

Financial Education: What Makes a Successful Public Awareness Campaign?

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Highlights

- Brief description of OECD's Financial Education Project.
- Elements of a successful public awareness campaign.
- Examples of public awareness campaigns.

OECD's Financial Education Project

- Established in 2003 to study financial education programmes in OECD countries and selected non-OECD countries.
- Purpose: identify and describe existing financial education programmes, analyze effectiveness, and disseminate findings on financial education and literacy.
- Developed a *Recommendation on Principles and Good Practices for Financial Education and Awareness*, approved by the OECD Council in June 2005. (Available on OECD's website)

OECD's Financial Education Project

- Produced first major international study of financial education—*Improving Financial Literacy: Analysis of Issues and Policies*. Published November 2005.
- Other Activities: set up a website (www.oecd.org/daf/financialeducation), established a database of financial education programmes in OECD countries, compiled a repository of studies on financial literacy and education.

Elements of a successful public awareness campaign

- Clear goal for the campaign.
 - *Awareness in general or focused on specific topics.
- Defined target audience.
 - *Entire population or specific groups.
 - *Demographics influences choice of delivery method.

Elements of a successful public awareness campaign

- Appropriate presentation and provision of information.
 - *Clear, understandable message.
 - *Frequency of delivery to reach consumers in teachable moments.
 - *Use of variety of organisations—government agencies, community groups, schools, financial institutions.

Elements of a successful public awareness campaign

- Follow-up evaluation to determine what works and what does not.
 - *Research and experience helpful.

Elements of a successful public awareness campaign

- Should be conducted at all appropriate levels— nationwide, regional or statewide, local—and should include all interested and relevant groups.
- Should take into account the following:
 - *Many consumers not aware that they need to be educated financially.
 - *Many consumers are not aware of the variety of different financial products and providers.
 - *Many consumers are not aware of the existence of financial information and education programmes.

Elements of a successful public awareness campaign

- Should be done frequently and using a variety of distribution channels.
 - *Most effective if consumers reached in teachable moments.
 - *Consumers prefer to receive financial information in different ways.

Why financial education awareness campaigns are important

■ Low levels of financial literacy

*Japan: 71% of respondents lack knowledge of equities and bonds; 57% lack knowledge of financial products in general.

*United Kingdom: fewer than 40% of respondents confident about making financial decisions.

*Canada: respondents consider choosing the right investments more stressful than going to dentist.

*Australia: 37% of respondents with investments did not understand that investments can fluctuate in value.

Why financial education awareness campaigns are important

- Increase in number and complexity of financial products.
- Individuals are taking on more credit but not always using it wisely.
- Changes in pension arrangements—increasing personal responsibility for retirement saving.
- Increase in the number of financial transactions taking place electronically.

Examples of public awareness campaigns

- The Federal Reserve System, the U.S. central bank, launched in 2003 a nationwide financial education awareness campaign entitled “There’s a Lot to Learn About Money”. Included a website, brochures, public service announcements, and education activities. (www.federalreserveeducation.org/fined/index.cfm)

Examples of public awareness campaigns

- The Irish Pensions Board, the regulator for occupational pensions, has sponsored annual National Pension Awareness campaigns. Special focus on populations groups with low pension coverage. Uses a variety of delivery channels:
 - *media supplements
 - *guest articles in national, regional, and industry representative media
 - *radio, bus and supermarket receipt advertising
 - *sports personalities
 - *information booklets
 - *website pensions calculators
 - *schools and universities
 - *road show events

Follow up by commissioning market research awareness studies; campaigns have increased awareness of pensions issues.

(www.pensionsboard.ie)

Examples of public awareness campaigns

- In late 2004, the Slovak government sponsored a 10-month public awareness campaign about pension reforms. Brochures mailed to all households and available at regional post offices. Print, TV and radio advertisements. Consumer hotline set up. Pension calculator on government's website. Follow-up survey indicated 80% of those surveyed aware of information campaign.

Examples of public awareness campaigns

- In 2004 three of Australia's largest superannuation funds joined forces to launch a financial education and awareness campaign. Delivery channels included print, web, call centres, seminars, and workplace visits. Education materials developed to respond to different learning styles and life stages.

Examples of public awareness campaigns

- The Financial Services Authority (U.K.) commissioned a baseline financial literacy survey to assess levels of financial capability in the UK. FSA provides information, generic advice, and education via booklets and leaflets, consumer helpline, interactive learning materials on its website. Works with financial services sector and government departments (post office) to distribute information.
www.fsa.gov.uk/pubs/consumer-research/crpr47.pdf

Good Practices from OECD's *Recommendation*

- National campaigns to raise awareness.
- Specific web sites should be promoted to provide relevant, user-friendly financial information to public.
- Clearly distinguish between financial education and financial information and “commercial” financial advice.
- Provide information at several different levels in order to best meet the needs of consumers.

Good Practices from OECD's *Recommendation*

- Regularly assess the financial information provided to ensure it meets consumer needs.
- Use all available media for the dissemination of education messages.
- Create different approaches for specific sub-groups of consumers, relating to individual experience.

Benefits of financial education and awareness campaigns

- Benefits to central banks and regulators: financially educated consumers might facilitate supervisory activity and allow for lower levels of regulatory intervention; improve functioning of financial markets.
- Benefits to individuals: greater confidence in making financial decisions and improved financial well-being.
- Benefits to employers: a more productive workforce.
- Benefits to governments: more successful pension programmes, increases in savings rates, and reduction in costs of investigating and prosecuting fraud.

Further information

- Financial education Web site:
www.oecd.org/daf/financialeducation
- Contacts for specific questions:
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