the saving and spending attitudes of those belonging to this group from the other groups if they get an extra fund of TRY 1,000 after paying their debts.

2.7. Future Orientation[2]

Future orientation is one of the most important factors determining the behavior of people therefore it is substantial to establish a thorough analysis on the concept of

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[2] This section is taken from KONDA September'13 Barometer Report.

perception of the future in order to understand individuals and societies. Future orientation concerns to what extent a society or a community measures the consequences of their present actions into their future, to what extent they invest for the future, to what extent they plan their future and how far a future they foresee when measuring the consequences of their actions. Future orientation in individuals starts to develop in childhood and adolescence, and shapes the adult behavior of an individual blending with the effects of the culture, society and geography one lives in. Socioeconomic and political conditions, education, gender roles and religious beliefs shape the perception of the future in individuals. For example, for those individuals who are socially and economically disadvantaged, it is more useful to make short-term plans for their lives. In societies with political and economic stability, both individuals and leaders have the opportunity to make long-term plans. Increase in education level brings about a higher capacity for abstract thinking therefore individuals have a longer termed vision in order to plan their future. Gender roles shape future orientation through families and the communities to which the individuals belong. In addition, beliefs dictated by the religion of the society clearly affect future orientation.

Future orientation of a society concerns to what extent a society encourages and awards behaviors oriented towards the future such as planning, instead of short-term solutions. In societies with lower orientation towards the future, it is more common to live in the moment and not make long-term plans whereas in societies with higher orientation towards the future, it is common to set goals prudentially and develop strategies in order to achieve them. Accordingly, in societies with high orientation towards the future, it is important to achieve economic success, build up saving, have long-term and strategic goals, have flexible and adjustable institutions, and perceive material gain and spiritual satisfaction as a whole and value long-term success over instant satisfaction. On the other hand, in societies with lower orientation towards the future there is lower tendency to have economic success, and there is an inclination towards instant spending rather than saving, having short-term strategic goals, having inflexible institutions with adjustment problems, perceiving material gain and spiritual satisfaction as separate and elective facts and valuing instant satisfaction and instant awards.

After analyzing the perception of the future and general future orientation of the society in Turkey, we also examined how the society in Turkey is positioned regarding future orientation compared to other societies in the world. The GLOBE (*Global Leadership and Organizational Behavior Effectiveness Research Program)* survey conducted at the beginning of the 1990's in 62 countries by several academicians based on Hofstede's research, disclose findings that make such a comparison possible. The 4 questions in our survey that involve more generalized statements regarding future orientation were also asked in the GLOBE Survey, but on a 7-point Likert scale. We calculated averages of the answers of the 4 questions present in this month's survey with the same scale and came up with two axes namely "Future Orientation Practices" and "Future Orientation Values."

According to the Barometer survey, within the axis of Future Orientation Practices, the average score of Turkey is 3.74 in the range of 1 to 7 points. In this scale where 1 point means the lowest future orientation and 7 points mean the highest future orientation, a score of 3.74 shows that Turkey is right in the middle of the scale.

The score of Turkey on Future Orientation Values is 5.68 which mean that when asked how a society should be, people are inclined towards living a life oriented towards the future.

Average in Turkey for future orientation
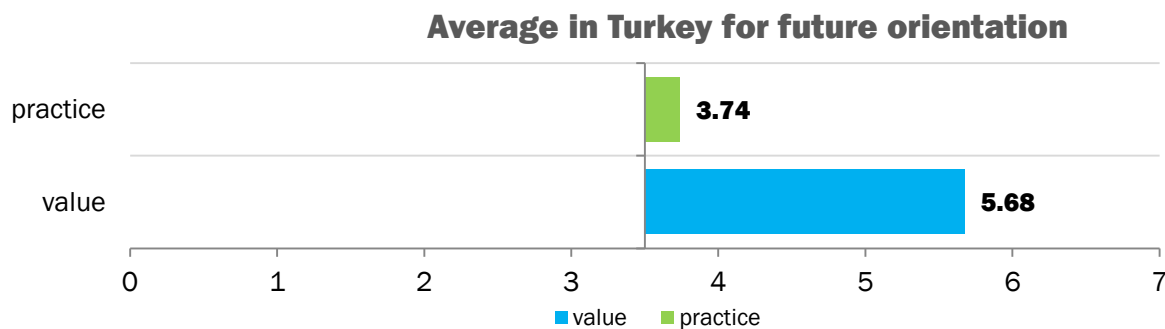
The 1.94 points of difference between the 3.74 points on the practice axis and the 5.68 points on the value axis indicates that in Turkey people believe that the social order should be more oriented towards the future than it currently is.

Axis	September'13 Barometer average for Turkey (7-point Likert scale)	GLOBE average for Turkey (7-point Likert scale)
Future orientation practices	5.68	5.83
Future orientation values	3.74	3.74

According to GLOBE survey, the world average for future orientation practices is 3.85. In the current order, the country with highest future orientation is Singapore whereas the lowest is Russia. Turkey, with a score of 3.74, is very slightly below the average and in the middle of the list. In general terms, most countries have intermediate future orientation, i.e. in most countries, planning and living for the future have the same degree of priority as little or no planning, accepting the status quo and solving instant problems.

The world average for future orientation values is 5.48 which is a rather high score. That is to say, almost in all countries there is a prominent wish for having strategic and long-term vision. Thailand leads the list of values whereas Denmark comes last. Turkey, with a score of 5.83, is above average and closer to the top of the list. The world index in general shows that in countries with lower future orientation, there is a wish for an increase in future orientations, in other words these countries want to live by developing long-term plans and strategies. The examples to such countries are Thailand and Namibia. On the other hand, in countries with high future orientation, people wish for a decrease in future orientation, i.e. they want to live in a less planned way and by going with the flow. Denmark is the most distinct example.

2.8. Economic Ideology[3]

Economy is a dominant subject in both the media and politics. In addition, it is a widely acknowledged opinion that economic success is determinative in the constantly increasing voting rates of the Ak Parti in the past four elections. Accordingly, in this survey, we handled as the theme of the month how simple citizens are affected by the discussions on economy and their level of knowledge on economy.

A significant part of the society feel secure when shopping: 53 percent feel secure against vendors, 59 percent think that they are sufficiently informed on the purchased product or service and 62 percent know that their rights against vendors are protected by law. The most influential factor regarding this feeling of security is in which cluster of the society the subject perceives himself/herself in terms of income and welfare. The richer a person feels, the higher the feeling of insecurity.

The general expectation with regard to the role of the state in economy is active intervention in the economy rather than a liberal approach. Three fourth of the interviewees disagree with the idea that the state and the government should not intervene in the economy whereas 85 percent believe that the state and the government should control prices and 83 percent assert that the state should be responsible for the upkeep of the poor. These ideas again vary mostly according to the perceived welfare level.

Economic development does not seem to be an unquestioned value. A comparison of the development with the damage it causes to the environment reveals that there is a general preference for the environment: 64 percent of the interviewees disagree with the suggestion that forests must be partly sacrificed if necessary in order to build dams and roads whereas 79 percent disagree that air pollution caused by factories should be endured for the sake of economic development. Environmental consciousness typically increases in parallel with the increase in the education level. Defining oneself as leading a modern lifestyle, residing in metropolises and luxury residences are also partly influential.

The general attitude towards foreign capital and global economy is identified by the agreement by 72 percent with the statement "The real aim of foreign capital is to exploit us" and 82 percent with the statement "Goods produced in our country should not be imported from other states." Demographic refractions do not cause a difference in this regard while it is noteworthy that the view on foreign capital is directly proportional to the view on wealth and inversely proportional to the view on the role of the state over economy.

Majority of the society believe that businessmen have no concerns for solving the problem of unemployment and that they only care about their own benefits, yet indicate that

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[3] This section is taken from KONDA February'12 Barometer report.

they should play a role in the solution together with the state. This view is affected only by the perception of the level of welfare.

Regarding the view on wealth and wealthy people, there is no clear stand in the society contrary to the situation in other matters above. Only a little more than half of the interviewees believe that wealthy people have done illegal deeds in order to get rich or that they inherited wealth and success. There are also contrasting views with regard to discrimination between the rich and the poor in that 57 percent believe that the courts and the police treat people differently according to their being rich or poor whereas 47 percent believe that marriages between the rich and the poor will not work. View on wealth and wealthy people highly depends on to whom the question is posed and it is the leading question group in this regard. Increase in education level, the perceived income and actual income bring along some positiveness towards wealth however it is still mostly at the negative side.

The society in general believe that the poor should be supported: 82 percent consider that not only the state but also the society should struggle against poverty whereas 71 percent think that help should be provided for less well-off countries and people. However, the rate of those who feel secure against a probable economic crisis is only 17 percent. Increase in both the actual income and the perceived income enhance the sense of responsibility. Religiousness is also partly effective. It is a significant finding that those living in slums agree with the statement "We also have responsibility in the struggle against poverty" less than all the other clusters.

The society places much emphasis on disaster relief: 62 percent of the interviewees stated that they donate money in natural disasters such as earthquakes and floods while 28 percent stated that they make donations regularly. Participating in donations is mostly influenced by the perception of one's religious level, as well as education level, monthly household income and perceived income and level of welfare.

Society that values humanity, economic development and powerful state: When the interviewees were asked which of the above three they would choose, the first choice became a society that values humanity at a rate of 48.5 percent. Economic development was chosen at a rate of 27.4 and powerful state at a rate of 24.2 percent. It is noteworthy that BDP and CHP supporters, struggling people, more educated people and Kurds chose for a humane society whereas MHP supporters, those who have a nationalistic view on economy and those living in cities chose a powerful state and those who perceive themselves in low welfare clusters chose economic development.

The question as to what the most important problem of the national economy is was asked as an open-ended question and one third of the interviewees pointed to unemployment. Other significant answers were administrative problems and problems on making a living. Some of the other answers were injustice, system deficiencies, outside factors, insufficient production and politics. The solution for economic development was again asked as an open-ended question and revealed a

parallel outcome, namely employment followed by increase in production, system revisions and management.

The interviewees were asked which of the following they would prefer for the employment of their sons and daughters: the state, private sector or entrepreneurship. The results show that the state is mostly preferred at a rate of 68 percent for daughters and 67 percent for sons. The second choice is establishing one's own business and the third choice is working in the private sector (7 percent for daughters and 8 percent for sons). 7 percent of the interviewees prefer that their daughters do not work at all. The factors that influence the answers the most are education level and lifestyle.

The interviewees regard future guarantee (58.7 percent) as the most important aspect of their job other than wage, which is followed by humane working conditions at a rate of 26.7 percent. Less important matters are promotion opportunities, owner of the business and a fun work environment. This question also reveals as the influential factor education level and lifestyle. Additionally, there is a striking parallelism between the expectations from a job and the preferences for the country: There are correlations between wishing a humane society for the country and wishing humane working conditions and between preferring for economic development and seeking promotion opportunities.

2.8.1. Economic Ideology: Evaluation

Upon an overall evaluation of the findings of this survey, five essential matters stand out:

1. It is observed that a simple citizen's view and positioning on economy are directly shaped by his/her own income. There is a general lack of knowledge on national macro or micro economics. Moreover, the economic knowledge of the society is low except for the one tenth cluster of the highest educated and their preferences do not reflect any differences in economic ideology. Accordingly, there are no distinct clusters or ideological attitudes that can be clearly defined regarding economic ideology.

2. The role of the state in economy is defined in terms of struggle against unemployment, poverty and income inequality rather than tolerating or desiring all kinds of interventions on economic life. It may be concluded that the expectations from the state are basically a role and a set of policies for providing economic justice.

3. Political preferences or identities do not develop by the influence of an economic ideology. In other words, there are no direct or clear differences in economic ideology or political attitudes stemming from such differences.

4. The society is at the side of the environment in the situation of a conflict between economic development and environment. In order to clearly identify whether this support for the environment is instinctive or a conscious awareness, we shall conduct a survey in the context of the Barometer report of next month regarding environmental consciousness and awareness.

With regard to foreign capital, the society has a dominating distrustful view. The society also has a distrustful view on wealthy people, although not as severe.

3. REASEARCH ID

3.1. Overall Description of the Survey

The survey that this report is based on was conducted by KONDA Research and Consultancy Limited (KONDA Araştırma ve Danışmanlık Ltd. Şti.).

The field survey was conducted on 6-7 December 2014. This report presents the political trends, preferences and profiles of the adult population above the age of 18 in Turkey, within the dates of the field survey.

The survey is designed and conducted with the purpose to determine and to monitor trends and changes in the preferences of respondents who represent the adult population above the age of 18 in Turkey.

The error margin of the survey is +/- 2 at 95 percent confidence level and +/- 2.6 at 99 percent confidence level.

3.2. The Sample

The sample was selected through stratification of the data on population and educational attainment level of neighborhoods and villages based on the Address Based Population Registration System (ADNKS), and the results of the 2011 General Elections in neighborhoods and villages.

First, the administrative units were grouped as rural/urban/metropolitan, and then the sample was created based on the 12 regions.

Within the scope of the survey, 2567 respondents were interviewed face-to-face in 148 neighborhoods and villages of 104 districts -including central districts- of 30 provinces.

Provinces visited	30
Districts visited	104
Neighborhoods/villages visited	148
Number of respondents	2567

Among the 18 surveys conducted in each neighborhood, quotas on age and gender were enforced.

Age group	Female	Male
Between 18-28	3 respondents	3 respondents
Between 29-44	3 respondents	3 respondents

44 and above		3 respondents	3 respondents

	Level 1 (12 regions)	Provinces visited
1	İstanbul	İstanbul
2	Western Marmara	Balıkesir, Edirne, Tekirdağ
3	Aegean	İzmir, Denizli, Kütahya, Uşak
4	Eastern Marmara	Bursa, Eskişehir, Kocaeli
5	Western Anatolia	Ankara, Konya
6	Mediterranean	Adana, Antalya, Hatay, Mersin
7	Central Anatolia	Kayseri,Sivas
8	Western Black Sea	Samsun, Tokat, Zonguldak
9	Eastern Black Sea	Trabzon
10	Northeastern Anatolia	Erzincan
11	Middle Eastern Anatolia	Malatya, Van
12	Southeastern Anatolia	Diyarbakır, Gaziantep, Şanlıurfa, Mardin

The distribution of respondents according to the regions and place of residence is shown in the table below.

	Survey location	Rural	Urban	Metropolitan	Total
1	İstanbul			20.2	20.2
2	Western Marmara	2.1	3.5		5.6
3	Aegean	3.8	6.1	5.5	15.5
4	Eastern Marmara	1.4	2.8	5.6	9.8
5	Western Anatolia	0.7		10.3	11.0
6	Mediterranean	3.4	2.8	6.3	12.5
7	Central Anatolia	1.4	2.1	1.4	5.0
8	Western Black Sea	1.4	3.4		4.8
9	Eastern Black Sea	1.4	1.8		3.2
10	Northeastern Anatolia	1.1			1.1
11	Middle Eastern Anatolia	1.4	1.4		2.8
12	Southeastern Anatolia	2.1	3.5	2.8	8.5

Total	20.2	27.5	52.3	100.0

4. FREQUENCY TABLES

4.1. Profile of the Respondents

Gender	Percentage
Female	48.0
Male	52.0
Total	100.0

Age	Percentage
Between 18-28	24.7
Between 29-43	34.9
44 or above	40.3
Total	100.0

Educational attainment level	Percentage
Illiterate	4.7
Literate without degree	4.0
Primary school degree	34.9
Secondary school degree	15.1
High school degree	25.7
College degree	14.1
Masters/PhD	1.4
Total	100.0

Paternal educational attainment level	Percentage
Illiterate	15.8
Literate without degree	8.4
Primary school degree	50.0
Secondary school degree	10.7
High school degree	10.5
College degree	4.5
Masters/PhD	0.2
Total	100.0

Monthly household income	Percentage
TRY300 or less	2.0
TRY301 - 700	5.4
TRY701 - 1200	29.0
TRY1201 - 2000	33.0
TRY2001 - 3000	18.3
TRY3001 or more	12.2
Total	100.0

Employment status	Percentage
Civil servant, head, manager, etc.	5.8
Private-sector employee, manager, etc.	6.7
Worker	9.7
Small retailer/craftsman/driver, etc.	7.6
Merchant/industrialist/businessman	0.8
Doctor, architect, lawyer, etc. (Self-employed)	1.6
Farmer, agriculturist, stock breeder	5.6
Employed, other	5.8
Retired	12.7
Housewife	30.8
Student	7.6
Unemployed, looking for work	4.2
Disabled	1.2
Total	100.0

Lifestyle Cluster	Percentage
Modern	22.4
Traditional conservative	52.5
Religious conservative	25.1
Total	100.0

Head cover	Percentage
No head cover	27.1
Headscarf	50.3
Turban	8.8
Chador, purdah	0.6
Single male	13.2
Total	100.0

Ethnicity	Percentage
Turkish	84.4
Kurdish	10.9
Zaza	0.7
Arab	1.6
Other	2.4
Total	100.0

Religion / Sect	Percentage
Sunni (Hanafi or Shafi'i) Muslim	92.8
Alevi Muslim	5.1
Other	2.1
Total	100.0

Piety	Percentage
Non-believer	2.6
Believer	28.3
Religious	60.2
Pious	8.9
Total	100.0

TV channel preference for watching the news	Percentage
ATV	13.7
CNN Türk	1.7
Fox TV	11.2
Haber Turk	2.3
Halk TV	2.8
Kanal 7	3.2
Kanal D	11.1
Kanalturk	0,5
NTV	3.1
Roj Tv (Stêrk Tv, Ronahi Tv, Nûçe Tv)	1.2
Samanyolu	3.4
Show TV	6.0
Star	4.9
TRT	11.1
Ulusal Kanal	0.6
Local channels	1.7
Other	7.8
Does not watch	4.2
No answer	9.5
Total	100.0

Household size	Percentage
1-2 person(s)	18.5
3-5 people	66.1
6-8 people	13.1
9 people or more	2.3
Total	100.0

Car ownership	Percentage
Yes	38.1
No	61.9
Total	100.0

Type of housing	Percentage
Traditional house	38.8
Squatter	7.8
Apartment flat	50.3
Luxury residence	3.1
Total	100.0

Place of residence	Percentage
Rural	20.2
Urban	27.5
Metropolitan	52.3
Total	100.0

Survey location	Percentage
İstanbul	20.2
Western Marmara	5.6
Aegean	15.5
Eastern Marmara	9.8
Western Anatolia	11.0
Mediterranean	12.5
Central Anatolia	5.0
Western Black Sea	4.8
Eastern Black Sea	3.2
Northeastern Anatolia	1.1
Middle Eastern Anatolia	2.8
Southeastern Anatolia	8.5
Total	100.0

4.2. Theme of the Month: Financial Preferences

Being unable to afford medical expenses	Percentage
Extremely concerned	14.2
Concerned	36.9
Somewhat concerned	26.9
Not at all concerned	22.0
Total	100.0

Being unable to afford rent or installments for my house/car	Percentage
Extremely concerned	11.9
Concerned	29.5
Somewhat concerned	20.7
Not at all concerned	37.9
Total	100.0

Being unable to maintain my living standards	Percentage
Extremely concerned	14.3
Concerned	40.7
Somewhat concerned	24.0
Not at all concerned	21.0
Total	100.0

Being unable to pay for my daily expenses such as groceries	Percentage
Extremely concerned	11.8
Concerned	34.0
Somewhat concerned	27.6
Not at all concerned	26.6
Total	100.0

Being unable to pay the minimum payment due for my credit card	Percentage
Extremely concerned	11.0
Concerned	23.1
Somewhat concerned	15.3
Not at all concerned	50.6
Total	100.0

Having insufficient funds during retirement	Percentage
Extremely concerned	20.7
Concerned	39.0
Somewhat concerned	17.0
Not at all concerned	23.3
Total	100.0

How much of your credit card debt can you afford to pay every month?	Percentage
I always pay the total amount due.	13.4
I pay the total amount due most of the time.	5.1
I pay as much as I can afford.	11.2
I pay the minimum amount due.	15.1
I pay less than the minimum amount due.	2.3
I do not have a credit card.	52.8
Total	100.0

How do you pay back the debt you owe to your family members or friends in general?	Percentage
I always pay the total amount due.	17.8
I pay the total amount due most of the time.	8.5
I pay as much as I can afford.	30.3
No debt	43.5
Total	100.0

How likely do you think you are to find a new job that is as good as your current job in case you lose your job?	Percentage
Extremely likely	17.6
Likely	18.9
Unlikely	17.8
Extremely unlikely	45.6
Total	100.0

What would you do if you had an extra TRY1000 after paying your current debts?	Percentage
Save	61.1
Spend	38.9
Total	100.0

Saving / Spending	Percentage
I would save the money.	19.4
I would pay for my needs.	17.5
I would spend it on shopping, vacation, etc.	14.3
I would put it in a bank.	11.7
I would invest in gold.	12.2
I would invest or establish a business.	10.7
I would put it aside for my children.	6.0
I would use it for my education.	2.8
Other	5.4
Total	100.0

Have you played any games of chance over the last 12 months?	Percentage
Yes	17.5
No	80.8
No answer	1.7
Total	100.0

Do you smoke?	Percentage
Yes	36.0
No	64.0
Total	100.0

My earnings/salary from my job	Percentage
All	18.5
Most	19.0
Some	21.1
None	41.4
Total	100.0

Funds received from my spouse/family (current livelihood)	Percentage
All	17.4
Most	18.2
Some	22.4
None	41.9
Total	100.0

Social aid (unemployment pay, aids for the disabled, poor, etc.) (current livelihood)	Percentage
All	0.8
Most	1.6
Some	8.6
None	88.9
Total	100.0

Retirement pension or survivors' benefits (current funds)	Percentage
All	6.2
Most	6.6
Some	9.2
None	78.0
Total	100.0

Private pension salary (current funds)	Percentage
All	1.1
Most	1.2
Some	3.5
None	94.3
Total	100.0

Rental income (flat, dividend, land, farm, agricultural land, etc.) (current funds)	Percentage
All	0,7
Most	1.8
Some	7.9
None	89.6
Total	100.0

Savings accounts (bank account, interest, securities, etc.) (current funds)	Percentage
All	0,4
Most	0.8
Some	5.6
None	93.2
Total	100.0

Inheritance (current funds)	Percentage
All	0.7
Most	1.9
Some	6.1
None	91.4
Total	100.0

Retirement pension or survivors' benefits (funds in retirement)	Percentage
All	16.8
Most	26.8
Some	32.3
None	24.0
Total	100.0

Funds from part-time job(s) (funds in retirement)	Percentage
All	1.4
Most	8.3
Some	39.1
None	51.2
Total	100.0

Private pension salary (funds in retirement)	Percentage
All	2.8
Most	5.2
Some	16.7
None	75.2
Total	100.0

Rental income (flat, dividend, land, farm, agricultural land, etc.) (funds in retirement)	Percentage
All	1.1
Most	3.6
Some	15.2
None	80.1
Total	100.0

Savings accounts (bank account, interest, securities, etc.) (funds in retirement)	Percentage
All	0.6
Most	1.8
Some	10.8
None	86.8
Total	100.0

Inheritance (funds in retirement)	Percentage
All	1.5
Most	3.8
Some	10.8
None	83.9
Total	100.0

5. GLOSSARY of TERMS

All findings in Barometer reports are based on answers to the questions directed to respondents who were interviewed face-to-face in field surveys. Some questions and response options are then used in the rest of the report in short or simplified form. For example, the respondents who respond to the question on how religious they see themselves as "a person who is a believer, but does not fulfill religious requirements" are shortly identified as "believers" in the report. This glossary is prepared for both the readers who receive the report for the first time and the readers who need further clarification on the terms. The first table provides a list of the terms and their explanations, and the following tables list the questions and response options which establish the basis for these terms.

Term	Explanation
Alevi Muslim:	A person who identifies his/her religion/sect as Alevi Muslim
Lower middle class:	Households with an income per capita in the 60 percent segment but which do not own a car
Lower class:	Households whose income per capita is in the lowest 20 percent segment
Arab:	A person who identifies his/her ethnic origin as Arab
Headscarf:	Households with an income per capita in the 60 percent segment but which do not own a car
Chador:	A woman who wears chador or a man whose spouse wears a chador
Religious:	A person who tries to fulfill the requirements of the religion
Religious conservative:	A person who identifies his/her lifestyle as religious conservative
Traditional conservative:	A person who identifies his/her lifestyle as traditional conservative
Ideological:	A person who states a party as the closest to his/her political view
Believer:	A person who believes in the requirements of the religion, but does not fulfill them completely
Non-believer:	A person who does not believe in the requirements of the religion
Urban area:	Settlements with a population of more than 4000 (differs from the official definition)
Rural area:	Settlements with a population of less than 4000 (differs from the official definition)
Kurdish:	A person who identifies his/her ethnic origin as Kurdish
Leader follower:	A person who states that he/she trusts in or favors the leader of a certain party

Metropolitan:	Settlements which are located within the integrated boundaries of the most crowded 15 cities (differs from the official definition)
Modern:	A person who identifies his/her lifestyle as modern
No cover:	A woman who does not cover her head or a man whose spouse does not cover her head
Non-partisan:	A person who states that none of the parties represent him/her
Pious:	A person who fulfills requirements of the religion completely
Late decider:	A person who states that he/she makes a decision based on the election campaigns
Sunni Muslim:	A person who identifies his/her religion/sect as Sunni Muslim
Partisan:	A person who states that he/she/they always vote for that party
Turban:	A woman who wears a turban or a man whose spouse wears a turban
Turkish:	A person who identifies his/her ethnic origin as Turkish
Upper class:	Households whose income per capita is in the highest 20 percent segment
New middle class:	Households whose income per capita is in the 60 percent segment and which own a car
Zaza:	A person who identifies his/her ethnic origin as Zaza

Questions and response options which establish the basis for the terms:

Which of the three lifestyle clusters below do you feel you belong to?
Modern
Traditional conservative
Religious conservative

Do you cover your head or does your spouse cover her head when going out of your home? How do you cover your head?
No head cover
Headscarf
Turban
Chador
Bachelor male

We are all citizens of the Turkish Republic, but we may have different ethnic origins; which identity do you know/feel that you belong to?

Turkish

Kurdish

Zaza

Arab

Other

Which religion or sect do you feel you belong to?

Sunni Muslim

Alevi Muslim

Other

Which of the below describes you in terms of piety?

A person who does not believe in the requirements of the religion

A person who believes in the requirements of the religion, but does not fulfill them completely

A person who tries to fulfill the requirements of the religion

A person who fulfills the requirements of the religion completely

Settlement Code (Data obtained from the sample)

Rural

Urban

Metropolitan

Economic classes (determined by using household size, household income and car ownership)

Lower class

Lower middle class

New middle class

Upper class