CASH, ACCOUNTS, AND DEPOSITS AS SAVING CHOICES IN ROMANIA: AN EMPIRICAL MULTINOMIAL LOGIT APPROACH

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Please cite this article as:

Jurița, A.A., Drule, A.M., Dragoș, C.M. and Vereșezan, C., 2025. Cash, accounts, and deposits as saving choices in Romania: An empirical multinomial logit approach. *Review of Economic Studies and Research Virgil Madgearu,* 18(2), pp.85-105. doi: 10.24193/RVM.2025.18.137.

Article History:

Received: 10 September 2025
Accepted: 10 October 2025

Abstract: *This paper examines the determinants of saving behavior in Romania, focusing on individuals' choices between cash, current accounts, and term deposits. Using survey data collected in 2023 from 953 adults and analyzed through a multinomial logit model, the study investigates how financial literacy, psychological traits, and socio-demographic factors interact in shaping saving preferences. The results show that conscientiousness, financial literacy, education, income, and urban residence increase the likelihood of using formal saving instruments, while openness to new experiences unexpectedly raises reliance on cash. Gender differences also emerge, with men more likely to hold cash than women. The findings highlight the decisive role of financial literacy in reducing dependence on cash, as well as the structural effects of income and education. By providing new evidence from an emerging EU economy, the study advances comparative research and informs policies aimed at fostering financial inclusion and resilience.*

Key words: *saving behavior; financial literacy; psychological traits; socio-demographic factors; multinomial logit model*

JEL Classification: *D14; C25; M31*

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