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## **SETTING THE POLICY FRAMEWORK FOR INVESTOR EDUCATION**

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## ***FINANCIAL EDUCATION in TURKEY WHY ?***



## Saving and Investment in Turkey

- Positive association between saving, investment and growth
- Domestic saving to GNI fell from 23.5% in 1990s to 12.7% in 2010 (Source: World Bank, 2011)
- Dependence on foreign savings → Current Account Deficit
- Increased consumption driven by a rise in credit flows



## Saving and Investment in Turkey

- Real estate and gold is the dominant investment instruments
- Financial Markets-164% of GDP (2009)
- ISE Market Capitalization- 37.7% of GDP (2009)
- Pension Funds-1% of GDP (2010)

### Outcomes:

- Room for Turkish financial markets to grow
- Need for policies to promote long term savings and improve deepening of the financial markets



## Capital Markets Awareness and Knowledge Survey

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- Conducted among women (509) and university students (3625) by the CMB in 2011
- Women (mainly housewives):
  - 62 % do not regularly save from household income
  - 52% of the ones who indicated saving money do not make capital market investments
  - 72 % use credit cards
  - 85% do not consider themselves knowledgeable about capital markets
  - Gold is the most trusted investment instrument (46%)



## Capital Markets Awareness and Knowledge Survey

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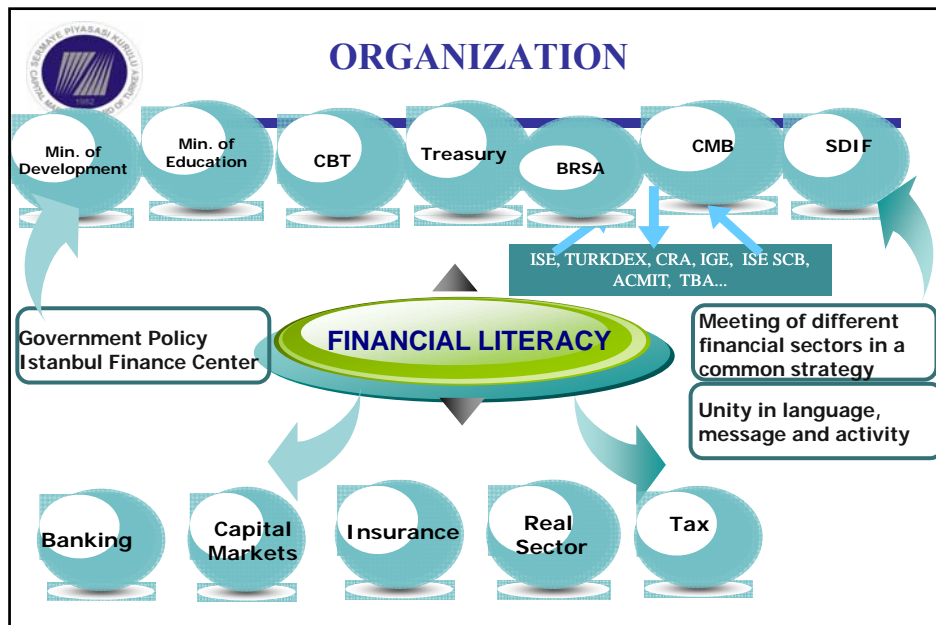
- University Students (participants from 25 universities):
  - A total of 59 concepts were subjected to the opinions of the students
  - The level of awareness of basic concepts related to capital markets is high (Risk, Maturity, Return etc)
  - The financial instrument that participants are most aware of is “stock” (97%), however the rate of the ones who reported to be knowledgeable of “stock” falls to 61%
  - They do not seem to be very knowledgeable of many concepts



## Financial Education Initiatives

Efforts to coordinate financial education at national level by a strategy with the following objectives:

- Raising awareness on financial issues and importance of financial education
- Ensuring that individuals can understand financial products and concepts and effectively manage their financial assets
- Providing individuals with the information and tools in order to make informed decisions on financial issues
- Fostering saving, investment and insurance culture in the society





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## ***ON GOING PROJECTS of the CMB***

*In order to raise awareness and knowledge in capital market related topics*



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## **CMB Projects on Financial Education**

- the Capital Markets Board of Turkey (CMB) launched the Financial Literacy Project in October 2010 in order to help citizens:
    - to improve their understanding of capital markets-related financial products and concepts,
    - to provide information and tools to help citizens make informed decisions about their finances and
    - to improve investment culture of general public
- Expected outcomes:
- Enhanced investor base
  - Increased innovation, competition and efficiency in markets
  - Financial stability and welfare of individuals



## Electronic Communication Tools

PROJECT NAME	TARGET GROUP	OUTCOME	PARTIES
Investor Web Site	Present and potential investors	First step in informing public about capital markets – launched in January 2011	CMB, ISE, TURKDEX, IGE, ACMIT, CRA
Social Media	Present and potential investors	Promotion of financial education activities–Facebook page launched in January 2011	CMB
Web based quiz	Present and potential investors	Raised public awareness for capital markets - 01.12.2011	ISE, TURKDEX, ACMIT, CRA
Virtual Portfolio Competition	Present and potential investors	Public informed about investing in markets - 15.12.2011	ISE, TURKDEX, ACMIT



## Investor Web Page

[www.yatirimyapiyorum.gov.tr](http://www.yatirimyapiyorum.gov.tr)

The aim is to give plain and costless information about financial instruments, capital market activities and authorized institutions, issues to take into consideration while investing, investor rights, IPO's, etc.

The screenshot shows the homepage of the Investor Web Page. At the top, there is a navigation bar with links for 'ANA SAYFA', 'İLETİŞİM', 'SİTE HARİTASI', and 'SPK'. Below this is a main banner featuring a pair of hands holding a small green plant growing from a pile of coins, with the text 'Birikimlerinizi Değerlendirin...'. The page is divided into several sections: 'TEMEL BİLGİLER', 'YATIRIM ARAÇLARI', 'YATIRIM YAPILIRKEN', 'HAKLAHIZ', 'HE SAPLA YICLAR', and 'UYARILAR'. On the left side, there is a sidebar with icons for 'Bilgi Yarışması', 'Eğitimsel Takvimi', 'Videolar', 'Sözlük', and 'Sanal Portföy'. The main content area is divided into three columns: 'Makaleler' (Articles), 'Haberler & Duyurular' (News & Announcements), and 'Sizin Sorularımız' (Your Questions). Each column contains a featured article with a 'Devamı' (Continue) button. The footer contains copyright information for 2011 and contact details for the Capital Markets Board of Turkey.



## Social Media

In order to promote the financial education activities and take advantages of social media



## General Public

PROJECT NAME	TARGET GROUP	OUTCOME	PARTIES
Preparing printed and electronic materials	Present and potential investors	Booklets, newsletters, books, videos, cds etc.	CMB, ISE, ACMIT, TURKDEX, IGE, CRA, ISE SCB, TIIMA
Preparing CD's about financial products	Present and potential investors	CDs about financial products	CMB, ISE, ACMIT, TURKDEX, IGE, CRA, ISE, SCB, TIIMA
Establishing Call Center, improving existing ones	Present and potential investors	Public informed about investing in capital markets	CMB, IGE, ISE SCB, CRA, TIIMA



## General Public

PROJECT NAME	TARGET	OUTCOME	PARTIES
<b>Promoting Investor Protection Mechanisms</b>	Present and potential investors	Booklets and seminars	ISE SCB, CRA, TIIMA
<b>Capital Markets Glossary</b>	Present and potential investors	E-glossary on capital market tems	CMB, ISE, TURKDEX, ACMIT, IGE, ISE SCB, CRA, TIIMA
<b>Promoting Private Pension System</b>	Present and potential investors	Enhanced investor base	CMB, ISE SCB, TIIMA



## Primary and Secondary Education

PROJECT NAME	TARGET GROUP	OUTCOME	PARTIES
<b>Essay Contest</b>	Students in Primary and Secondary Education	Raised awareness of students about capital markets	CMB, ACMIT, ISE
<b>Simulation Games</b>	Primary and Secondary Education students	Raised awareness of students about capital markets	ISE, TURKDEX, CRA, TIIMA
<b>Training the Trainers</b>	Teachers in Primary and Secondary schools	Increased level of financial literacy	CMB, ACMIT, ISE, TURKDEX,
<b>Inserting finance topics into school curriculum</b>	Primary and Secondary Education students	Increased level of financial literacy	CMB, Ministry of Education, ACMIT, ISE, TURKDEX, ISE SCB, TIIMA





## Essay Contest

A joint activity by CMB and Ministry of Education



## Essay Contest

Award Ceremony at 16.05.2011





## Universities

PROJECT NAME	TARGET GROUP	OUTCOME	PARTIES
University Seminars	University students	Raised awareness of university students on capital market related topics	CMB, ISE, ACMIT, TURKDEX, IGE
Essay Contest	Graduate and postgraduate students	Research activities on capital markets encouraged	CMB, CHE (The Council of Higher Education), Universities
Thesis Competition	Graduate and postgraduate students	Research activities on capital markets encouraged	CMB, CHE, Universities



## University Seminars

Series of seminars delivered together with CMB, ISE, ACMIT in 35 universities to around 5000 participants





## Various Target Groups

PROJECT NAME	TARGET GROUP	OUTCOME	PARTIES
Seminars for Women	Women	Raised awareness of women on financial issues	CMB, ISE, ACMIT
Continuous education programs for finance sector employees	Finance sector employees	Knowledge level of finance sector increased	CMB, ACMIT, CRA, TIIMA, ISE, TURKDEX, IGE, ISE SCB
“Case Study” Book for jurists	Lawyers, attorneys, judges	A reference guide for jurists	CMB, ACMIT, Universities
Educatory facilities for Chambers, associations, foundations	Senior managers of chambers, associations and foundations	Raised interest of private sector for capital markets	CMB, ACMIT, ISE, TURKDEX



## Seminars for Women

17 different seminar meetings were held in Ankara, Istanbul and Bursa in 17 different locations with participation of 700 women





## Media

PROJECT NAME	TARGET	OUTCOME	PARTIES
<b>Commercials</b>	Present and potential investors	Increased public awareness on financial issues	CMB, ISE, ACMIT, TURKDEX, CRA, ISE SCB, TIIMA
<b>TV Shows, TV Programs</b>	Present and potential investors	Increased public awareness on financial issues	CMB, ISE, TURKDEX, ACMIT, IGE
<b>Competitions or Reality Shows on financial topics</b>	Present and potential investors	Increased public awareness on financial issues	CMB, ISE, TURKDEX, ACMIT, TIIMA
<b>Meetings with local and foreign economics correspondents, columnists</b>	Media	Effective use of media in financial education	CMB, ISE, TURKDEX, ACMIT, IGE, CRA, TIIMA



Thank you  
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