HIGHLIGHTS

NATIONAL STRATEGIES
FOR FINANCIAL EDUCATION

OECD/INFE Policy Handbook
“We welcome the G20 Russia’s Presidency and the OECD publication on national strategies for financial education and look forward to the development by the OECD/INFE of a Policy Handbook on the Implementation of National Strategies for Financial Education by our next Summit.”

G20 Leaders, St. Petersburg Declaration, 2013
POLICIES TO ENHANCE FINANCIAL LITERACY

Within a fast evolving financial landscape where access to financial services is made easier while more risks are being transferred to citizens, financial literacy has become a key life skill for individuals as well as micro and small businesses. Financial education can help enhance financial literacy by increasing financial knowledge, skills and attitudes. In turn, this can contribute to individuals’ (including vulnerable and low income) participation in financial, economic and social life, as well as to their financial well-being. As a complement to financial inclusion and financial consumer protection, financial education is also important to restore confidence and trust in financial markets, and can support financial stability. G20 Leaders have recognised the important role of financial education policies notably by endorsing in 2012 the OECD International Network for Financial Education (OECD/INFE) High-level Principles on National Strategies for Financial Education. These Principles provide international guidance to policy makers with a view to developing evidence-based and co-ordinated and tailored approaches to financial education, both in emerging markets and more advanced economies.

Today, 59 economies worldwide are implementing national strategies using guidance from the Principles, a number that has more than doubled in less than five years.

The experiences of these countries have highlighted a number of challenges with respect to the implementation of these Principles and related strategies. These challenges are addressed in the Policy Handbook. The Policy Handbook responds to a call by G20 Leaders to the OECD/INFE in September 2013 and complements the Principles by supporting their implementation in interested countries. It is also designed to follow up on a series of products developed by the OECD/INFE for delivery to the G20, in particular the 2013 G20/OECD publication on the advances in national strategies in G20 economies and the 2014 OECD/INFE Guidelines on Private and Not-for-profit Stakeholders in Financial Education.
This Policy Handbook benefited from the experience of the more than 110 member economies of the OECD/INFE, and with direct contributions from over 65 of them, through an in-depth and iterative consultation process.

Based on an overview of worldwide trends in the design and implementation of national strategies for financial education, it identifies and addresses the main related challenges, indicates relevant solutions - developed in countries with different economic and financial landscapes - and offers key lessons learnt.

The Policy Handbook includes a Checklist to guide policymakers and interested stakeholders in this process.

The Policy Handbook focuses on responding to the following main practical and policy issues:

- Developing a diagnosis to inform the national strategy;
- Establishing institutional and governing arrangements;
- Setting and achieving objectives, evaluating and funding the national strategy; and
- Ensuring effective and innovative provision of financial education.

The following sections provide a summary of the main trends for each challenge identified as well as the main elements of the key lessons learnt through countries’ experiences.
CHAPTER 1
DEVELOPING A DIAGNOSIS TO INFORM THE NATIONAL STRATEGY

Measurement and mapping exercises are both considered essential tools to prepare a national strategy based on people’s needs and countries’ circumstances including existing resources.

With regard to measurement of the population’s needs:

- On the positive side, more economies (48) are conducting baseline surveys to inform evidence based policies and programmes. Thirty-one of these economies are using international tools such as the OECD/INFE Toolkit to measure financial literacy and inclusion. However the availability of cross country evidence is still relatively limited and could be enhanced by the participation of more countries in international data collection such as the OECD/INFE surveys and PISA financial literacy exercise.

- Existing surveys increasingly include behavioural and attitudinal elements and seek to capture indicators of individual financial well-being; a much smaller set of countries also implement longitudinal surveys to get a better grasp of consumers’ behaviours and attitude over the long term.

- More regular and simpler measurements, such as those designed to capture financial behaviour indicators, are being undertaken on an annual or biennial basis to closely monitor the impact of national strategies, in addition to large-scale surveys.

Mapping exercises (the inventory, review and, ideally, evaluation of existing financial education initiatives) have been conducted in 40 economies. These exercises are increasingly used to co-opt not-for-profit and private sector stakeholders into the national strategy, gather additional evidence, and identify valuable resources and programmes. This takes place through consultation with stakeholders (32 economies), calls for evidence, and studies conducted in co-operation with universities or research centres.
THE NUMBER OF ECONOMIES IMPLEMENTING A NATIONAL STRATEGY HAS DOUBLED OVER THE LAST 5 YEARS.

- A national strategy is being revised or a second national strategy is being implemented (11 countries)
  - Australia
  - Czech Republic
  - Japan
  - Malaysia
  - Netherlands
  - New Zealand
  - Singapore
  - Slovak Republic
  - Spain
  - United Kingdom
  - United States

- A first national strategy is being implemented (23 countries)
  - Armenia
  - Belgium
  - Brazil
  - Canada
  - Croatia
  - Denmark
  - Estonia
  - Ghana
  - Hong Kong, China
  - India
  - Indonesia
  - Ireland
  - Israel
  - Korea
  - Latvia
  - Morocco
  - Nigeria
  - Portugal
  - Russian Federation
  - Slovenia
  - South Africa
  - Sweden
  - Turkey

- A national strategy is being actively designed (24 countries)
  - Argentina
  - Chile
  - China
  - Colombia
  - Costa Rica
  - El Salvador
  - France
  - Guatemala
  - Kenya
  - Kyrgyzstan
  - Lebanon
  - Malawi
  - Mexico
  - Pakistan
  - Paraguay
  - Peru
  - Poland
  - Saudi Arabia
  - Serbia
  - Tanzania
  - Thailand
  - Uganda
  - Uruguay
  - Zambia

- A national strategy is being planned (6 countries)
  - Austria
  - FYR Macedonia
  - Philippines
  - Romania
  - Ukraine
  - Zimbabwe

CASE STUDIES IN THE POLICY HANDBOOK

- Australia
- Brazil
- Canada
- Denmark
- Hong Kong, China
- India
- Indonesia
- Japan
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Peru
- Portugal
- Singapore
- South Africa
- Spain
- Thailand
- Turkey
- United Kingdom
- United States
COMPLEMENTARY TOOLS

- OECD/INFE High-level Principles on National Strategies for Financial Education
- OECD/INFE High-level Principles for the Evaluation of Financial Education Programmes
- OECD/INFE Guidelines for Private and Not-for-profit Stakeholders in Financial Education
- OECD/INFE Toolkit to Measure Financial Literacy and Inclusion
- Evaluating Financial Education Programmes, survey, evidence, policy, instruments and guidance
- OECD/INFE Guidelines on Financial Education in Schools

RESOURCES

- Financial Education for Migrants and their Families (OECD, 2015)
- PISA 2012 Results: Students and Money, Volume VI (OECD, 2014)
- Financial Education for Youth: The Role of Schools (OECD, 2014)
- Advancing National Strategies for Financial Education (G20 Russia/OECD, 2013)
- Financial Education in Latin America and the Caribbean (OECD, 2013)
- The Status of Financial Education in Africa (OECD, 2012)
Explicit mandates with earmarked resources to conduct financial education policies are still relatively uncommon. The number of public institutions with clear and formal responsibilities on financial education is however increasing: eight institutions have mandates explicitly enshrined in their founding acts (or revisions thereof), six are given one through primary or secondary legislation, and 13 have implied a mandate from other responsibilities such as financial inclusion or financial consumer protection. These institutions range from ministries of finance, central banks, financial markets authorities, and ministries of education. Clear mandates are recognised as important to:

- Design and implement national strategies that are more financially sustainable, and better suited to achieving behavioural changes. They can also ensure greater accountability and visibility to the public, as well as whole-of-government recognition;
- Engage with a wider range of trustworthy public stakeholders in the implementation phase.
- Governance structures vary according to national circumstances, from multi-stakeholder approaches to the creation of a new body to implement the strategy. They generally aim at being flexible enough to be effective both in the design and the implementation phase and to allow the leading authority(-ies)/committee to involve relevant stakeholders from the public, private and not-for-profit sectors.
- Emerging governance structures seek to facilitate the implementation phase by separating directive/executive and supervisory roles, to allow a deeper involvement of private and not-for-profit institutions;
- They include reporting mechanisms and feedback loops to allow stakeholders to inform the leading authorities/committee of developments on the ground;
- These structures often involve the support of, and regular liaison with, the highest level of government.

Increasingly, national strategies are implemented with the contribution of the private sector. Private stakeholders can bring a number of benefits (e.g. financial resources and expertise), and are well positioned to reach a wide audience, exploit teachable moments and combine financial education with financial inclusion efforts. However, the involvement of private stakeholders in financial education may bring about potential shortcomings, including uncoordinated initiatives and conflicts of interest. For this reason, a number of economies seek their involvement under appropriate guidelines, such as the OECD/INFE Guidelines for the Involvement of Private and Not-for-profit Stakeholders in Financial Education.
CHAPTER 3
SETTING AND ACHIEVING OBJECTIVES, EVALUATING AND FUNDING THE NATIONAL STRATEGY

The roadmaps and action plans of national strategies for financial education (i.e., their guiding documents that set objectives, means, and define partners) are ideally evidence-based and developed taking into account a variety of criteria, from financial literacy measurement results to academic research and input from stakeholders:

- Roadmaps and action plans are in particular increasingly based on clear and explicit references to quantitative evidence, emerging from financial literacy measurements or anchored in financial markets and household survey data. These benchmarks make it easier to show progress and contribute to reinforce these policy’s sustainability;

- These guiding documents also provide directions and guidance to the organisations involved in programme deliver, which contributes to building consensus around the strategies’ objectives.

The need for evidence is also reflected in the number of evaluations of national strategies for financial education. The number of national strategies that have been evaluated and revised is growing (10), but still limited (due in part to the average timeframes for evaluation, which typically take place over five years):

- National strategies are now increasingly assessed (and monitored) using a variety of quantitative and qualitative data: from repeated measurement surveys and the use of financial behaviour trackers, to consultation with private and not-for-profit stakeholders and the public;

- The development of core competencies on financial education can also support evaluation, as they identify targets against which progress can be measured.

Funding of national strategies occurs in most cases through a combination of public and private resources. The cost of national strategies for financial education is relatively small compared to other public policies or to the spending on financial marketing from financial institutions. Notwithstanding the amounts involved:

- Long-term planning and multi-year budget horizons are needed to effectively address the financial education needs of the population;

- The contribution of the private sector is often encouraged, through funding mechanisms that minimise possible conflicts of interest or in the framework of appropriate guidelines.
CHAPTER 4
ENSURING EFFECTIVE AND INNOVATIVE PROVISION OF FINANCIAL EDUCATION

One of the main challenges facing public authorities implementing national strategies is to find ways of changing financial attitudes and behaviours of the population. In order to do this, national strategies employ a variety of traditional and more innovative approaches to delivery combining three main approaches:

- **Facilitating access to information and advice through multi-channel delivery** (such as websites that seek to become the reference at the national level through consumer-friendly branding, and interactive web-based tools, or awareness and communication campaigns);

- **Accounting for timing and location and harnessing existing learning environments and networks:**
  - through life-cycle approaches (addressing consumers in key stages of their professional or personal lives: having a child, buying a first home, retiring, etc.),
  - by choosing the right trusted intermediaries such as community leaders and developing training trainers programmes,
  - through appropriate learning environments such the workplace or schools (at least 27 economies have introduced financial education in schools, in some cases as a mandatory cross-curricular subject);

- **Supporting individual engagement, motivation and decision-making:**
  - using the findings of behavioural economics and social marketing techniques, harnessing peer pressure and the community effect, or the new possibilities offered by games and social technologies.

More national strategies now include programme evaluation as an essential element of their implementation, combining quantitative and qualitative data and often using international methodologies. However, more needs to be done to ensure that this is explicitly included within national strategies’ roadmaps and that the evaluation results are reported at the domestic and international levels (including through the database of evaluated financial education programmes offered by the OECD/INFE). This would ensure the identification of the most effective delivery channels based on the needs of the target audiences, it would enhance the national and international knowledge of effective approaches, and promote accountability and sustainability of financial education policies and initiatives.
ABOUT THE OECD AND ITS INTERNATIONAL NETWORK ON FINANCIAL EDUCATION

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD’s mission is to promote policies that improve economic and social well-being of people around the world.

OECD governments officially recognised the importance of financial literacy in 2002 with the launch of a unique and comprehensive project. In 2008 the project was further enhanced through the creation of an International Network on Financial Education (INFE). The OECD/INFE has high-level membership from over 240 public institutions - including central banks, financial regulators and supervisors, ministries of finance and ministries of education - in over 110 countries. Members meet twice a year to share country and member experiences, discuss strategic priorities and develop policy responses.

The OECD/INFE develops methodologies, collects cross-comparable evidence, and undertakes policy analysis and research to create globally recognised policy instruments. It is currently focusing on the creation and implementation of national strategies, and on role of financial education for financial inclusion, micro, small and medium-sized enterprises (MSMEs) and long-term savings and investments (including retirement aspects), as well as undertaking work on core competencies, measurement and evaluation.

www.oecd.org/finance/financial-education

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This booklet reproduces highlights from OECD/INFE Policy Handbook on National Strategies for Financial Education. Today, 59 economies worldwide are implementing national strategies using guidance from the OECD/INFE High-level Principles on National Strategies for Financial Education. The Policy Handbook describes the experiences of these economies and addresses challenges that countries have faced in implementing the Principles.