

ABSTRACT

In current time we experience deeper and deeper indebtedness of Czech households and their deterioration into insolvency on one side, on the other side among Czech population was identified a very low rate of financial literacy in the last few years. As a result of these two findings a hypothesis was created that behind the high indebtedness stands the low financial literacy of population and that it is possible to fight indebtedness by increasing financial literacy. The thesis main target is to analyze approach of Czech Republic to financial literacy, particularly as to a tool of prevention of indebtedness of households. Simultaneously its target is to reveal relation between financial literacy and indebtedness. According to these reasons the thesis is based on several theoretical outcomes – the theory of prevention of risky behavior, the theory of financial education as a prevention from hazard and from the theory of implementation as a part of public policy cycle. Examined problem is defined using analysis of indebtedness of Czech households, determines the occasions and results of this risky behavior; and through delimitation issue of financial literacy. Thesis provides a synthesis of knowledge as options and limits of financial literacy in the fight with increasing indebtedness. Empirical part is dedicated to survey of OECD's approach to financial education and delimitation of Czech Republic's approach to financial education. The thesis concludes that financial education can have positive influence on increasing financial literacy, however according to identified knowledge from the relation between financial literacy and indebtedness, increasing financial literacy itself doesn't have to cause a decrease in indebtedness of households.