

**INSEAD**

The Business School  
for the World

**OECD**

**Financial Education Conference**

**Professor Sarah Mavrinac**

# Financial Literacy

**the ability to grow, monitor, and effectively use financial resources to enhance the well-being and economic security of oneself, one's family, and one's business.**

**This implies basic skill in numeracy as well as an understanding of how to:**

- 1) prepare and use basic budgets,**
- 2) assess long-term financial needs,**
- 3) effectively manage sources of credit or debt, and**
- 4) devise appropriate savings programs to meet long-term goals.**

# Education with Impact

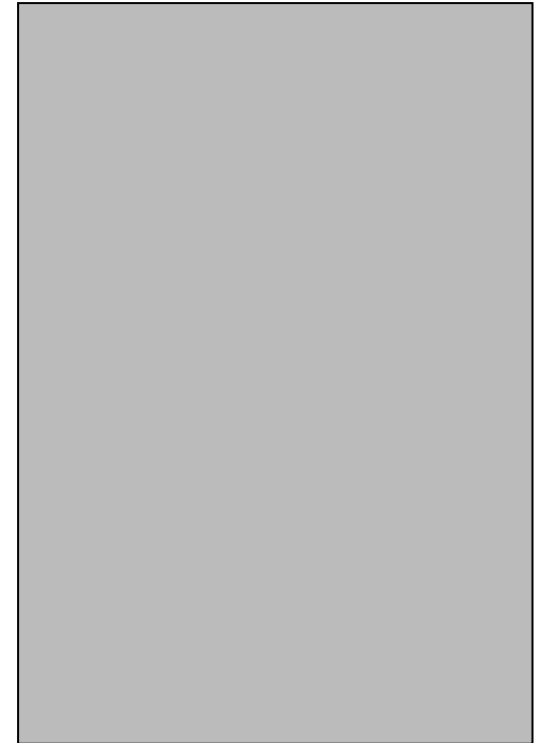
## On Individuals & Families

Financial education is an essential pre-requisite to **life management**.

The skills transferred affect **daily activity**, impacting the economic security of the family both in the short and long-term

## On Economies

Financial education is a vital tool in the alleviation of poverty and in the creation of strong, economically secure families

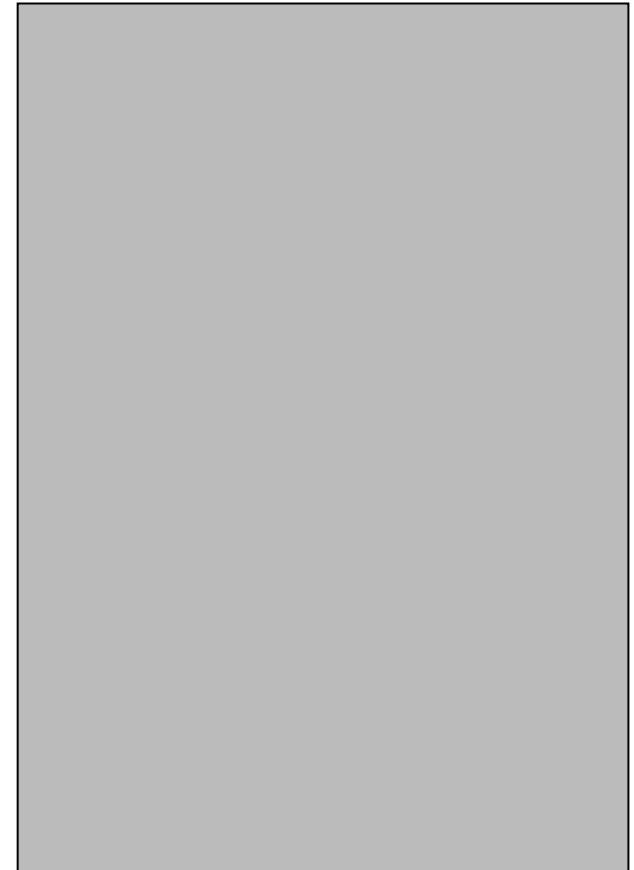


# A Strategy with Impact

## Targeting the Vulnerable

National strategies targeting the vulnerable can and should have profound impact on families, communities, and entire economies.

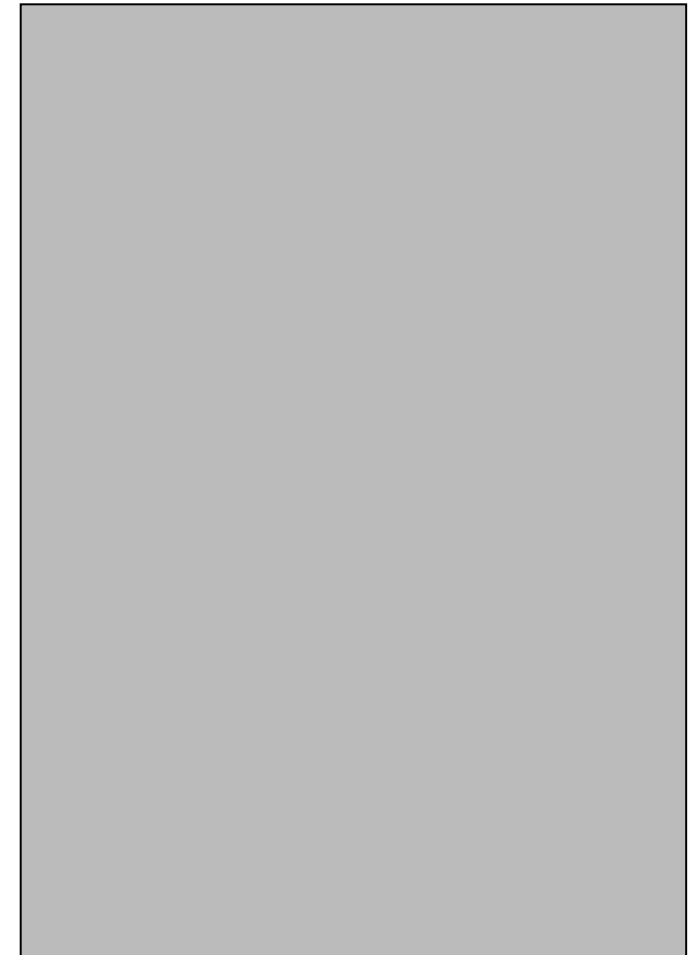
These are the 'high impact' strategies.



# Targeting The Poor

**Over 50% of Asia's population lives on less than \$2 a day. Some 21% survive on less than \$1.**

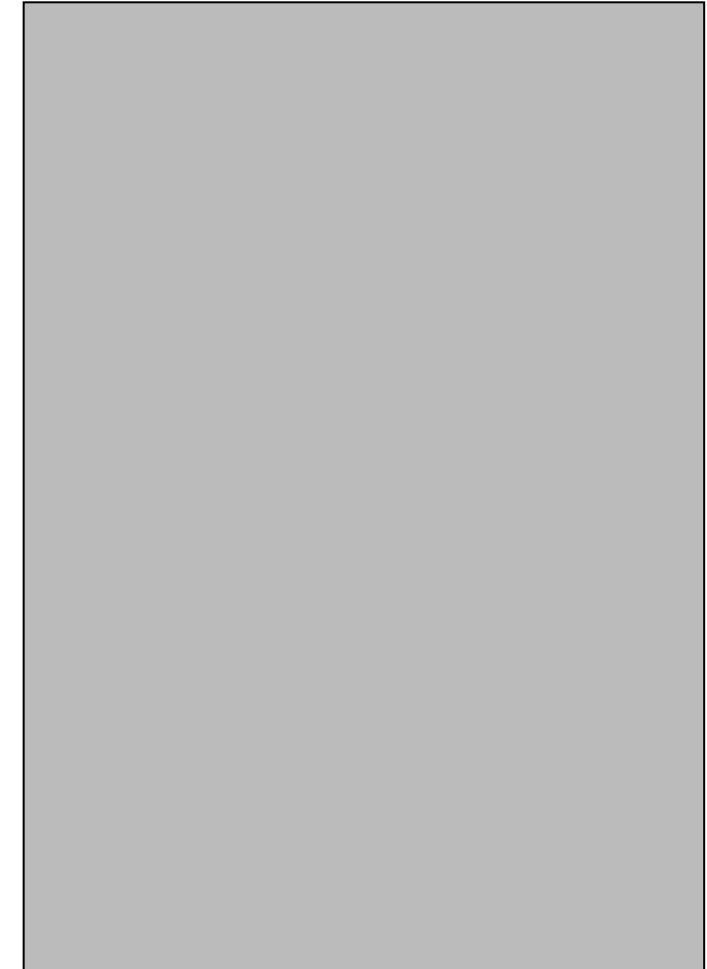
<b>India</b>	<b>~ 80% on less than \$2/day</b>
<b>Bangladesh</b>	<b>~ 80%</b>
<b>Indonesia</b>	<b>~ 50%</b>
<b>Thailand</b>	<b>~ 33%</b>
<b>Philippines</b>	<b>~ 40%</b>



# Targeting Migrant Workers

**There are an estimated 200 million migrants around the world, many working in DDD jobs.**

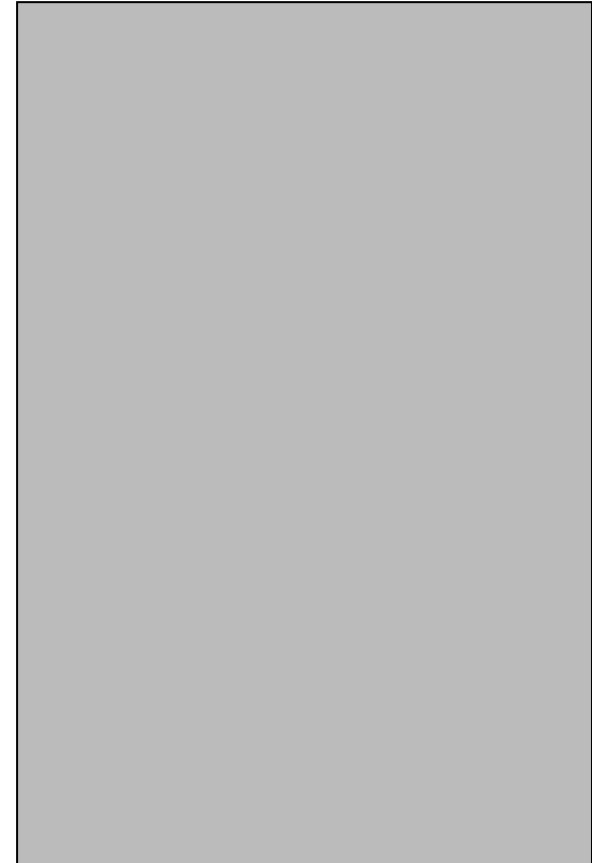
**Their remittances total more than twice official 'aid' allotments.**



# Targeting Young Adults

**In the US, an estimated 45% of students have credit card debt. The majority will roll over that debt.**

**In Korea, almost 500,000 credit delinquents are in their late teens and early 20s.**

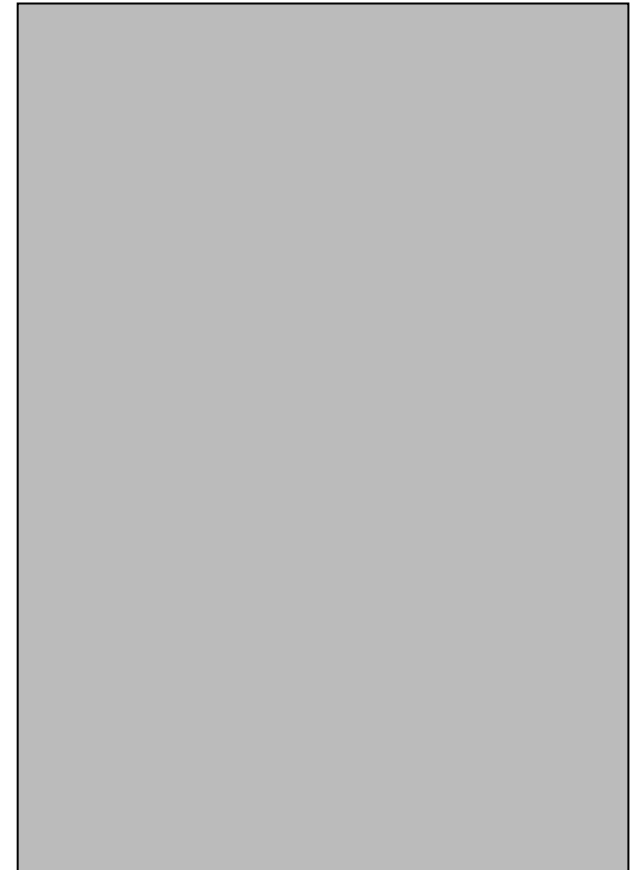


# Targeting The Elderly

**The number of older people in Asia should reach 1.4 b by 2030, with an old age dependency ratio of 23.7.**

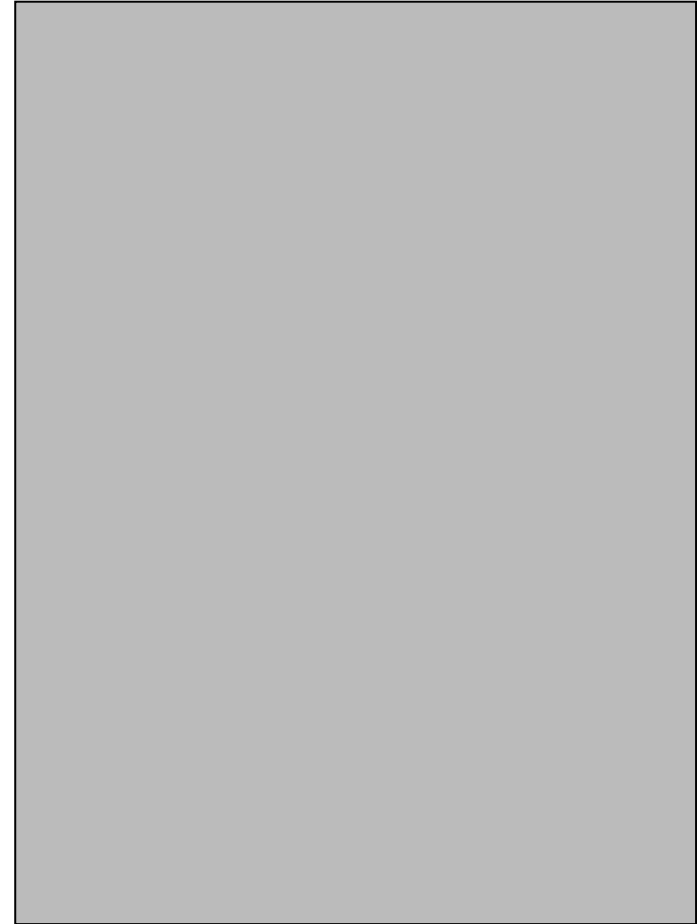
**The percentage of older individuals in co-residence has fallen throughout Asia.**

**Coverage by formal pension schemes is minimal and wage replacement rates are low.**



# Targeting Women

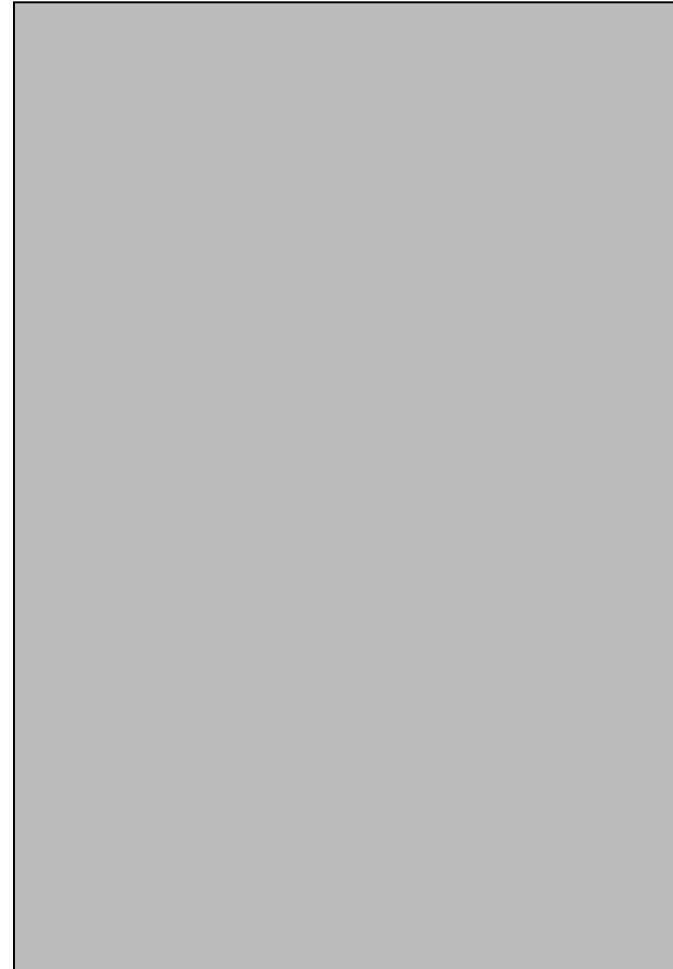
**Women constitute an estimated 70% of the world's poor.**



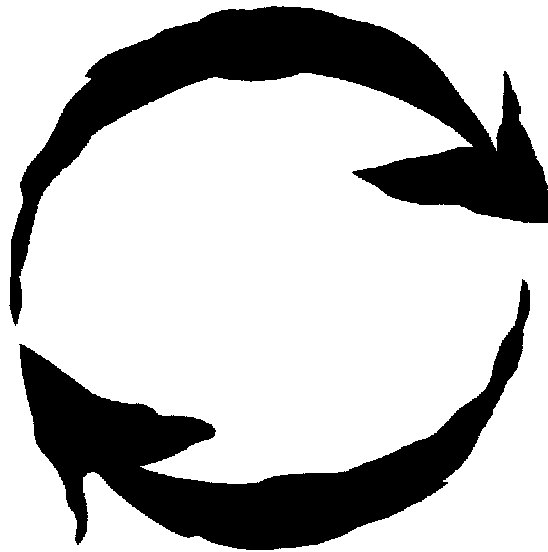
# Women Make the World Go Round

**1 : 18**

Women's financial control generates significant financial and physical benefit for children and communities.



# Creating Sustainable Futures



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