



OECD/CVM Centre on Financial Education and Literacy in Latin America and the Caribbean

Third Regional Seminar on financial education trends in the LAC region

PROCEEDINGS

12-13 November 2018

São Paulo, Brazil



■ About the OECD/CVM Centre on Financial Education and Literacy in Latin America and the Caribbean

The **OECD/CVM Centre on Financial Education and Literacy in Latin America and the Caribbean** promotes efficient financial education in Latin America and the Caribbean (LAC) through a range of activities including meetings, surveys, mutual learning through peer reviews, and research. Launched in 2016, the Centre is a joint undertaking by the OECD and the Securities and Exchange Commission of Brazil (CVM).

The Centre, housed at CVM headquarters in Rio de Janeiro, Brazil, is a knowledge exchange hub on efficient financial education and related issues such as financial consumer protection, both in Brazil and throughout the region. Its activities build on the work of the OECD International Network on Financial Education and include methodologies for collecting qualitative and quantitative data; policy analysis; instruments; and research.

Under the aegis of the Centre and of the OECD/INFE, a **OECD/INFE LAC Regional Network** has been created to support LAC members of the OECD/INFE in designing and implementing their financial education policies and programmes. The OECD/INFE LAC Regional Network meets once a year in the margins of the annual meeting of the OECD/CVM Centre. Currently, 39 public authorities (central banks, financial markets authorities, ministries of finance, social policy and education) from 19 LAC countries are members of the regional network.

[List of Members of the OECD International Network on Financial Education from Latin America and the Caribbean](#)

■ About the OECD International Network on Financial Education (OECD/INFE)

OECD governments officially recognised the importance of financial literacy in 2002 with the launch of a unique and comprehensive project on financial education. In 2008 the project was further enhanced through the creation of an International Network on Financial Education. The OECD/INFE has high-level membership from over 280 public institutions – including central banks, financial regulators and supervisors, ministries of finance and ministries of education - in over 130 countries. OECD/INFE methodology and high-level principles on financial education have been endorsed and/or supported by G20 Leaders and other international and regional fora. Members meet twice a year to share country and member experiences, discuss strategic priorities and develop policy responses.

Speakers' presentations are available on the [event's page](#)

PROCEEDINGS

Meeting of the OECD/INFE LAC Regional Network

The 2018 Annual Meeting began with the Second meeting of the OECD/INFE LAC Regional Network, which was open to member public financial authorities from the region.

Representatives from Brazil (Central Bank, Ministry of Finance, PREVIC, SUSEP, CVM), Colombia (Superfinanciera), Honduras (Superintendency of Banks and Insurance), Mexico (Ministry of Education, Central Bank, CONDUSEF), Paraguay (Ministry of Finance), Peru (Superintendency of Banks Insurance and Private Pensions) and CAF Development Bank of Latin America met to discuss the follow up to Argentina's G20 Presidency and the contribution of LAC members to the forthcoming global activities of the OECD/INFE (international cross-comparable financial literacy measurement exercises in particular).

Opening Ceremony



The event was held in the old trading floor of the Sao Paulo stock exchange, and was opened by high-level representatives of the OECD/CVM Centre and Brazilian authorities.

"Financial education is a tool to provide accountability and sustainability to the process of capital markets development, with important social inclusion spillovers"
Ana Paula Vescovi, Executive Secretary,
Ministry of Finance, Brazil

- Ana Paula Vescovi, Executive Secretary, Ministry of Finance, Brazil, stressed the importance of the partnership with the OECD and of the establishment of the OECD/CVM Centre, as it will help design policies that will make the financial system more stable and inclusive.

- Marcelo Barbosa, Chairman, CVM, explained that financial education is at the core of CVM's mandate, and it should be at the core of every financial supervisor's mandate in LAC, to educate and protect citizens and to promote a sound financial market development.

- Flore-Anne Messy, Executive Secretary of the OECD International Network on Financial Education and Head of the Insurance, Private Pensions and Financial Markets Division of the OECD, thanked Brazilian authorities and LAC participants for their attendance and their contribution to the activities of the OECD/CVM Centre. She noted how, 10

"There is strong recognition in Latin America of the need for financial education policies in ensuring sustainable and inclusive growth: the OECD/CVM Centre was created in 2016 to help in making them more evidence-based and effective"
Flore-Anne Messy, OECD

years after the financial crisis and the creation of the OECD/INFE, financial education policies gained increasing relevance in the public policy mix chosen by LAC governments, as exemplified by the agenda of Argentina's G20 Presidency. She explained how the OECD/CVM Centre was set up to support LAC governments in their financial education efforts.

- Carlos Ambrósio, President of Anbima, explained how financial education is essential in strengthening a savings culture in Brazil and in LAC more widely, and in making sure citizens plan ahead and think of sources of retirement income.

- Cícero Augus Vieira Neto, Vice President of Operations – B3, presented B3's strategy for the development and growth of a truly Latin American capital market, which can channel savings and contribute to economic development, as well as B3's role as partner of the Brazilian National Strategy on Financial Education.



Delivering on the contribution of the OECD/INFE to Argentina's G20 Presidency: supporting consumers and entrepreneurs in the digital environment



This session began with the presentation by Flore-Anne Messy of the two G20 OECD Policy Guidance Notes developed by the OECD and delivered to G20 Leaders during the Argentinean Presidency, and that contributed to the [G20 Policy Guide on Digitisation and Informality](#):

[G20/OECD INFE Policy Guidance Note on Digitalisation and Financial Literacy](#)

[G20/OECD INFE Policy Guidance Note on Financial Consumer Protection in a Digital Age](#)

It then discussed how to implement these two instruments in the LAC region and how to best equip LAC citizens with the tools needed to benefit from the digitalisation of financial services.

- Ana Pantelic, Fundación Capital, explored the opportunities provided by digitalisation in LAC, focusing in particular on the digitalisation of cash transfers and the teachable moments this creates. She presented the LISTA initiative and its evaluation, a scalable digital solution to build financial literacy among those living in poverty and vulnerability.

"The digitalisation of cash transfer programmes by LAC governments are an incredible opportunity to increase savings through financial education provided digitally"
Ana Pantelic, Fundacion Capital

"In 15 years, more than 60% of Peruvian citizens will be digital natives: financial education policies must take this into account"
Juan Carlos Chong, SBS Peru

- Juan Carlos Chong, Head of the Education and Financial Inclusion Department, Peruvian Superintendence of Banking, Insurance and Private Pension Funds (SBS), analysed the effects of the digitalisation of finance and life for citizens in Peru, and explained how the SBS digital strategy addresses the use of information technology to enhance consumer empowerment

Keynote Address: the financial lives of low-income households

"Financial inclusion matters, as it can provide tools to counter the effects of unsteady income flows and expenses"
Jonathan Morduch

Dr. Jonathan Morduch, Professor of Public Policy and Economics, NYU Wagner Graduate School of Public Service, United States, presented the findings of the book "The Financial Diaries – How American Families Cope in a World of Uncertainty". He explained how being poor is not just about low incomes, but especially about irregular and unpredictable incomes and lack

of appropriate financial tools to manage their effects. He presented some of the case studies he used for his research, drawn from the 235 households part of his research, that reveal the costs of financial instability for those in the bottom half, and drew conclusions that are applicable to working poor in LAC.



Informing policy through data: the use of financial literacy measurement results in LAC



The session discussed how the analysis of data from financial literacy and inclusion measurements have been useful in gathering additional insights, such as measures of financial well-being, and designing or reviewing financial education initiatives.

It was chaired by Alex Preda, Professor of Accounting, Accountability and Financial Management at the King's Business School, London, United Kingdom.

- Diana Mejia, Senior Specialist, Financial and Productive Development, CAF Development Bank of Latin America, presented the results of a study on the financial well-being of LAC citizens, developed thanks to the data collected using the OECD/INFE methodology in Argentina, Bolivia, Chile, Colombia, Ecuador, Peru and Paraguay. The secondary analysis of the OECD/INFE financial literacy and inclusion data confirms that higher scores in financial knowledge and behaviours lead to higher financial well-being, and offer insights into the coping strategies of vulnerable groups.

"Through the analysis of OECD/INFE data, we gained valuable insights into financial well-being in LAC: lack of access to formal saving products is more detrimental to financial well-being than lack of access to formal credit products for example"
Diana Mejia, CAF

- Isabela Furtado, Researcher Instituição Inspere | Graduação e Pós-Graduação, São Paulo, Brazil, and World Bank consultant, explained the results of impact evaluation studies conducted on financial education programmes in Brazilian primary and secondary schools, the first of its kind in LAC. The studies show that financial literacy was increased, and that we need additional analysis on how this can translate into changed behaviours.

"Lack of knowledge is one of the many other causes of bad financial decisions, we need interventions that help translate knowledge into action. For this we need more studies and more impact evaluations"
Isabela Furtado, Institute Inspere/World Bank

Supporting small and micro entrepreneurs: OECD/INFE instruments and LAC experiences



Micro, small and medium-sized enterprises (MSMEs) make up the majority of enterprises in LAC, contributing significantly to national incomes. Many MSMEs face a number of challenges, including regulatory hurdles and tax burdens, difficulties accessing finance and a lack of general guidance or support. The session discussed the financial literacy needs of MSMEs in LAC and looked into how financial education can be an

important tool for helping MSMEs and potential entrepreneurs to obtain access to finance and strengthen money management skills.

The session was chaired by Julio Gil, Head of the Banking Customer Relations Division in the Market Conduct and Claims Department, Bank of Spain, who began by noting how small and micro entrepreneur need access to tailored financial education through the life of their enterprise. He mentioned the work of Bank of Spain in this regard, as well as the output of the OECD/INFE, the [OECD/INFE Core Competencies Framework on Financial Literacy for MSMEs](#) in particular.

- Alexandre Comin, Brazilian Service of Support for Micro and Small Enterprises SEBRAE, presented SEBRAE's activities in the education of micro and small entrepreneurs in the framework of the Brazilian National Strategy for Financial Education. SEBRAE reached over 800 thousand entrepreneurs of tomorrow, students in schools (by training 120 thousand teachers), and those of today through over 600 thousand management assistance actions. He concluded noting that Brazil, through SEBRAE, participates in the pilot of the OECD/INFE Toolkit to Measure Financial Literacy of MSMEs.

"Entrepreneurs that benefit from SEBRAE's assistance experience significantly lower levels of default: financial education for MSMEs, if conducted based on the recipients' needs, can have a meaningful impact for LAC entrepreneurs"
 Alexandre Comin, SEBRAE

- Diana Mejia, Senior Specialist, Financial and Productive Development, CAF Development Bank of Latin America, noted that there are big differences in financial literacy levels among entrepreneurs in LAC and that policy makers should begin by measuring financial literacy levels and adopt tailored solutions. She explained the value of the joint OECD/CAF work on the SME Policy Index for LAC, which also takes into account financial education. She called for LAC governments to include MSMEs among the targets of their national strategies, and to measure their needs through the forthcoming OECD/INFE Toolkit to Measure Financial Literacy of MSMEs.

Promoting public integrity and fighting corruption: which synergies with financial education policies?

Public integrity begins at the level of individual actions. The 2018 update of the OECD/INFE Toolkit to measure financial literacy and inclusion now includes also questions that gauge individuals' attitudes to integrity. In many LAC economies, national strategies for financial education also address the wider impact of individuals' actions on the economy and society as a whole.



The panel was chaired by Jose Alexandre Vasco, Director, Office of Investor Protection and Assistance, CVM.

- Esther Oldak, Director of the federal programme *Programa Nacional de Convivência Escolar*, Ministry of Education, Mexico, presented the programme, an educational intervention that proved to be effective at reducing violence in schools and fostering better social interactions among pupils and between pupils and adults (teachers, family) and that aims at long-term behavioural change. The programme, by strengthening social and emotional abilities, builds social capital in the target cohort and contributes to a culture of legality and integrity, which can be harnessed by financial education initiatives.

- Luciana Asper, Federal Prosecutor and coordinator of the Brazilian National Strategy to Fight Corruption and Money Laundering (ENCCLA), provided an overview of the consequences of corruption on the economy and societies, and explained the focus on individuals of the Brazilian national programme for the primary prevention of corruption, which aims at educating individuals that are resistant to corruption and proactive in social control. This, she noted, can have important spill-overs on the future behaviours of students as citizens and financial consumers.

"Fighting corruption and educating citizens will contribute to create better conditions for entrepreneurship and fair competition, in society and the economy"
 Luciana Asper, Federal Prosecutor, Brazil

- Anna Gabriela Malta, School Principal, Brazilian early childhood pilot project for public integrity and financial education, Brazil, presented the two interconnecting programme conducted in the Dom Cipriano Chagas schools, the financial education one for 6-11 year olds, and the integrity one for 3-5

year olds. She stressed that both aim to the development of responsible citizens that responsibly participate in social, financial, and environmental decisions, are capable of critical thinking and can act as multiplier of good behaviours among their peers and society.

Special session: behavioural economics and financial literacy

The session provided the setting for a discussion among international policy makers on how behavioural economics can help in designing and implementing financial education initiatives. The session was chaired by Rogerio Oliveira, Head of the Center for Behavioral Studies & Research CVM, Brazil.

He presented the most recent study conducted by the OECD/INFE and the International Organisation of Securities Commissions (IOSCO) on [the Application of Behavioural Insights to Financial Literacy and Investor Education Programmes and Initiatives](#), which developed a set of effective approaches for the application of behavioural insights to financial education initiatives.

"The joint IOSCO OECD/INFE work is an example of how cooperation and information sharing among regulators (and relevant stakeholders – e.g. academia) are vital to identify best practices and experiences in financial education"
Pasquale Munafò, CONSOB



- Camille Beaudoin, Director of Financial Education, Financial Markets Authority AMF, Quebec, Canada, showed the audience the functioning of the Authority's calculator to help individuals understand their investor profile and which investment products are more suitable to them, based on their risk appetite, life events, and level of financial literacy.
- Pasquale Munafò, Senior Officer, Financial Markets Authority Italy (CONSOB); Vice Chair, IOSCO Committee 8, explained how CONSOB challenges the standard paradigm of rational investor by adopting behaviourally informed initiatives and policies, and how this is used in synergy with financial education tools.

National strategies for financial education



The session discussed advances made in the implementation of national strategies for financial education and inclusion in the region.

It was chaired by Andrea Grifoni, Policy Analyst, OECD, who highlighted the contribution of the OECD/INFE to the analysis of national strategies worldwide and the definition of policy instruments to support their development, notably the [OECD/INFE High-level Principles on National Strategies for Financial Education](#), endorsed by G20 Leaders during the Mexican Presidency in 2012.

It was chaired by Andrea Grifoni, Policy Analyst, OECD, who highlighted the contribution of the OECD/INFE to the analysis

- Celestino Rodríguez Aranda, Secretary, National Commission for the Protection and Defense of the Users of Financial Services CONDUSEF, Mexico, updated participants on the formal approval of the National Strategy in 2017, and on the role that CONDUSEF plays in its implementation.

"It is necessary for financial education initiatives to complement each other in order for the Mexican population to make effective use of existing and forthcoming financial products"
Celestino rodriguez Aranda, Mexico

- Beatriz Elena Londoño Patiño, Deputy Superintendent for Consumer Financial Protection and Transparency, Superfinanciera de Colombia, presented the Colombian national strategy and focused in particular on the educational games designed by the SFC and on the activities targeting pupils and students, beginning at age 3, and aiming at developing financial literacy and sound financial protection attitudes.

- Mey Ling Pon, National Commission for Banks and Insurance, Honduras, presented the results of the mapping of financial education initiatives conducted in Honduras as first step of the National Strategy implementation. She explained how the National Commission is going to use the results to encourage strategic alliances among the stakeholders active in the field, to include financial education in the school curriculum, and to bring more private financial institutions to conduct financial education.

"With respect to the introduction of financial education in schools, on top of the focus on users, it is crucial for the programme to be scalable, which especially involves factors such as cost and time of implementation"
 Marcos Brandão de Andrade, Brazil

- Marcos Brandão de Andrade, Head of Financial Education Division, Central Bank of Brazil, gave an update on the implementation of the Brazilian National Strategy, the first in LAC, and addressed in particular the advances made in the inclusion of financial education in the formal school curriculum, both for primary and secondary schools.

Educating future generations: a discussion on financial literacy advances in school programmes in LAC



Educating future generations remains among the top priorities of financial education policies. The LAC region has developed very successful initiatives, backed by research and with buy-in from the educational sector. This session provided the opportunity to present where LAC countries stand and the progress made over the year, with a specific focus on results.

It was chaired by Anareli Acosta Villegas, from the Education and Cultural Promotion Department of the Bank of Mexico.

- Sofia Macias, Founder of Pequeño Cerdo Capitalista, Mexico, presented the results of the evaluation of a financial education programme in Mexican schools, designed and implemented in the framework of the Educational Quality Enhancement Programme set up by the Federal Ministry of Education.

"Even a short financial education and entrepreneurship course can open these topics for family discussion. Parents reported a change in their children's behavior as consumers during and after the programme"
 Sofia Macias, Mexico

- Ana Inoue, Educational Psychologist at ACAIA Institute, Brazil, explained the success factors of a financial education programme implemented in Brazilian schools, for students aged 13-16, focusing in particular on the quality of materials and teachers development. She explained how these factors can contribute to the final objective of applying mathematics in real life and foster autonomy and entrepreneurship.

- Juan Carlos Chong, Head of the Education and Financial Inclusion Department, Peruvian Superintendence of Banking, Insurance and Private Pension Funds (SBS), Peru, presented the ongoing implementation of the nationwide programme managed together with the Peruvian banking and the insurance associations. He stressed that cooperation between public and private sector, and the inclusion of financial education in the national curriculum have been key success factors.

Concluding remarks



Flore-Anne Messy, OECD, and Vasco Cavalcanti, CVM, closed the meeting. They both thanked participants for their presence and very active participation during the questions and answers time at the end of each panel.

Vasco Cavalcanti, CVM, welcomed the participation of policy makers from the entire spectrum of public institutions with an interest or mandate on financial education, from central banks and supervisory authorities to ministries of education and social policy, as well as researchers from renowned regional institutions.

Flore-Anne Messy, OECD, thanked participants and panellists, and noted that the meeting had covered new grounds in financial literacy research areas, for example by looking for the first time at links with public integrity education. She then invited all stakeholders to continue to contribute to the activities of the OECD/CVM Centre, and informed them that the 2019 Annual Event would take place in Rio de Janeiro, together with the bi-annual global meeting of the OECD International Network on Financial Education.



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