

**OECD-Spain International Conference on Financial Education
“Challenges Ahead: Turning Policy Guidance into Efficient Practices”**

Closing Remarks by OECD Deputy Secretary-General Rintaro Tamaki

Mr. Inigo Fernandez de Mesa, distinguished guests, Ladies and gentlemen,

Good afternoon, Buenos tardes,

I am pleased and honoured to close what I understand has been a particularly productive conference and meetings week.

On a more personal note, it is a pleasure for me to visit Spain once again, a country with which I have close personal ties, mostly through my wife who is a Spanish language professor in Tokyo, who studied in Valadlid and taught Spanish Langaue at universities in Tokyo.

I wish to convey my sincere gratitude to our host, Minsterio de Economa y Competitividad, in spite of this difficult week for Spanish Financial Markets, as well as other partners in Spain for co-organising this conference and the 9th meeting of the INFEn with the OECD. Without Alicia Valencia and her team at the Ministry, these meetings would not have been possible.

I also congratulate the Ministry for driving forward the Spanish financial education agenda with other key stakeholders (such as the CVNM, the Banco de Espana and the Ministry of education) alongside a series of ambitious and challenging financial and economic reforms.

The current global and European financial and economic context makes a strong case for enhanced financial education; This opportunity should not be wasted. Let me stress two reasons why financial education needs to be at the centre of financial reform. I will then summarise a few important take-aways from this week’s events and how I perceive the way forward.

First, the aftermath of the financial crisis calls for a major policy shift and in particular a re-ordering of our priorities to **place consumers and their interests at the centre of financial reform**. It is clear - as reflected in the G20 agenda on financial regulation - that financial education is a critical component of a wider strategy which combines (1) strengthened financial consumer protection protection, (2) improved financial inclusion, with appropriate financial prudential regulation and supervision and (3) stronger corporate governance. This morning’s roundtables illustrated how the use of financial education initiatives coupled with adequate financial consumer protection measures can support policies to promote the responsible use of credit and long-term savings.

Second, the financial and economic crisis also forced governments across the world to find and implement short-term policy measures, while also seeking solutions to longer-term challenges. In other words, our economies need both short-term pragmatism and long-term perspectives combined with preventive actions.

Financial education - as highlighted several times this week - is more of a **long-term process**. Instilling and nurturing sound financial habits, skills and behaviours do not happen overnight; it requires long-term and adequately resourced commitment. The financial crisis focussed attention on the importance of consumers and their financial skills and revealed the high costs to both the domestic and global economy when insufficient financial literacy is pervasive. However, the crisis has also created other pressing priorities: balancing public budgets and tackling unemployment, amongst others.

We now face the risk that the drive to tackle financial education issues will lose momentum and financial education will be subsumed and diluted by broader political agendas.

Of course, financial education is not the magic or silver bullet. Financial education alone cannot stop future financial crisis, but it can help to mitigate their impact, it can help to better protect the most economically and financially vulnerable. But, we need to start **now**. We need to make sure our citizens are equipped and ready to manage the financial risks increasingly transferred to them, to operate in an increasingly sophisticated financial landscape and to be financially and socially included.

Financial education should not be considered in silo, but integrated in governments' policy agendas and mandates in a sustainable and consistent way. This can be best achieved through the development of **articulated national strategies for financial education**.

The OECD INFE and its members from almost 100 countries have developed a set of *High-level Principles on National Strategies for Financial Education* which will be submitted to G20 Leaders at their next summit in Las Cabos. I would like to congratulate the G20 Finance Ministers under the Mexican Presidency for including this important issue on the G20 agenda.

Before concluding, let me mention a few important issues which emerged in the course of your discussions.

- First, in order to develop efficient and tailored financial education strategies, we need more national and cross comparable **evidence and data**. With limited resources, these are critical to determine the main national policy priorities and target audiences, but also, to monitor progress and identify efficient practices across countries. The OECD is committed to developing financial literacy measurement tools for both adults and youth. Regarding adults, I would like to commend the 14 countries that participated in the OECD INFE pilot exercise for adults in 2010/2011. I trust that more countries will use the core questionnaire and help broaden available cross-country evidence. Regarding young people, data for the PISA financial literacy option in 2012 is being collected. This option will assess the level of 15 year-old students financial literacy proficiency in 18 countries and produce by 2014 a unique set of data and OECD Report. As you discussed this week during workshops hosted by BBVA, the PISA data will enable the development of targeted policies addressing youth's financial literacy needs. Thank you BBVA for hosting these workshops and supporting us in the PISA Financial literacy initiative.

- second, **schools are essential to extending the reach of** financial education to children and teens, their parents as well as across the different strata of societies., To help bring financial education into schools, the OECD INFE now offer guidelines and case studies as a starter kit for interested stakeholders and will develop a framework of key core financial literacy competencies for youth and more detailed implementation guidance.

- Third, financial education needs a **multistakeholder approach where government and public authorities play a pivotal role** so that the risk of duplicating resources and initiatives is minimized. This multistakeholder approach of course also includes the private sector. In fact, the plethora of private representatives here today, their contribution and support for this event reflect the interest of the private sector in financial education and especially the sense of responsibility of some private institutions to promote financial education. The OECD has long stressed the importance the private sector in financial education while also emphasising the need to manage potential conflicts of interest. The development of codes of conduct by the OECD INFE will help guide the involvement of private and financial institutions in financial education.

- Lastly, I think this week's events and in particular yesterday's session on awareness and communication campaigns have confirmed that there is still **room for improvement in the challenging delivery of financial education**. There is no one-size-fits all approach here, but it is clear that financial education must be more than mere information disclosure. It must aim at helping people adapting to a changing financial and social environment. To address this ambitious task, we need to do more to understand consumers' varying needs, expectations and skills. Financial education must also be demand-driven, tailored to consumers and investors interests during key periods of their life and particularly at teachable moments. It should take account of their psychological biases and likely preferences for the short term. We must continue to innovate, use the learning from behavioral economics, but also social marketing and test different approaches depending on targeted audiences and national as well as local circumstances.

The OECD and its INFE will continue to assess developments and undertake research to identify relevant practices. The OECD INFE is also committed to developing global evidence-based policies and guidance aimed at specific segments of the population such as women -for whom the OECD INFE along with the Global Partnership for Financial Inclusion have recently been mandated by G20 finance ministers to develop further work. Other segments also encompass investors, SMEs and unbanked/underbanked groups.

Your contribution to this work is, and will be, critical as we continue our journey. I would like to conclude by once again thanking our hosts. I would also like to thank the Russian Ministry of Finance for its support for the activities of the OECD and INFE

I hope you enjoy your stay in this wonderful and splendid city, I myself plan to go to Zarzuela performance tonight, and I wish Spain financial stability quickly. Have a good and safe trip home.

Thank you