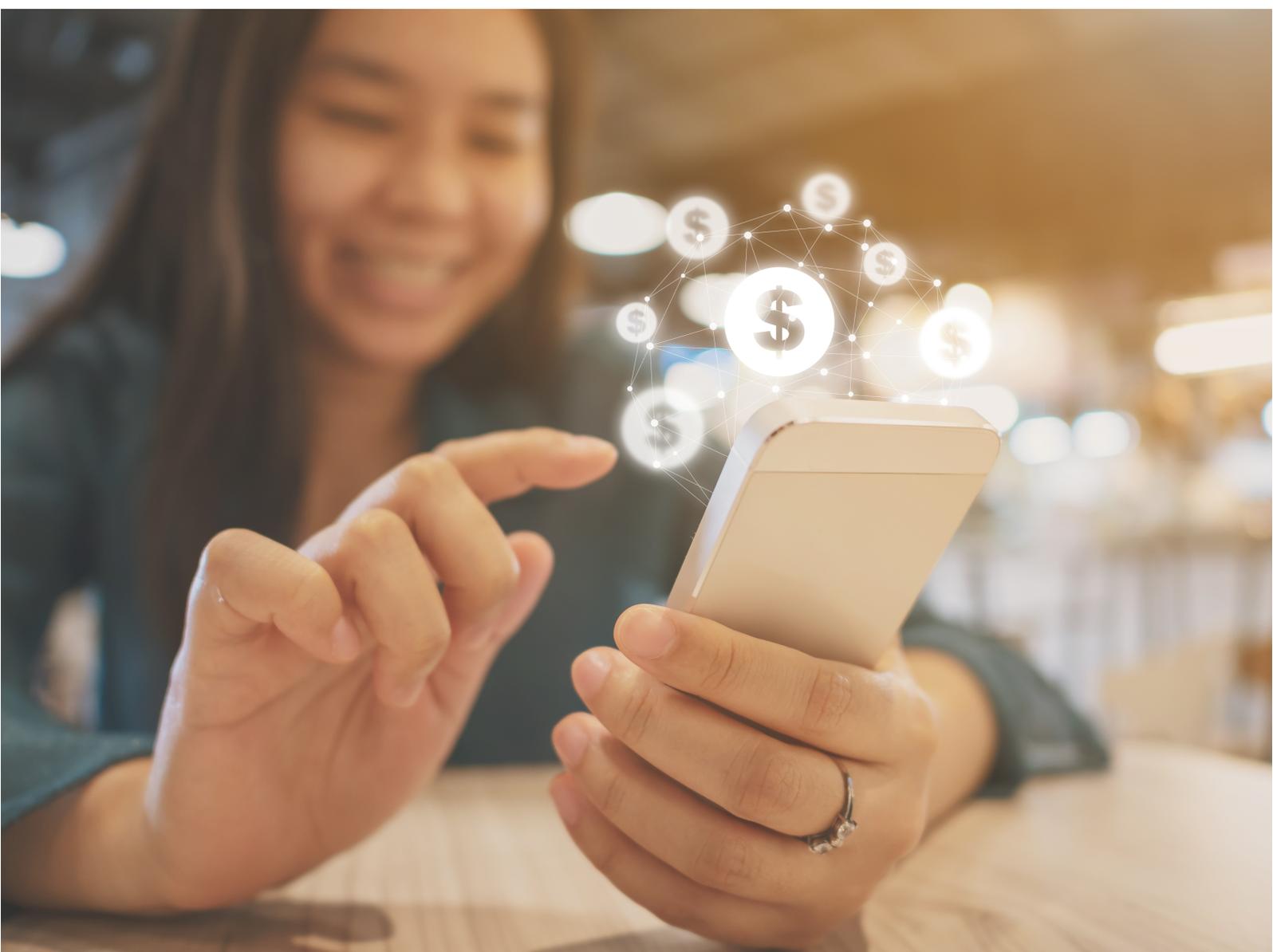


OECD/INFE Report on Financial Education in APEC Economies

Policy and practice in a digital world



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Acknowledgments

This publication represents an important component of the work of the OECD International Network on Financial Education (OECD/INFE). It would not have been possible without the input of OECD/INFE members and relevant institutions in APEC economies who responded to the initial questionnaire and provided feedback on two drafts of the report.

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Please cite this publication as:

OECD (2019). OECD/INFE Report on financial education in APEC economies:
Policy and practice in a digital world

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Executive Summary

At their 23rd Ministerial Meeting in Lima in 2016, APEC Finance Ministers called for a report on financial education in APEC to support “*the design and implementation of financial literacy policies building on the expertise and standards developed by the OECD International Network on Financial Education.*”¹ This report, covering the 21 APEC economies spanning the Asia and the Pacific region, responds to that call.²

The findings illustrate that the majority of APEC economies are well-advanced in their efforts to collect relevant data, implement appropriate financial education policies, and address the remaining issues related to financial literacy, inclusion and consumer protection. They are applying international best practices and making good use of available tools and resources to develop and refine strategic approaches and specific initiatives. However, there is still some way to go in ensuring that everyone living in an APEC economy has the financial literacy that they need and concerns about financial fraud or abuse, the high complexity of financial services and the low financial literacy of specific population groups are driving policy interest in improving financial education.

Section I reports that APEC economies accounted for almost 60% of the world’s GDP in 2017 and notes that impressive progress has been made in closing financial inclusion gaps in the entire region, including through digital financial services. However, it also indicates several challenges and factors of relevance to the development of financial education activities in APEC economies. These include important, persistent issues of inequality, rapid population ageing, and low financial literacy in several APEC economies.

Section II discusses strong political recognition and support for financial literacy and inclusion in APEC economies; major co-ordinated policy efforts such as national strategies for financial education and financial consumer protection frameworks; and other financial education initiatives and efforts, including those seeking to introduce financial education in schools.

All of the APEC economies with available data either have a national strategy for financial education already in place or are in the process of designing and planning one. Most national strategies aim at awareness of financial issues and strengthening the financial literacy of their citizens, while at the same time supporting financial consumer protection and financial inclusion policies and objectives. In addition, out of the 17 APEC economies participating in the survey for this study, 15 have firmly introduced financial education in their school curriculums (at different levels) to date.

¹ APEC (15 October 2016), 2016 APEC Joint Finance Ministerial Statement, Lima, Peru. https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2016_finance

² The definition of the Asia and the Pacific region here is largely based on that of the United Nations. See here: <http://www.unescap.org/about/member-states>

This report concludes by providing policy suggestions for policy makers, including with regards to the need for further efforts to increase the overall low levels of financial literacy and to ensure more tailored financial education approaches on digital financial services for the entire region. It also encourages APEC economies to participate in relevant data collection processes including the OECD/INFE's International Survey of Adult Financial Literacy Competencies, the PISA financial literacy assessment of students, and the future OECD/INFE survey to measure the financial literacy of micro and small business owners.

The policy suggestions also note that APEC economies could benefit from accelerating the effective implementation and review of national strategies for financial education, improving the quality (and not just the quantity) of financial education programmes, and enhancing the availability of financial education in all APEC schools. In addition, there is a need for enhanced sharing, monitoring and evaluation of financial education programmes and approaches across APEC economies, including by learning from and participating in OECD/INFE's regional programmes and events in Latin America and Asia, whenever relevant.

Introduction

This report presents an overview of recent evidence and developments on financial education policies and initiatives in member economies of the Asia-Pacific Economic Cooperation (APEC). It assesses and highlights the level of financial literacy, the status of financial education strategies and programmes, and related issues in the areas of financial inclusion and financial consumer protection among APEC economies, taking into account rapid technological innovation and proliferation of digital financial services around the world.

The importance of financial education as an essential complement to financial inclusion and consumer protection in any economy's efforts to support economic growth³ was officially recognised by the APEC forum in 2012. Over time, this initial interest has translated into a stronger and vocal commitment by APEC Leaders to “*ensure access to banking, insurance and financial services, and increase financial literacy and capability of all to access finance.*”⁴

Accordingly, this report contributes to materialising APEC's political will and longstanding support for better financial education, inclusion and consumer protection policies for all, particularly in today's globalised and digital environment. It responds to a specific call made by APEC Finance Ministers at their 23rd Ministerial Meeting in Lima in 2016 for the development of a report on financial literacy in APEC to support “*the design and implementation of financial literacy policies building on the expertise and standards developed by the OECD International Network on Financial Education.*”⁵

The report covers the 21 APEC economies spanning North and South America, and the Asia and the Pacific region.⁶ It focuses particularly on institutional responses to a dedicated survey circulated to OECD/INFE members and relevant public authorities in APEC

³ APEC (30 August 2012), 2012 APEC Finance Ministerial Meeting Statement, Moscow, Russian Federation. https://apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2012_finance.aspx

⁴ APEC (11 November 2017), 2017 Leaders' Declaration at the 25th APEC Economic Leaders' Meeting, Da Nang, Viet Nam. https://www.apec.org/Meeting-Papers/Leaders-Declarations/2017/2017_aelm

⁵ APEC (15 October 2016), 2016 APEC Joint Finance Ministerial Statement, Lima, Peru. https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2016_finance

⁶ The definition of the Asia and the Pacific region here is largely based on that of the United Nations. See here: <http://www.unescap.org/about/member-states>

economies in 2017 received from 17 of those economies,⁷ existing OECD data, and an extensive literature review and desk research.

The report includes information from various OECD/INFE publications, including “Financial Education Policies in Asia and the Pacific”⁸ (Messy and Monticone, 2016), and the G20/OECD INFE report “Ensuring Financial Education and Consumer Protection for All in the Digital Age”⁹ (OECD, 2017a). Other key sources include the results from the G20/OECD INFE Report on Adult Financial Literacy in G20 Countries (OECD, 2017b), the OECD/INFE International Survey of Adult Financial Literacy Competencies (OECD, 2016a), and the OECD/INFE Policy Handbook on National Strategies for Financial Education (OECD, 2015).

The report is structured as follows:

- Section I presents the main background issues, challenges and factors underpinning the development of financial education activities in APEC¹⁰ economies.
- Section II discusses policy responses on financial education, including APEC’s strong political recognition and support for financial literacy and inclusion; major co-ordinated policy efforts such as national strategies for financial education and financial consumer protection frameworks; and other financial education initiatives and efforts, including those seeking to introduce financial education in schools.
- Section III concludes by providing policy suggestions for policy makers, including with regards to the need for further efforts to increase the overall low levels of financial literacy and to ensure more tailored financial education approaches on digital financial services for the entire region.
- In addition to the references, two Annexes provide information about the institutions completing the survey for this report and additional data tables.

⁷ The 17 APEC respondents to the OECD/INFE survey are: Australia; Brunei Darussalam; Canada; Chile; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Singapore; Chinese Taipei; Thailand. See Annex 1 for a list of participating institutions.

⁸ Messy and Monticone (2016) covers 15 out of the total 21 members of the APEC, and all members of the Association of South-East Asian Nations (ASEAN).

⁹ Ten (Australia; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; New Zealand; Peru; Philippines; Thailand) out of the seventeen economies that replied to the dedicated OECD/INFE survey on APEC policies also participated in the INFE stocktaking questionnaire on digital financial services in 2015/2016.

¹⁰ In some instances, the text will simply refer to “APEC” as the collective name for the economies described in this report.

I. Context and rationale

Whilst vastly different in terms of history, culture, demography and level of economic development,¹¹ the economies covered in this report have a common objective through their membership of the Asia-Pacific Economic Cooperation (APEC) forum. The 21 APEC members¹² are united in their “*drive to build a dynamic and harmonious Asia-Pacific community by championing free and open trade and investment, promoting and accelerating regional economic integration, encouraging economic and technical co-operation, enhancing human security, and facilitating a favourable and sustainable business environment.*”¹³

APEC is a major driver of global economic growth, which has, over time, transformed member economies by lifting millions from poverty into the middle class (APEC, 2017). Yet low levels of financial literacy still remain pressing concerns in several APEC economies, and this, combined with increased financial abuse and fraud, and the high complexity of financial services provides the main rationale for financial education across most APEC economies.

This section provides an overview of the current socio-economic context of APEC economies, explores the current state of financial literacy and financial inclusion levels, and then focuses more closely on the main factors motivating the development and promotion of financial education policies in the APEC region.

I.A. Social and economic context

The APEC region is home to approximately 2.9 billion individuals,¹⁴ accounting for almost two fifths of the world’s population in 2017. China has the largest population of any APEC economy by far, with its total population increasing from 1,338 million in 2010 to 1,386 million in 2017 (Table A B.1). Indonesia, Japan, Mexico, the Russian Federation and the United States also represent significant shares of the total APEC population, with over 125 million people each in 2017. APEC also includes several economies with small

¹¹ Most of the data used in this report for the socio-economic analysis below are extracted from APEC’s official key indicators and statistics portal (*StatsAPEC*) available at <http://statistics.apec.org/>.

¹² Australia, Brunei Darussalam, Canada, Chile, People’s Republic of China; Hong Kong, China; Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, The Philippines, Russian Federation, Singapore, Chinese Taipei, Thailand, The United States, and Viet Nam.

¹³ <https://www.apec.org/About-Us/About-APEC/Mission-Statement>

¹⁴ See Table A B.1. Also, the “*APEC in Charts*” publication series, launched by the APEC Policy Support Unit in 2013, provides a graphical overview of the APEC region’s economic, trade, investment and policy-related performance.

populations, from the 429,000 individuals in Brunei Darussalam to the just over 4.8 million in New Zealand and 8.3 million in Papua New Guinea, in 2017.

Data from 2017 shows that the populations of New Zealand and Papua New Guinea grew at the fastest rates, while Japan's population growth rates was negative. Brunei Darussalam (72%) Chinese Taipei (73%); Hong Kong, China (72%); and Korea (73%) had the largest proportion of people aged 15-64, while the shares of individuals aged 65 and above increased in Japan from 23% of the total population in 2010 to 27% in 2017 (Table A B.1).

More specifically, Japan is facing important challenges related to population ageing, as its old-age dependency ratio¹⁵ has increased since 2010 and stood at 45% in 2017, nearly three times higher than the average across APEC economies (Table A B.2). The dependency ratio of older APEC populations was the lowest in Brunei Darussalam, Papua New Guinea, Philippines and Indonesia (less than 8%) in 2017. In other APEC economies such as Korea; Chinese Taipei; Hong Kong, China; and Singapore, the population is also ageing rapidly and the percentage of people aged 65 and above is projected to reach 40% in 2050 (United Nations, 2017), which will put greater strain on social security systems and may leave many in poverty in old-age.

The APEC region had a combined nominal GDP of USD 48 trillion in 2017, thus accounting for almost 60% of the world's GDP.¹⁶ Since the 2008 global financial crisis, the APEC region has grown at a relatively faster pace than the rest of the world. There are important differences in the level of economic development and growth among the APEC economies covered in this report. For example, annual GDP growth rates were the highest in the Philippines (6.68%), Viet Nam (6.81), Indonesia (5.07%) and Malaysia (5.9%) in 2017, particularly when compared to the whole of APEC (3.38%) and the world (3.15%). Yet, when looking at GDP per capita figures for the same year, Indonesia, the Philippines and Viet Nam are all near the bottom of the scale (Table A B.3) with less than USD 4,000, as in Papua New Guinea. The APEC economies with the highest levels of GDP per capita in 2017 were Australia, Canada; Hong Kong, China; New Zealand, Singapore and the United States with over USD 42,000 each, which represents more than two and half times the GDP per capita for the entire APEC region (USD 16,648) in 2017.

In addition, Brunei Darussalam and Chile experienced very low GDP growth (less than 1.5%) in 2017. (Table A B.3). Dramatic fluctuations in growth rates can be seen in many economies, but almost all have slowed down since 2010 (the exceptions being New Zealand and Viet Nam).

Extreme poverty has decreased substantially around the world, but the East Asia and Pacific region has seen the most spectacular decline, from being the highest in 1990 to one of the lowest in 2015 (World Bank Group, 2018). With the exception of Papua New Guinea, where poverty remains relatively high, all APEC economies in this report follow this declining trend with values below the world's poverty headcount ratio estimated at 10.05% of the population living on less than USD 1.90 a day in 2015 (Table A B.4).

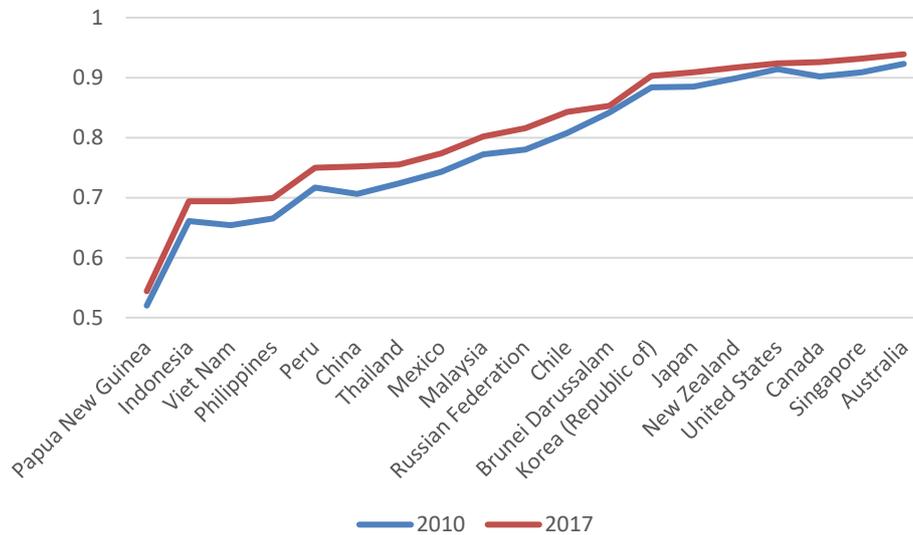
Whilst extreme poverty has decreased, inequality has grown across APEC. In 2015, the richest five percent and the poorest 40 percent each earned around 18% of the total income for the region (APEC, 2019). In contrast, the overall quality of life and well-being is above

¹⁵ This is defined as the share of people older than 64 in relation to the working-age population.

¹⁶ APEC Policy Support Unit (November 2017), APEC in Charts 2017. <https://www.apec.org/Publications/2017/11/APEC-in-Charts-2017>

global averages in the vast majority of APEC economies, and improving (Figure 1), as measured by the Human Development Index which assesses three key dimensions: a long and healthy life, knowledge, and have a decent standard of living.¹⁷

Figure 1. Human Development Index trends in APEC economies



Source: United Nations Development Programme, Human Development Report, various annual editions. Own elaboration. <http://hdr.undp.org/en/content/human-development-index-hdi>

Aside from Indonesia, Papua New Guinea, the Philippines and Viet Nam, the APEC economies covered in this report display high human development values (above 0.7) since 2010, with Australia, Singapore and Canada at the very top of the scale and still improving between 2010 and 2017 (Table A B.5).

Along with strong economic growth and human development, primary school enrolments in all of the participating APEC economies with available data are above the global value (76.60%) except Papua New Guinea, with Australia; Canada; Hong Kong, China; Japan; New Zealand and Thailand all achieving gross enrolment rates above 100 (Table A B.6). Secondary school enrolments are generally lower than those for primary school in all economies with available data, but the difference in some economies between primary and secondary level enrolment are particularly large. Despite this, school life expectancy is relatively high across the APEC economies, and higher than the World value (12.42 years) in every one, ranging from 22.10 years in Australia to 13.47 in Malaysia).

¹⁷ The health dimension is assessed by life expectancy at birth, the education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is measured by gross national income per capita. For more details, see <http://hdr.undp.org/en/content/human-development-index-hdi>.

I.B. Financial literacy and financial inclusion levels

I.B.1. Financial literacy is low, but data collection has improved

Mirroring closely global trends and recent findings in terms of financial literacy, average levels of financial literacy of adults are low in the APEC region (Figure 2). In addition to collecting financial literacy and financial inclusion data through national surveys and studies (see an example in Box 1), nine of the APEC economies covered in this report are also gathering relevant evidence on the financial literacy of their adult populations through major international measurement instruments such as the OECD/INFE Financial Literacy and Financial Inclusion Measurement Toolkit (**Canada; Chile, Hong Kong, China; Indonesia; Korea; Malaysia; Mexico; New Zealand; Peru; Thailand**).¹⁸ **Australia, Japan and Singapore** collect data through national surveys only, whilst **Chile, Peru, the Philippines** and **Chinese Taipei** also mentioned their participation in other global/regional measurement exercises such as those conducted by the CAF/Development Bank of Latin America, the World Bank's Financial Capability and Inclusion Survey, the MasterCard Financial Literacy Index, and the Standard & Poor's Ratings Services Global Financial Literacy Survey. Whilst CAF use the OECD/INFE toolkit, the other measures tend to focus only on financial knowledge.

More limited evidence is available on the financial literacy levels of young people. Only seven APEC economies participated in the 2015 PISA financial literacy assessment (Australia, the four provinces of Beijing, Shanghai, Jiangsu and Guangdong in China, seven provinces in Canada, Chile, Peru, the Russian Federation, and the United States); seven also participated in the 2018 PISA financial literacy exercise (Australia, seven provinces in Canada, Chile, Indonesia, Peru, the Russian Federation, and the United States) (OECD, 2017c).

¹⁸ More specifically, Canada; Hong Kong, China; Korea; Malaysia; New Zealand; and Thailand participated in the OECD/INFE International Survey of Adult Financial Literacy Competencies (OECD, 2016a). Indonesia and Mexico provided data for the G20/OECD INFE report on Adult Financial Literacy in G20 countries (OECD, 2017b). Peru participated as a pilot country of the OECD/INFE Core Questionnaire in 2010, which was then used to design a nationally representative survey whose results were submitted to the OECD Secretariat for analysis (see Atkinson A. and F. Messy, 2012). Chile published national results using the OECD/INFE toolkit in 2016.

Box 1. Capturing financial literacy through a national survey in Indonesia

In 2016, the Indonesia Financial Services Authority (OJK) undertook the second national survey to measure the country's financial literacy and inclusion index. This National Financial Literacy and Inclusion Survey is conducted every 3 years (the first survey was rolled out in 2013). The survey was undertaken by 9,680 respondents in 64 cities and over 34 provinces of Indonesia. The financial literacy index covers questions around financial knowledge, skills, confidence, attitudes and behaviours that can improve the quality of the financial decision-making process.

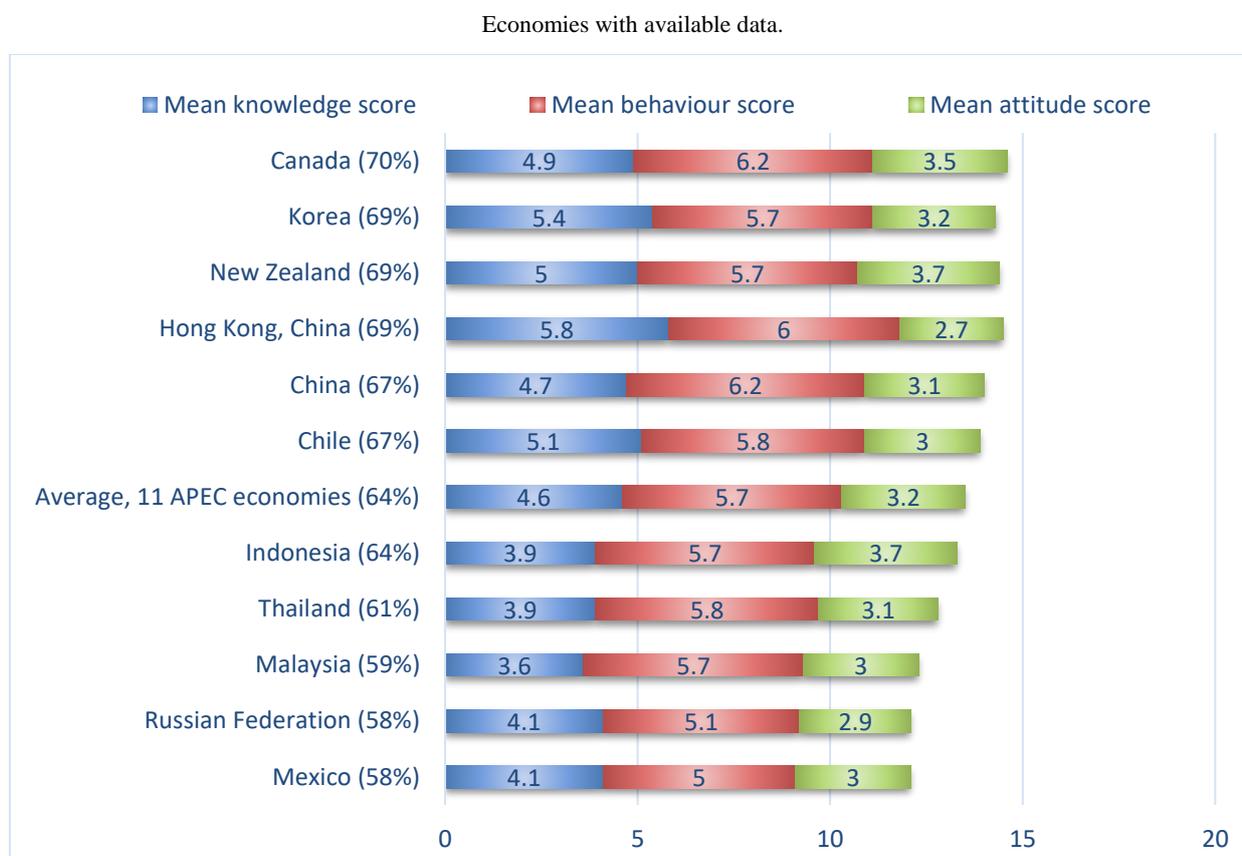
Main survey results indicate that the financial literacy index of Indonesia has climbed to 29.7% in 2016, representing a 7.9% increase from 2013 conditions (the financial literacy index was 21.8%¹⁹ in 2013), and exceeding the 6% target for the three year period. Most Indonesians have knowledge of the banking sector, as represented by the highest financial literacy score regarding this sector (28.9%). They understand or know less about pawnshops (17.8%), insurance (15.8%), multi-finance institutions (13%), pension funds (10.9%) and capital markets (4.4%).

OJK and key financial service providers in the country often use the results of the survey as a reference when preparing programmes to improve financial literacy. They are also conducting the third national survey in 2019, covering approximately 13,000 respondents in all 34 provinces and 67 cities of Indonesia (results due by the end of 2019).

Figure 2 provides some insights into the overall financial literacy levels in APEC economies, based mainly on the OECD/INFE toolkit methodology, and the related results and findings from recent OECD surveys and reports.²⁰ The **average financial literacy score among the APEC economies** participating in this study and with available OECD/INFE data **is relatively low, at just 64%** (representing 13.4 out of a possible 21 points for knowledge, behaviour and attitudes). For general comparison, this is just in between the average score for OECD countries (65%) and the one reported for all the countries (63%) that participated in the 2016 OECD/INFE international survey (OECD, 2016a). It is also higher than the average score for G20 countries (60%) as outlined in the 2017 G20/OECD INFE publication (OECD, 2017b).

¹⁹ Meaning that only 21 out of every 100 Indonesian residents were financially literate in 2013. See OJK Press Release (24 January 2017).

²⁰ Given the specificities of approach, methodologies and resulting findings that are specific to each individual measurement instrument, comparison across different international surveys is not feasible, nor desirable from an empirical point of view. Therefore, this analysis will only showcase evidence from the OECD/INFE International Survey of Adult Financial Literacy Competencies (OECD, 2016a), and the G20/OECD INFE Report on Adult Financial Literacy in G20 Countries (OECD, 2017b).

Figure 2. Financial literacy levels across APEC

Note: Percentage in brackets refers to the average percentage of correct responses across the three aspects.

Source: [G20/OECD INFE Report on Adult Financial Literacy in G20 Countries](#) [OECD/INFE International Survey of Adult Financial Literacy Competencies](#) and [SBIF \(2016\) Encuesta de medición de capacidades financieras en los países andinos: Chile 2016](#).

Financial literacy levels are relatively low in the APEC region for a variety of reasons, in some cases knowledge is an issue, whilst in others behaviours or attitudes are particularly problematic. For example, some APEC economies with regular average levels of financial behaviour, such as Malaysia, have low overall levels of financial literacy due to their financial knowledge scores. Similarly, economies such as Hong Kong, China with good levels of financial knowledge and behaviours, could have possibly achieved even higher overall financial literacy scores had it not been for their weak performance on financial attitudes (the lowest of all mean scores in this dimension).

Top APEC performers in terms of financial knowledge include **Hong Kong, China** (5.8) and **Korea** (5.4) with mean scores beyond or near, respectively, one full percentage point above the average for APEC economies. **Thailand** (3.9), **Indonesia** (3.9) and **Malaysia** (3.6) present the lowest financial knowledge mean values.

Financial behaviour scores show less cross-economy variation, with nearly half of APEC economies displaying the same individual mean value as the average for all APEC economies (5.7). Both **Canada** and **China** achieve high mean financial behaviour scores (6.2), whilst the Russian Federation (5.1) and Mexico (5.0) the lowest.

New Zealand and **Indonesia** score the highest (3.7) in the financial attitudes component.

There is also some significant within-economy variation, with APEC economies such as **Indonesia** displaying top average scores in the financial attitudes dimension and, at the same time, very low financial knowledge values. Likewise, **Thailand** had average levels of financial attitudes, and above the APEC average levels on financial behaviours, but lagged behind in terms of financial knowledge.

APEC economies such as **Mexico, the Russian Federation, Indonesia and Malaysia** may need to target financial knowledge alongside behaviour in order to ensure that their citizens understand basic financial literacy principles and become more effective financial decision makers and money managers, whilst **Hong Kong, China** is among the economies that need to strengthen and encourage more positive financial attitudes towards money and longer term planning.

I.B.2. Financial inclusion, including through digital means, is relatively high but with important disparities

Ten APEC economies (**Australia, Chile, Indonesia, Malaysia, Mexico, Papua New Guinea, Peru, Philippines, Chinese Taipei and Thailand**) reported having national data available on financial inclusion levels (e.g. privately commissioned reports, periodical/institutional data collection efforts, national surveys on financial inclusion), beyond or in addition to international datasets such as the OECD/INFE Survey on Financial Literacy and Financial Inclusion, and the World Bank's Global Findex database.²¹ National financial inclusion surveys (see an example in Box 2) provide very rich information about the availability, accessibility and use of financial products and services in an economy, as well as key insights into existing policy gaps and needs. Unfortunately, the results of such measurement exercises using different tools are very economy specific and not comparable across economies.

²¹ The Global Findex is the world's most comprehensive database on financial inclusion that consistently measures people's use of financial services across countries and over time.
<http://datatopics.worldbank.org/financialinclusion/>

Box 2. National financial inclusion survey in the Philippines

The National Financial Inclusion Survey is a nationally representative survey of Filipino adults. The survey was originally pilot tested in 2014 whilst the actual survey was rolled out in 2015 and again in 2017. This is combined with a range of other indicators to create a financial inclusion dashboard.²²

The latest dashboard shows that:

- 93.5% of cities and municipalities had some form of financial access point in 2018, up slightly from 91.7% the year before. Furthermore the number of access points per 10,000 adults grew by 59.7% in this period.
- The number of registered e-money accounts fell between 2017 and 2018, from 11.4 million to 8.6 million.
- The percentage of adults with savings rose from 43.2% in 2015 to 47.9% in 2017. However the propensity to save at home did not change in this time; with 68.3% of respondents reporting such behaviour.
- Borrowing from banks and informal sources fell between 2015 and 2017, as did credit card holding. On the other hand, the percentage of people using remittances to pay off debt between 2017 and 2018 increased, whilst the proportion investing a portion of remittances fell, suggesting increased focus on getting out of debt.

Those APEC economies responding to the survey for this report that do not collect national data on financial inclusion levels (i.e. Brunei Darussalam; Canada; Hong Kong, China; Japan; Korea; New Zealand; Singapore) are also those which, along with Australia, have high levels of economic development (as shown in section I.A.), and appear at the top of global financial inclusion rankings (Table A B.7). This suggests that financial inclusion is not a problem for the broader population in these economies; however, issues related to financial inclusion may still be a challenge for some segments of the population, as found in Australia.

Financial inclusion is very high in most APEC economies,²³ with over 90% of adults having an account at a formal financial institution in **New Zealand, Canada, Australia, Japan, Singapore; Hong Kong, China; Korea and Chinese Taipei** in 2014 and 2017 (Table A B.7). Formal account holding is also relatively common in Malaysia, Thailand and Chile where well over two in three individuals were financially included in 2014 and 2017. In 2017, financial inclusion has improved notably in Indonesia and Peru, with 48% and 42% of their citizens having an account at a financial institution, respectively. Yet, these figures still remain far from the world average of 67% in 2017, as do the proportions with an account in Mexico, the Philippines, and Viet Nam.

Indonesia, Peru and the Philippines also show stark disparities across income levels, with the share of individuals holding a formal account in the top 60% of income being twice as large as among people in the bottom 40% of income in 2014 (Table A B.7). In 2017, the

²² http://www.bsp.gov.ph/downloads/Publications/2018/FIDashboard_1Q2018.pdf

²³ The World Bank's Findex database has no records for Brunei Darussalam and Papua New Guinea.

gap in account holding between the rich and the poor has closed in Indonesia and the Philippines, but remained the same in Peru.

In addition, in their responses to the survey for this report, economies such as Thailand noted some remaining differences in access to financial opportunities between high and low income households, whilst the Philippines noted that 16% of unbanked Filipinos are deterred from opening an account due to a lack of physical access, despite progress made (see Box 2).

Less than half of adults in **Malaysia, Mexico, Indonesia, Peru and the Philippines** had a debit card in 2014. Yet, it is important to note that it is also in these same economies, along with **Singapore, Chile and Thailand**, where mobile money accounts were mainly owned in 2014 (Table A B.7). This suggests that people in the APEC region had already started using alternative and more innovative channels to access financial products and services, such as mobile money, well before 2014 and in time for this information to be picked up and recorded as part of the second round of the Global Findex.

In 2017, debit card ownership increased significantly in Malaysia (from 41 to 74%) and more moderately in Indonesia and Peru. It remained almost constant in the Philippines, whilst decreased slightly in Mexico (Table A B.7). Furthermore, the third wave of the Global Findex points to a considerable upsurge in the use of digital financial technologies (Demircuc-Kunt et al., 2018) that has not left the APEC region untouched. For example, in 2017, the proportion of people with mobile money accounts has gone up by 15, 8 and 7 percentage points in Chile, Malaysia and Thailand, respectively.

The section below further discusses this link between digital financial services and financial inclusion in the APEC region.

1.B.3. Digital financial services and financial inclusion in the APEC region

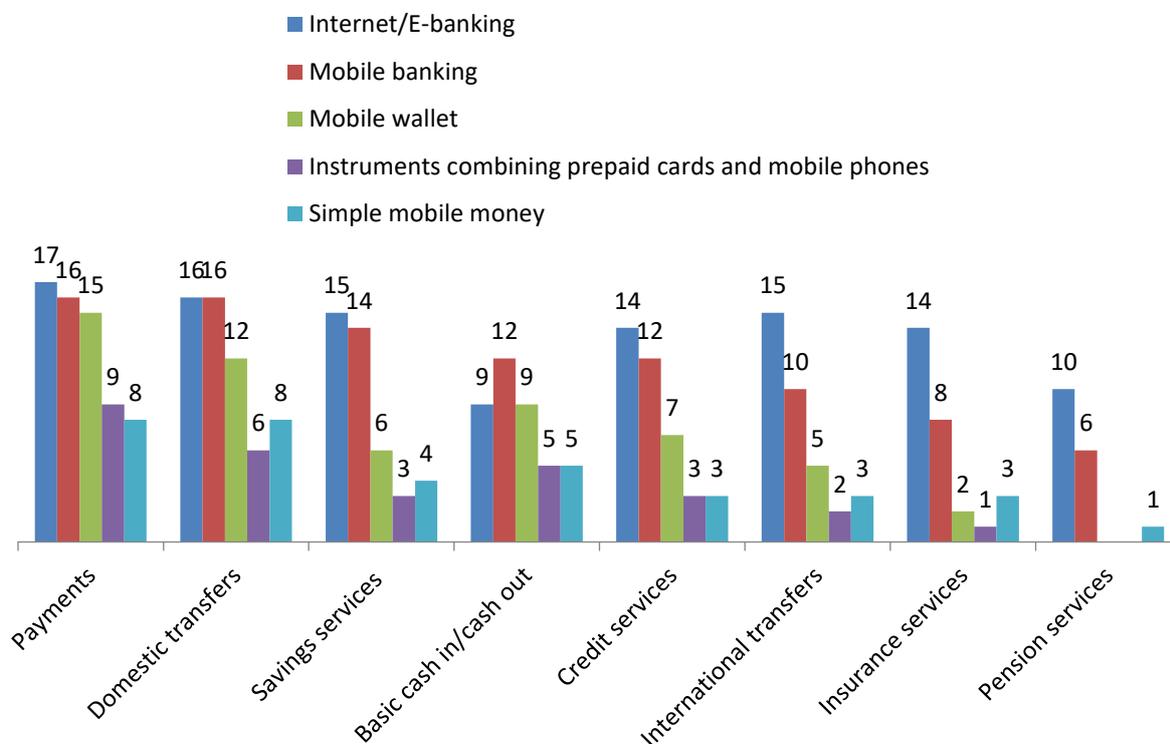
Digital financial services (DFS) have been recognised as powerful tools for broadening and deepening access to new types of financial products around the world, in particular through the endorsement of the G20 High-level Principles for Digital Financial Inclusion (G20, 2016), the G20/OECD Policy Guidance on Financial Consumer Protection Approaches in the Digital Age and the G20/OECD INFE Policy Guidance on Digitalisation and Financial Literacy. These services open up new opportunities for improving overall levels of financial inclusion by providing a first entry point into the formal financial system for the unbanked, poor and financially excluded. They also facilitate actual usage of financial services by those who have already embraced the arrival of the digital age (OECD, 2017a).

Availability of DFS in APEC economies

Digital financial services are widely available in APEC economies for undertaking a variety of financial operations such as basic cash in/cash out, payments, transfers, savings, insurance, pensions, credit and investments. Internet banking and mobile banking are the most heavily used DFS for payments, domestic transfers, and savings services in virtually all APEC economies participating in the survey for this report (Figure 3).

Figure 3. The availability of digital financial services

Number of APEC economies indicating that a financial service is delivered through a given digital channel



Source: OECD/INFE stocktaking survey of APEC economies, 2017/18.

Internet banking and, to a lesser extent, mobile banking are relatively prevalent for more complex operations including pensions, insurance, credit and international transfers. Mobile banking stands out as the DFS of choice for basic cash in/cash out transactions in more than half of APEC economies.

Mobile wallets are used for delivering nearly all services except for pensions. Simple mobile money and instruments combining prepaid cards and mobile phones are used mostly for payments and only in a limited number (less than 9) of APEC surveyed economies.

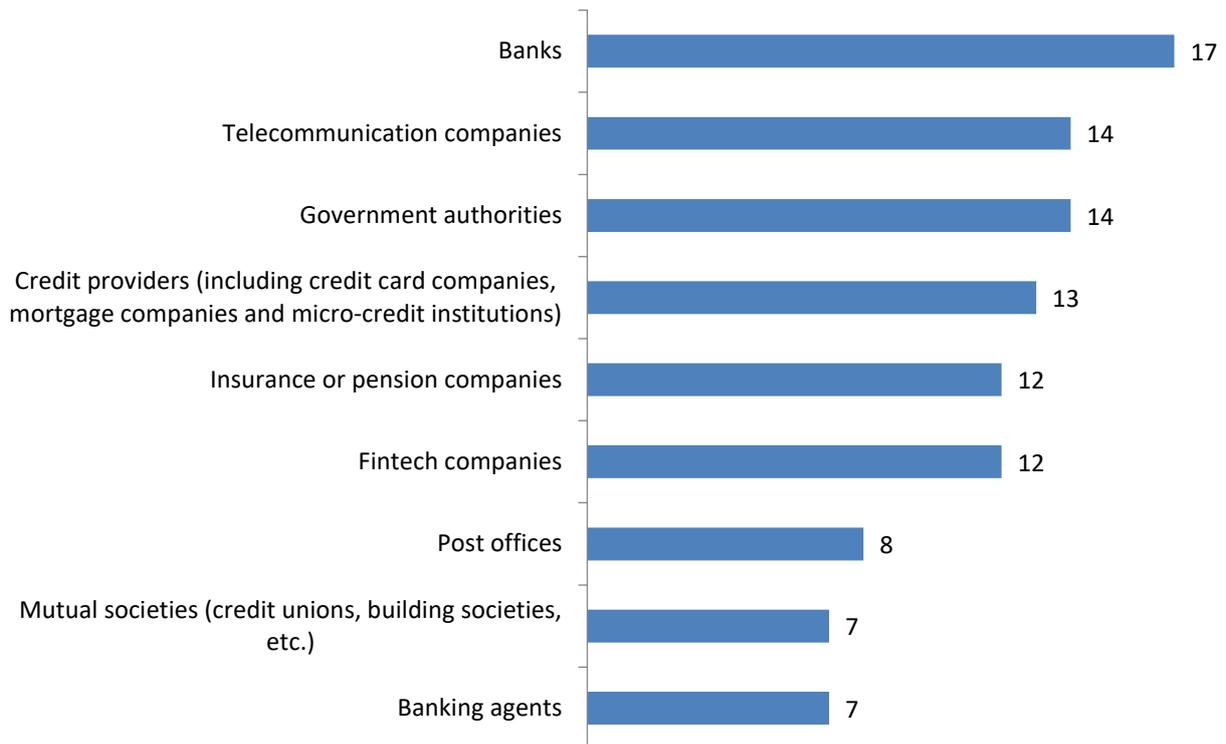
Actors involved in the delivery of DFS

Banks are the biggest players engaged in the provision of DFS in all of the 17 APEC economies responding to the survey, mainly delivering mobile and internet banking services, mobile wallets, e-money, as well as credit and other electronic stored value cards (Figure 4). Telecommunication companies, government authorities and credit providers make up a second group of very active DFS actors in at least 13 APEC economies, mostly acting as infrastructure and network service providers for the delivery of mobile money and internet-based transactions (e.g. in the case of telecoms in Canada, Mexico, Peru, the Philippines and Thailand), as well as providing key mobile and internet credit solutions and digital platforms for account, mortgage and loan approval and management (e.g. credit providers in Canada; Hong Kong, China; New Zealand; and Thailand). In the majority of APEC economies, government entities play a critical role in setting up the necessary legal

and institutional frameworks for DFS development, ensuring market regulation and supervision of DFS actors, and providing secure digital channels for social and welfare transfers, revenue collection and utility bill payments.

Figure 4. Actors delivering digital financial services

Number of APEC economies indicating that a given actor is involved



Source: OECD/INFE stocktaking survey of APEC economies, 2017/18.

Several APEC economies (12) also noted the active engagement of insurance, pension and FinTech companies in DFS delivery, with the latter also providing personalised tools for financial portfolio management services in addition to more innovative platforms and applications for e-payments, crowdfunding and peer-to-peer lending. Post offices, mutual societies and banking agents are also delivering DFS but only in a minority of the participating APEC economies.

The extensive availability of digital financial services and the diversity of actors involved in DFS provision in the APEC region suggest that most of these economies possess sufficient levels of infrastructural capacity and an overall high degree of financial sector development to allow for DFS growth.²⁴ This also explains the moderate to high levels of

²⁴ It is also important to move from “access” to digital financial services to an increased focus on the “sustained usage” of DFS. This is not covered in the present report, but relevant information on how to improve the use of DFS through financial education and consumer protection can be found in the G20/OECD INFE Report on Ensuring Financial Education and Consumer Protection for all in the Digital Age (OECD, 2017a).

overall financial inclusion in the APEC area, as discussed in section I.B.2. Nevertheless, APEC survey participants reported a number of remaining supply and demand side challenges in relation to digital financial services²⁵ as illustrated in Table 1 below.

Table 1. Barriers to digital financial services cited by most respondents

Challenges	Aspect	Number	APEC economy
Regulatory, monitoring, supervisory issues	General policy and financial inclusion	10	Australia; Brunei Darussalam; Canada; Chile; Hong Kong, China; Indonesia; Mexico; Philippines; Singapore; Thailand
Data protection/confidentiality	Financial consumer protection	10	Australia; Brunei Darussalam; Canada; Chile; Hong Kong, China; Indonesia; Mexico; Philippines; Singapore; Thailand
Trust in DFS	Financial awareness and financial education	10	Brunei Darussalam; Chile; Hong Kong, China; Indonesia; Malaysia; Mexico; Papua New Guinea; Peru; Philippines; Thailand
Disclosure requirements	Financial consumer protection	9	Australia; Brunei Darussalam; Canada; Chile; Hong Kong, China; Indonesia; Philippines; Singapore; Thailand
(General) financial literacy	Financial awareness and financial education	9	Brunei Darussalam; Chile; Hong Kong, China; Indonesia; Mexico; Papua New Guinea; Peru; Philippines; Thailand
Digital literacy	Financial awareness and financial education	9	Brunei Darussalam, Canada, Chile, Indonesia, Mexico, Papua New Guinea, Peru, Philippines, Thailand
Knowledge of DFS	Financial awareness and financial education	8	Brunei Darussalam, Chile, Indonesia, Malaysia, Mexico, Papua New Guinea, Philippines, Thailand
Access across the population	General policy and financial inclusion	8	Brunei Darussalam, Canada, Chile, Indonesia, Mexico, Papua New Guinea, Philippines, Thailand
Training of the agent/bank personnel	General policy and financial inclusion	8	Brunei Darussalam, Chile, Indonesia, Malaysia, Mexico, Papua New Guinea, Peru, Thailand
Product complexity	General policy and financial inclusion	7	Brunei Darussalam; Chile; Hong Kong, China; Indonesia; Mexico; Papua New Guinea; Thailand
Fraud/mis-selling	Financial consumer protection	7	Brunei Darussalam, Canada, Chile, Indonesia, Philippines, Singapore, Thailand
Awareness of DFS	Financial awareness and financial education	7	Brunei Darussalam, Indonesia, Malaysia, Mexico, Peru, Philippines, Thailand
Competition/market conduct	General policy and financial inclusion	7	Brunei Darussalam, Canada, Chile, Indonesia, Papua New Guinea, Peru, Philippines
(Access to) complaint handling mechanisms	Financial consumer protection	6	Brunei Darussalam, Canada, Indonesia, Papua New Guinea, Philippines, Thailand

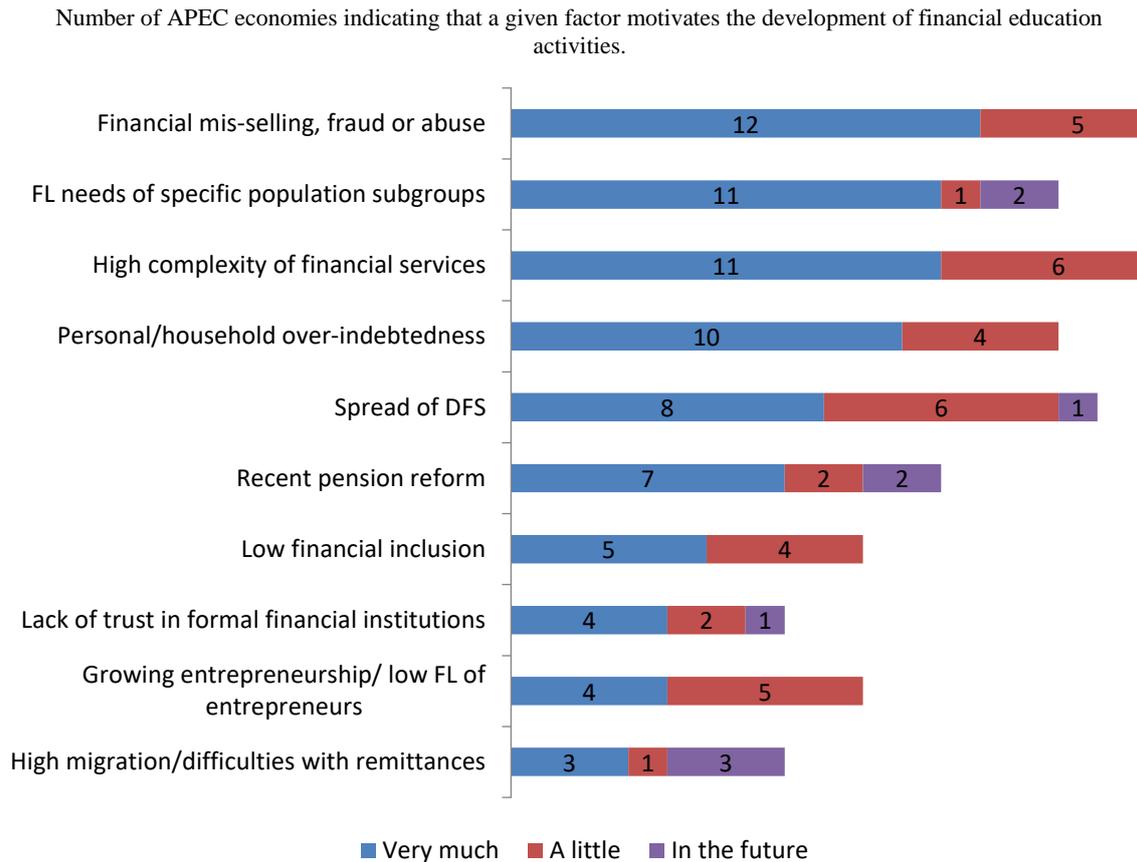
In the majority of APEC economies, regulatory, monitoring, supervisory issues; data protection/confidentiality; and, trust in DFS were the most important challenges in relation to DFS across the three key dimensions (general policy and financial inclusion, financial consumer protection, and financial awareness and financial education) considered in this study, respectively. Barriers related to knowledge of DFS, general financial literacy, and digital literacy (all three within the financial awareness and financial education aspect) were mentioned by nearly more than half of APEC respondents, along with disclosure requirements, issues of access across the population, and training of the agent/bank personnel. In particular, financial education was highlighted as a key solution to addressing the gap in technological literacy and lower access to digital products for women.

²⁵ For a more in-depth discussion of these key DFS issues and challenges, please refer to the G20/OECD INFE Report on Ensuring Financial Education and Consumer Protection for All in the Digital Age.

I.C. Motivation for financial education in the APEC region

Financial mis-selling/fraud/abuse and the high complexity of financial services constitute the most important and unequivocal drivers for the development of financial education policies and activities in the vast majority of APEC economies participating in the OECD/INFE survey (“*very much*”; Figure 5).

Figure 5. Rationale for financial education



Source: OECD/INFE stocktaking survey of APEC economies, 2017/2018.

Whilst noting that complaints about financial mis-selling have remained minimal since the enhanced regulatory regime put in place following the Lehman Brothers' incident, advanced economies such as **Hong Kong, China** has recognised the need to equip consumers with financial knowledge and skills to prevent them from falling victims to mis-selling or fraud as an important objective. A number of APEC economies also reported that financial knowledge and skills are even more important in an environment where financial products are increasingly complex (see focus box below) and delivered through new distribution channels, including digital platforms.²⁶

²⁶ See section I.B.3 on the availability and spread of digital financial services in APEC economies.

FOCUS: High complexity of financial products in Chile

The Bank of the State (BancoEstado)'s clients often note a high degree of complexity in banking communications and products. BancoEstado therefore launched a programme called “Easier and in Chilean” that seeks to explain the functioning of financial products and services in easier/simpler terminology. In particular, pension products are fairly complex and national survey results show that most individuals do not have any knowledge of the pension system’s basic features.

Furthermore, given that financial abuse and the increasing complexity of financial products have clear financial consumer protection implications, 14 of the APEC survey respondents also noted their efforts to capture information about relevant financial consumer protection issues in their economies, often providing key examples of how these relate to a greater need for financial education (Box 3).

**Box 3. Linking financial consumer protection issues
and the need for financial education**

Financial consumer protection issue 1: Disclosure

“Credit card consumers were **not provided with full knowledge of the fees, terms, and conditions** of credit card services in a clear and non-misleading way” (Chinese Taipei).

“In 2012, the Financial Consumer Agency of Canada conducted a review of disclosure practices among federally regulated financial institutions and found that the majority of these institutions did not adequately incorporate the Commissioner’s Guidance on Clear Language. **It is also up to the consumer to read and understand any contracts or communication between them and financial institutions. Financial education and guidance on how to read these documents may help consumers be more aware of their rights and responsibilities** in relation to financial products and services” (Canada).

Financial consumer protection issue 2: Financial mis-selling, fraud or abuse

“A recent review of domestic bank retail sales practices found that, while there was no evidence of widespread **mis-selling**, the retail banking culture encourages employees to sell products and services, and rewards them for sales success which can increase the risk of mis-selling and breaching of market conduct obligations. **Financial education materials that raise consumer awareness about financial products and services, as well as inform consumers of their rights and responsibilities and the importance of asking the rights questions can help consumers make informed financial decisions**” (Canada).

“Online banking **fraud** cases in Malaysia remained negligible in 2016. Yet, phishing remained the most prevalent modus operandi accounting for 86.1% of total online banking fraud cases. **Concerted efforts are being made to enhance financial education initiatives to raise public awareness on the safety steps (Dos and Don’ts) to mitigate payment fraud**” (Malaysia).

“A 2015 survey found that 32% of respondents had experienced financial **fraud**. This is especially prevalent among seniors who tend to be more vulnerable to

fraud and financial abuse. **Financial education is found to have positive impacts on knowledge, skills, and confidence** when delivered on a "just in time" basis. Financial education that can build a consumer's knowledge of financial products and services, as well as increase their confidence enough to ask questions and remain sceptical can help alleviate fraud and financial abuse" (Canada).

"A few pyramid scheme cases arose in the course of 2016. A study of non-traditional financial service providers was undertaken by the Chilean National Consumer Service to gather information on consumers' information needs. **Findings highlighted the need for additional information and education** for consumers of this type of services" (Chile).

Financial consumer protection issue 3: Consumer complaints and redress

"Investigation of complaint cases has shown that **consumers often do not spend time understanding the financial products**, or studying the product brochures, terms and conditions when purchasing investment/insurance products. **More financial education is required to equip them with the essential financial knowledge** and the **attitudes** towards the effective use of financial services" (Hong Kong, China).

"The **high number of complaints** received by the Indonesian Financial Services Authority proves that **financial education for consumer needs to be conducted on a massive scale** as a preventive action"(Indonesia).

"By enabling consumers to make better use of **financial services, financial education can also help reduce the number of complaints**" (Mexico).

"Major reasons for not trying to solve a dispute include perceived **lengthy time of proceedings**, the view that **financial providers are simply too powerful**, as well as **lack of trust** in the efficiency of the respective government authorities" (Philippines).

Financial consumer protection issues 4: Arrears/ bankruptcy handling

"The Student Finance Office, a government agency overseeing the administration of student financial assistance schemes, is concerned about student loan repayment issues among some tertiary education graduates and recognises the **importance of equipping youth with the skills to better manage their personal finance**" (Hong Kong, China).

"Some **credit card holders needed more financial literacy about how to use credit card properly**, as they were treating their cards as financing tools rather than payment tools. As a result, some of them were unable to repay their credit card debt and the delinquency ratio of credit card rose to a record high of 3.38% in April 2006. The government then took a series of financial measures including **financial education** for senior high school and university students and the general public, which **helped bring the delinquency ratio down** to 0.3% over the past few years" (Chinese Taipei).

The financial literacy needs of specific population subgroups and issues of personal or household over-indebtedness came third and fourth, respectively, as (*very much*) prominent factors behind the motivation for financial education (Figure 5). Whilst the spread of digital financial services was also highlighted as key by eight APEC economies, less than half of survey respondents emphasised pension reform (7), financial inclusion (5), lack of trust in formal financial institutions (4), growing entrepreneurship/low financial literacy of new entrepreneurs (4), and migration/remittance issues (3) as (*very much*) relevant elements spearheading their work and focus on financial education (Figure 5).

The section below discusses some of these key drivers for the development of financial education in further detail, based on the information provided by APEC respondents for which such issues were reported as important.

I.C.1. Financial literacy needs of specific population segments

Eleven APEC economies noted that the financial literacy needs of specific population segments were an important motivation for developing financial education activities. These economies provided specific details regarding the particular groups they are working with in their jurisdictions (Table 2).

Table 2. Specific population groups in need of targeted financial literacy in APEC economies

Economy	Subgroups
Australia	ASIC's Corporate Plan identifies the importance of targeted financial literacy resources aimed at specific segments including women, seniors, indigenous Australians, vulnerable consumers and investors, among others.
Canada	Indigenous people, youth, seniors, and working Canadians.
Chile	Students and the elderly.
Hong Kong, China	Youth, retirees, parents, etc. It is recognised that different population subgroups have their own set of specific needs and require tailored education efforts.
Indonesia	Youth/students, college students, disabled, MSMEs entrepreneur, women, migrant workers, disadvantaged, isolated and outermost regions, farmers, fishermen.
Mexico	Youth, migrants and women.
New Zealand	Maori and Pacific Island populations.
Singapore	Vulnerable segments such as low income groups; social workers who reach out to the vulnerable segments; and, students in Institutes of higher learning (post-secondary).
Peru	Children, youth, adults, elder adults, rural populations, women and micro-entrepreneurs.
Philippines	Men, young adults, and school age children.

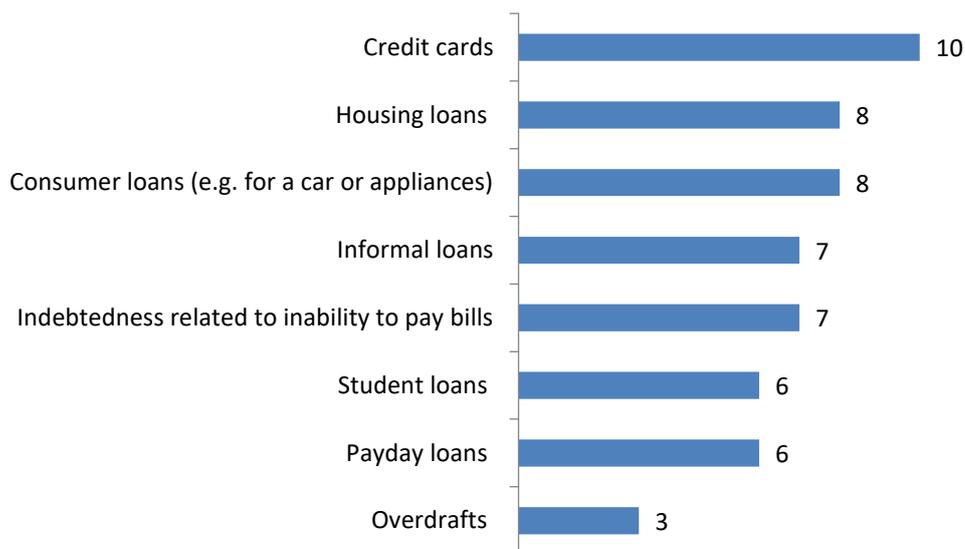
The dynamics concerning the financial literacy needs of specific groups are particular to each economy and setting. For example, in the **Philippines**, the segments of the population that appear to struggle the most to understand basic financial concepts include adults who did not save as children, non-household heads, and men. Unlike most other economies where women display lower financial knowledge than men, the gender gap identified in the Philippines is in favour of women. Notably, female respondents are four percentage points more likely than men to understand the primary purpose of insurance products as a risk management tool (IBRD, 2015).

I.C.2. Personal or household over-indebtedness

Whilst ten APEC economies noted that personal or household over-indebtedness provides the main rationale for undertaking overall financial education work, twelve institutions in total provided relevant details about the types of over-indebtedness issues currently existing in their jurisdictions (Figure 6).

Figure 6. Types of over-indebtedness in the APEC zone

Number of APEC economies indicating that a specific kind of over-indebtedness is important



Source: OECD/INFE stocktaking survey of APEC economies, 2017/18.

Over-indebtedness resulting from the use of credit cards, housing loans, and consumer loans are important issues in the majority of APEC economies that responded to this section of the questionnaire. For example, APEC economies reported various worrying statistics: 44% of **Peruvians** have credit card debt, 30% of the **Chilean** population is indebted through housing loans while, in the **Philippines**, more than 15% of citizens are indebted through all-purpose consumer loans. **Hong Kong, China** noted that 10% of its population made only partial/minimum repayments on their credit card in the past 12 months.

Informal loans, indebtedness related to inability to pay bills, and student loans are also key drivers of debt in a number of economies such as **Papua New Guinea** where the inability to pay bills is significant for both formal wage earners and those working in the informal sector, and 50% of the population is indebted through informal loans. **New Zealand** noted that student loans are a problem with high default rates. Such loans are sometimes been taken to fund studies for qualifications that will not necessarily enhance the labour market prospects of the borrower, making repayment difficult. New Zealand does not have available data on informal loans, but commented that certain cultural practices can lead indigenous community members to acquire informal loans for events such as weddings and funerals.

Over-indebtedness is the top financial vulnerability in **Canada's** financial system. Mortgages and home equity lines of credit (HELOCs) constitute more than 80% of

outstanding household debt in Canada. The number of Canadian households that have a HELOC and a mortgage secured against their home has increased by nearly 40% from 2011 to 2016. In 2015, 40% of consumers did not make regular payments toward their HELOC principal, and 25% of consumers paid only the interest or made the minimum payment.

Nine APEC economies pointed out that consumers often do not understand the terms of the loans they acquire, in particular when it comes to consumer loans and credit cards. For example, in **Chile**, (as elsewhere), it has been observed that individuals only consider monthly payments and not the total amount or the interest rates of the loan. Other concerns relating to over-indebtedness include aggressive lending practices, income instability/uncertainty, and high loan complexity which were mentioned by seven, five and three APEC economies, respectively. Some APEC economies also noted that issues related to personal or household over-indebtedness constitute a motivation for financial education (Box 4).

Box 4. Over-indebtedness issues as drivers of financial education

“The sharp rise in household debt has been a cause for concern in Hong Kong, China in recent years, and it is believed to threaten the financial well-being of Hongkongers and even pose a potential risk to the wider economy. **More financial education work focusing on responsible borrowing and good debt management is therefore needed and called for” (Hong Kong, China).**

“In a situation where household debt is rising rapidly, it is necessary to promote better household debt management through financial education because, otherwise, the increase in loan/interest rate burden is likely to lower individuals’ credit ratings” **(Korea).**

“Household debt in Thailand has increased over time during the past few years. An internal study from Puey Ungphakorn Institute for Economic Research (PIER) shows that **Thai people (especially Generation Y) become debtors at a young age.** Since Generation Y will become the main labour force of and play an important role in the national economy tomorrow, the Bank of Thailand has articulated a preventive strategic direction to reshape the financial behaviour of this generation. This will include implementing **measures to equip Generation Y with the necessary financial skills to enable them to make proper financial decisions** such as financial planning, debt management, and saving for short-term and long-term goals” **(Thailand).**

I.C.3. Pension Reform

In Canada; Hong Kong, China; and Thailand concerns over pension reforms or complexity have created a motivation for financial education, or support existing approaches (Table 3). In Canada it is recognised that financial education needs to start from a young age in order that people understand the importance of saving for retirement early enough in their lives, whilst in Hong Kong, China, the emphasis is on working adults to help them to understand the new Mandatory Provident Fund.

Table 3. Recent pension reforms as drivers for financial education in the APEC zone

Economy	Changes to pension schemes	Motivation for financial education
Canada	<p>Defined benefit plans are being replaced with defined contribution plans, thus putting the onus on the employees to ensure that they have enough money for retirement. It is more important than ever to understand how much one needs to save in order to retire comfortably.</p> <p>The Canadian Pension Plan (CPP) was expanded. This includes an increased payout from 25% of pre-retirement earnings to 33%. By 2025, the maximum amount of income covered by CPP will increase to \$79,400 from its current \$54,900. Worker and employer contributions will increase to 5.95% by 2025 from 4.95%. The increased benefit is aimed at today's young workers who are less likely to have a pension. Full benefits are set to be paid to those entering retirement in 2065.</p>	<p>Workers are being asked to shoulder more of the burden of their own retirement with the shift from defined benefit to defined contribution plans. This, along with the increasing complexity of financial products and services (as noted in Canada's National Research Plan for Financial Literacy), makes financial education of the utmost importance. Workers must know from a younger age how much they will need to save for retirement, understand the products and services that are available to them, and build the knowledge, skills, and confidence to make informed financial decisions.</p>
Hong Kong, China	<p>The government has launched the Default Investment Strategy (DIS) for Mandatory Provident Fund which came into effect on 1 April 2017. Under the new law, MPF scheme has to offer a DIS, which is an investment solution consisting of two mixed assets funds: the Core Accumulation Fund and the Age 65 Plus Fund.</p> <p>Each DIS has three features: globally diversified investment, automatic reduction of investment risk as scheme members approach retirement age, and fee caps. If scheme members do not provide their trustees with investment instructions, all new MPF benefits will be invested according to the DIS, in general. It is expected that the fee caps of DIS, set at a level lower than the market average, will help drive down management fees of existing schemes, and therefore benefit all scheme members.</p>	<p>The launch of DIS creates a need to educate working adults about features of the DIS, and the importance of the active management of their MPF accounts.</p>
Thailand	<p>In November 2015, Thailand amended the Provident Act to encourage provident fund members (employees in the private sector) to save more, save continuously, and save wisely. Some of the changes in pension rules and benefits include:</p> <ul style="list-style-type: none"> - The amended law now permits that employee contribution rates may exceed their employer contribution rates (which was not the case in the past), further motivating employees to save more; - Members can transfer (conditions apply) their balances from the provident funds to Retirement Mutual Funds (RMF) to maintain continuity of their investments, their eligibility for tax privileges, as well as their savings for retirement; and, - In case a fund member does not select any fund's investment choice available, the provident fund committee may pick one that is deemed appropriate for such a member's risk profile, thus reducing the likelihood of a member's money being defaulted in low risk fixed income choices only. 	<p>The revisions to the Act do not significantly impact our current provident fund education, as Thailand always emphasises the importance of "saving more, saving continuously, and saving wisely".</p>

I.C.4. Migration/remittances

Six of the APEC economies responding to the survey provided information on the difficulties faced by consumers in accessing and using remittance products and services, and how these constitute a motivation for financial education.

Chile and **Papua New Guinea** mentioned issues of **domestic migration** (e.g. workers working in another province and remitting money to relatives at home) with the latter, however, emphasising that remittances are not a highly demanded product/business in the country today, particularly with the advent of digital finance technologies which has led to a significant downturn in the Postal Services' traditional remittance operation known as Salim Kwik Moni (SKM).

Brunei Darussalam expressed concern regarding the adequacy of market coverage for remittances, with most establishments being concentrated in business districts only. It also noted that **immigration** flows remain significant, as the dependence on a foreign workforce (mainly labour) is still quite prevalent. In this context, they recognise the need to instil awareness and further educate the public on the following aspects:

- the existence of licensed remittance operators to ensure that consumers only engage in remittance transactions through formal channels (including licensed banks);
- the fees imposed by licensed remittance operators, which vary according to factors such as destination, amount of transaction, etc.; and
- the requirement for consumers to provide legal identification documents for KYC/CDD²⁷ purposes.

Mexico and the **Philippines** both described issues related to **remittances**. **Mexico** recognises a key opportunity to make a more productive use of remittance flows in order to improve the economic dynamics of rural communities that are highly dependent on such income. Financial education is necessary in these communities to increase formal savings and credit, thus leading to improved community financial well-being. The motivation of the Philippines to tackle remittance-related issues through financial education is described below (Box 5).

²⁷ Know Your Customer (KYC) and Customer Due Diligence (CDD) are financial regulatory rules.

Box 5. Financial literacy and training for Filipinos going abroad

Overseas Filipinos (OFs) are a specific segment of the population that is targeted by the financial education programmes of the Bangko Sentral ng Pilipinas, particularly in light of their large number (5.4 million Overseas Filipino workers estimated as of end 2013), the value of their cash remittances (USD 28.06 million as of end 2017), and the increasing number of complaints about remittance payouts received by the bank's Financial Consumer Protection Department.

Under the broader framework of the Economic and Financial Learning Program – the Central Bank's flagship initiative for financial education – the *Financial Learning Campaigns for Overseas Filipinos and their Beneficiaries* are regularly conducted. Undertaken in partnership with the Overseas Workers Welfare Administration, these campaigns aim to educate participants on the importance of using remittances to build up savings, and directing these into investments in financial products and/or business ventures.

In a similar vein, departing Overseas Filipinos also undergo financial literacy training as part of their pre-departure Orientation. In addition, the Commission on Filipinos Overseas also manages a Facebook account (and other related apps) called *Peso Sense* as part of their financial literacy campaign.

Malaysia referred to a remittance education programme that seeks to address the lack of public awareness (particularly by foreign workers) on the availability of formal remittance channels, and the risks involved in using unauthorised remittance services. Malaysia also mentioned some security issues and the high costs incurred by remittance service providers when conducting their operations in remote, rural and plantation areas, thus leading to lower supply and accessibility to remittance services in such places.

I.C.5. Other challenges and drivers for the development of financial education

In Indonesia, Mexico, Peru and the Philippines lack of trust in the formal financial system still remain quite prevalent. For example, in Peru, the 2016 national survey on the demand for financial services and the level of financial culture revealed that 37% of Peruvians reported to save money through mechanisms beyond the formal financial channels, mainly due to their lack of confidence in the overall system.

FOCUS: Lack of trust in the Philippines

A lack of trust in financial institutions is a significant obstacle to greater financial inclusion in the Philippines. 17% of unbanked adults report that they do not have an account due to lack of trust (IBRD, 2015). A lack of trust is positively associated with income: 14% of adults without an account in the lowest income quartile report this reason, as compared to 21% of unbanked adults in the highest income quartile. Unbanked adults with a tertiary education are also more likely than lesser-educated Filipinos to report trust as a barrier.

Malaysia noted some other challenges as key drivers for the development of financial education, including:

- the low level of financial knowledge, behaviours and attitudes among Malaysians;
- the lack of means and interest from lower income earners to enhance their financial literacy and to increase their participation in the financial system;
- the overall low level of interest in financial planning and risk management; and
- short-sighted tendencies and an inclination to focus on instant gratification among many consumers.

II. Policy responses

This section highlights APEC's political recognition and support for financial literacy and inclusion, and describes in detail the current the state of play on national strategies for financial education in each participating APEC economy. It also takes stock of general financial education programmes and initiatives in the APEC region, and then focuses more closely on the efforts made to introduce financial education in schools.

II.A. APEC's recognition and support for financial education policies

Gathered in the Russian Federation in 2012, APEC Finance ministers acknowledged the importance of financial literacy as a critical life skill in the 21st century and the role of financial education as an essential complement to consumer protection and financial inclusion in any economy's efforts to support economic growth.²⁸ They supported the development and implementation of **economy-wide strategies for financial education** based on the methodologies and tools developed by the OECD.²⁹ Ministers adopted a Policy Statement on Financial Literacy and Education³⁰ encouraging APEC economies to develop appropriate programmes to enhance the financial knowledge and skills of future generations through **financial education in schools**, to use the OECD/INFE Guidelines for Financial Education in Schools, and to consider participating in the financial literacy measurement within the OECD Programme for International Students Assessment (PISA).

Furthermore, in their 2013 joint statement, APEC finance ministers recognised the importance of financial inclusion to achieve equality and enhance growth potential in the region, and committed to promote awareness and enhance access, eligibility and capacity of poor households and SMEs to interact with financial institutions, together with efforts to develop financial literacy and strengthen consumer protection.³¹ Alongside this, and confirming the relevance of financial education not only for financial policies but also in the education field, the APEC Human Resources Development Working Group launched a project on Education on Financial and Economic Literacy that led to the publication of an APEC Guidebook on Financial and Economic Literacy in Basic Education (APEC, 2014).

APEC economies have also recognised the need for financial education for small and medium size enterprises (SMEs), and provided relevant recommendations for the development of programmes on financial literacy for SMEs, particularly through the work of the APEC Working Group on Small and Medium Enterprises (APEC, 2014). In 2015,

²⁸ https://apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2012_finance.aspx

²⁹ https://apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2012_finance.aspx

³⁰ https://apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2012_finance/annex

³¹ https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2013_finance.aspx

this working group developed and conducted a financial literacy survey (APEC, 2015) with the following key findings:

- APEC members have a relatively accurate picture of financial literacy in their economies;
- there is a need for tailored financial education programmes; and
- the prohibitive cost of creating and implementing financial education programmes is one of the main barriers to improving financial literacy.

Accordingly, the group encouraged APEC economies to ensure that SMEs are included in financial literacy programmes and to continue monitoring current levels of financial literacy.

At their meeting in the Philippines in September 2015, APEC finance ministers stressed the expansion of financial inclusion and literacy as crucial to poverty alleviation and greater economic opportunities within APEC, whilst reiterating their commitment to further enhance financial inclusion in building inclusive economies.³² They also agreed to share and exchange experiences on policy innovations and reforms in financial inclusion and literacy, including through the Asia-Pacific Forum on Financial Inclusion. Moreover, the ministers developed and submitted the Cebu Action Plan³³ to the Leaders, a non-binding roadmap seeking to deepen financial markets that offer diversified financial instruments; advance financial inclusion for all households and businesses, including those by women; and enhance financial resilience to market volatility, among other key objectives. In particular, one of the Cebu Action Plan initiatives aims to expand financial inclusion and literacy through to key deliverables:

- promote financial inclusion and literacy through the Asia-Pacific Financial Inclusion Forum, and
- adopt domestic strategies that promote financial inclusion and literacy.

In 2016, APEC finance ministers reasserted their commitment to deepening efforts to expand financial inclusion and financial literacy, whilst encouraging APEC economies to develop and enhance domestic strategies for financial inclusion.³⁴ Ministers also highlighted the importance of focusing their work on the design and implementation of financial literacy policies building on the expertise and standards developed by the OECD/INFE, as well as called for the development of a report on financial literacy in APEC. In a similar vein, at their meeting in Viet Nam in 2017, the finance ministers acknowledged the significance of financial inclusion and welcomed the OECD/INFE progress report on financial literacy and financial consumer protection in APEC economies.³⁵

Furthermore, through the November 2017 Da Nang Declaration, APEC Leaders expressed their resolve to advance economic, financial and social inclusion; endorsed the APEC Action Agenda on Advancing Economic, Financial and Social Inclusion; and committed to

³² https://apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2015_finance

³³ https://apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2015_finance/annexa

³⁴ https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2016_finance

³⁵ https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Finance/2017_finance

ensure access to banking, insurance and financial services, and increase financial literacy and capability of all to access finance.³⁶ More particularly and in the realm of financial inclusion, the APEC Action Agenda aims to “strengthen the capacity of financial institutions to encourage and expand access to banking, insurance and financial services, and increase financial literacy and capability of all to access finance”³⁷ through, inter alia, the following priority areas of work:

- Developing and implementing APEC member economies’ financial inclusion strategies, including capacity building, financial education and digital tools to improve financial literacy and human resource development in the financial sector; developing safe and well-regulated digital finance (especially, digital banking and Fintech); providing support to help financially vulnerable citizens gain access to formal financial services.
- Promoting international cooperation, including harmonization of standards and policies; building a financial inclusion and literacy database; sharing knowledge and enhancing capacity building.³⁸

II.B. Strategic approaches to financial education

All but one APEC economies are planning, developing, implementing or revising a national or economy-wide strategy for financial education.³⁹ Only Viet Nam has yet to start designing a strategy. Table 4 summarises the number of APEC economies at each stage of development of their national strategies, along with the years (in parentheses) when the first or revised strategy was originally launched. It also shows that the vast majority of APEC economies at the most advanced phase of strategy development (revision and further implementation) have elaborated standalone and dedicated national frameworks for financial education, with only **Papua New Guinea** choosing to mainstream financial education into the country’s wider efforts on financial inclusion.

³⁶ https://www.apec.org/Meeting-Papers/Leaders-Declarations/2017/2017_aelm

³⁷ https://www.apec.org/Meeting-Papers/Leaders-Declarations/2017/2017_aelm/Annex-A

³⁸ https://www.apec.org/Meeting-Papers/Leaders-Declarations/2017/2017_aelm/Annex-A

³⁹ As defined in the OECD/INFE High-level Principles on national strategies for financial education (OECD/INFE, 2012). See also Grifoni and Messy (2012) and Russia’s G20 Presidency and OECD (2013) for more details on national strategies for financial education.

Table 4. National/economy-wide strategies for financial education in APEC

Status of the strategy (NS) for financial education	Number	Economy	Standalone NS for financial education	Financial education is part of a wider framework
A first NS has been revised and another one is being implemented	8	Australia (2011, 2014, 2018), Hong Kong, China (2015, 2019), Indonesia (2013, 2017), Japan (2005, 2007, 2014/2015), Malaysia (2003, 2010), New Zealand (2008, 2015), Singapore (2003, 2014), Chinese Taipei (2006-2008), United States (2011, 2016)	Australia, Hong Kong, China, Indonesia, Japan, Malaysia, New Zealand, Russian Federation, Singapore, Chinese Taipei, United States	Papua New Guinea (financial inclusion)
A (first) NS is being implemented	6	Canada (2015); Chile (2019), Hong Kong, China (2015); Korea (2013), Mexico (2017), Papua New Guinea (2013), Peru (2017), Russian Federation (2017)		
A NS is in the design phase	4	China, Philippines, Thailand		
A NS is being planned	1	Brunei Darussalam		

Several APEC members such as **Singapore, Malaysia, Japan, Chinese Taipei and New Zealand** have undertaken co-ordinated financial education activities since the early 2000s, with an important second wave of economies following suit, and launching their financial education strategies more recently in this decade (**Australia, Indonesia, Papua New Guinea, Canada; Hong Kong, China; Korea, Mexico, Peru, the Russian Federation**). It is also important to highlight the swift progress made by economies such as **Indonesia and Hong Kong, China** which have already revised their first approach and implemented a second strategy despite starting relatively recently and Australia, which is on its third strategy.

Historically, several East and Southeast Asian economies began a tradition of saving promotion policies and campaigns after World War II (Messy and Monticone, 2016). Starting from the 1950s, **Japan** gave the example through institutions like children's banks and postal savings. Economies such as **China, Korea, Singapore and Malaysia** subsequently implemented similar saving promotion policies. To some extent, these policies and institutions constitute the predecessors of current financial education frameworks and strategies.

II.B.1. Different stages of strategy development

The following section provides specific details about the origins, evolution and recent status of the national or economy-wide strategies for financial education in each APEC economy (see also Table 4).

In **Australia**, financial education is guided by the National Financial Capability Strategy, a collaborative multi-agency strategy co-ordinated by the Australian Securities and Investments Commission (ASIC). ASIC has had responsibility for co-ordinating financial literacy since 2008, and released the first National Financial Literacy Strategy in March 2011. In 2013, ASIC led a review of the national strategy to take stock of progress,

identifying key issues and priorities, and developing a framework for future action. Following the review and consultation, ASIC launched a second national strategy for the period 2014-2017. The strategic priorities of the second strategy included educating the next generation particularly through the formal education system; increasing the use of free, impartial information, tools and resources; and providing quality targeted guidance and support.

Australia again reviewed and revised its strategy in 2018. The consultation process for the third strategy included dialogue with stakeholders and the release of a consultation paper⁴⁰ (see section II.B.2. on policy priorities and target groups for more details). The third strategy recognises that behaviour change takes time and will not be achieved by a single intervention. It also commits to doing more to understand the context within which people make decisions.

A National Financial Literacy Council (NFLC) was established in **Brunei Darussalam** in 2017 in order to co-ordinate and implement the national strategy for financial education. The objective of the NFLC is ‘to ensure Bruneians are able to achieve the highest financial well-being, given their resources and burdens, through the access to well-suited financial products, independent information and advice’.

In **Canada**, the Financial Consumer Agency of Canada (FCAC) is responsible for the overall co-ordination of the *National Strategy for Financial Literacy – Count me in, Canada*, which was launched in June 2015.⁴¹ Throughout 2014, the Financial Literacy Leader met with stakeholders and held consultations across the country to ensure the development of a national strategy that meets the needs of all Canadians. The national strategy sets out goals and priorities to help Canadians manage their finances and make appropriate decisions as their circumstances change. It also calls on relevant organisations to join efforts to help Canadians take action and make financial literacy a life-long journey.

Canada is unique in terms of organisational structure, with the Financial Literacy Leader being a legislated individual who is housed within the FCAC (the regulator mandated to provide financial consumer protection and consumer education).⁴² The role of the Leader is to collaborate and co-ordinate financial literacy initiatives with all sectors – public, private and non-profit. The Leader works with a Steering Committee made up of influential leaders in the private, government and non-profit sectors. Members are named for a two-year term and their key role is to develop and implement the national strategy for financial education.

In **Chile**, the Financial Inclusion Advisory Council, led by the Ministry of Finance, is responsible for the overall co-ordination and design of the national strategy for financial education. Working alongside with private and public institutions such as the Ministry of Education, the Central Bank, and financial regulators and supervisors, the Council and its members have a specific mandate and mission to initiate, develop and monitor the first Chilean National Strategy for Financial Education. In 2016-2017, the Financial Inclusion

⁴⁰ Available at <http://www.financialliteracy.gov.au/media/560753/cp295-national-financial-literacy-strategy-consultation-2017.pdf>

⁴¹ <https://www.canada.ca/en/financial-consumer-agency/programs/financial-literacy/financial-literacy-strategy.html>

⁴² OECD/INFE (2015), National Strategies for Financial Education: OECD/INFE Policy Handbook.

Advisory Council prioritised the elaboration of the Chilean National Strategy for Financial Education, with a first version being released recently (see section II.B.2. for more details).⁴³

With the onset of the global financial crisis, **China** started to consider designing a national strategy for financial education. The national strategy is mainly being developed by the People's Bank of China, with the support of the China Banking Regulatory Commission, the China Securities Regulatory Commission and the China Insurance Regulatory Commission. Given that all the financial regulators are already carrying out financial education initiatives, the national strategy will also allow better coordination and a more efficient use of resources.

The initial steps of the national strategy development included the collection of data and an assessment of main needs in the population through a national financial literacy survey and the participation of Shanghai in the 2012 PISA financial literacy assessment (and of four provinces in 2015), as well as the collection of evidence about typical complaints in the financial sector. Based on these needs' assessments, the strategy aims at providing tailor-made financial education for different groups, especially disadvantaged groups, and at expanding access to financial services.

In **Hong Kong, China** a change in the legislation in 2012 broadened the statutory investor education objective of the Securities and Futures Commission to cover all kinds of financial products and services. This reform allowed the Commission to delegate its statutory education function to a wholly-owned subsidiary, the Investor Education Centre, which was launched in November 2012 and which is currently responsible for financial education in Hong Kong, China. In 2015, the (then) Investor Education Centre launched the "Hong Kong Strategy for Financial Literacy". Preparatory steps included, among others, a mapping and review of existing financial education initiatives and stakeholders; an assessment of population needs to identify target groups and priorities and to provide a baseline from which to measure changes; a stakeholders' consultation as well as the creation of structures for governance, coordination and implementation.

In line with its mandate to "better equip the general public with skills and knowledge to make informed financial decisions and manage their money wisely through the provision of comprehensive, credible and impartial financial information, tools and education resources", the Investor Education Centre set up a specific governance structure to ensure the success of the strategy which ran from 2015 to 2018. In 2019, the Centre changed its name to Investor and Financial Education Council (IFEC), and launched a new strategy with the vision 'To empower the people of Hong Kong to make informed and responsible financial decisions for themselves and their families, that will ultimately help improve their overall personal well-being' (see also Box 6).

⁴³ <http://progresomicrofinanzas.org/en/chilean-national-strategy-for-financial-education/>

Box 6. Governance structure of the strategy in Hong Kong, China

The Investor and Financial Education Council (IFEC) is the owner of the Hong Kong Financial Literacy Strategy and leads the implementation of the Strategy by working with all the different stakeholders; deliver the core actions; set and monitor success measures which reflect the goal for the collective effort in advancing financial education across different sectors, including improved access to financial education and the resulting shift in financial literacy in the population; and review the Strategy regularly to ensure its continued relevance and publish new/updated versions of the Strategy when applicable.

A Financial Education Coordination Committee is made up of organisations that are actively engaged in financial education. Members come from different sectors, including the government and related organisations, regulators, financial institutions, industry associations and professional bodies as well as NGOs. They agree to support the Financial Literacy Strategy in the following ways: align their organisations' financial education directions with the Strategy and assist in the delivery of core actions of the Strategy where possible; share best practices in financial education; help identify financial literacy issues; and provide feedback to the IFEC on the Strategy.

Source: Website of the Hong Kong Strategy for Financial Literacy, www.hksfl.hk/en/about-hksfl/governance.html.

In **Indonesia**, both Bank Indonesia (BI) and OJK are responsible for financial education. The first National Strategy on Financial Literacy was launched by the President in November 2013 and was co-ordinated by the OJK, which has a mandate by law to conduct financial education as part of its financial consumer protection tasks. The strategy development involved various financial literacy surveys to gauge the level of financial literacy, awareness and use of financial products among households and micro and small entrepreneurs (MSMEs).

The Financial Services Authority revised the first strategy based on the results of the National Financial Literacy and Inclusion Survey which was conducted in 2016, and published the second strategy in 2017 (see Box 7).

Box 7. A revised national strategy in Indonesia

In July 2017, the Financial Services Authority (OJK) launched the Revised National Strategy on Indonesian Financial Literacy, which amended the earlier strategy from November 2013. At the launch, members of the OJK Board of Commissioners for Consumer Education and Protection explained that it was necessary to revise the strategy due to a number of factors, including:

- the results from the evaluation conducted between 2013 and 2016 which showed that financial education activities needed to be increased further;
- different information technology (IT) developments which influence the growth of financial literacy and inclusion;
- the speed at which financial products and services become more and more sophisticated and require the public to have adequate financial literacy; and
- the outcomes of the 2016 National Survey on Indonesian Financial Literacy and Inclusion.

The Revised National Strategy covers some **topics** not present in the previous version, such as information related to Sharia financial literacy and inclusion, digital financial services, and financial management. There are also some differences between the 2013 document and its revised version in terms of vision, goals and target groups (see section II.B.2. for further details).

Source: OJK Press Release (14 July, 2017).

In **Japan**, both the Financial Services Agency (JFSA) and the Central Council for Financial Services Information (CCFSI), whose Secretariat is located at the Bank of Japan, are responsible for financial education. In 2005, the JFSA issued the report, “Agenda for Finance and Economics Education”, which outlined various initiatives for immediate execution and constituted the first national strategy for financial education in Japan. In November 2012, the JFSA established the Study Group on Financial Education involving experts, relevant ministries/governmental offices and other organisations. In April 2013, the Study Group published the Report on Financial Education (2013), which revises the 2005 Agenda and aims at setting the future course of action for financial education targeting the whole population, including students, working adults and seniors.

In 2007, the Central Council developed contents of financial education to be learned by each age group in schools within the “Financial Education Program”. This document constituted a second financial literacy strategy addressing more specifically primary and secondary school students, their teachers and their parents. Moreover, in 2012 the Central Council published the results of the “Financial Literacy Survey” conducted to measure the nation’s financial literacy (using part of the OECD/INFE financial knowledge questions). The 2007 document was revised in 2014/2015 with the release of the Financial Literacy Map, a financial literacy core competencies table for all age groups, from elementary school pupils to the senior citizens.

Korea launched the Financial Education Activation Plan in September 2013. The strategy was prepared through data collection, mapping exercises and consultations. Various

financial literacy surveys were conducted among school students in 2009 and 2011 and among households, starting in 2011 (following the OECD/INFE questionnaire). The paper “Long-term research for strengthening financial consumer literacy” drafted by the Korea Development Institute and endorsed by the Financial Services Commission (FSC) constituted a first mapping of financial education initiatives in the country and highlighted areas where financial education could be fostered, especially for young people. The FSC also established a Financial Education Group consisting of public organisations, financial industry associations, and other private and not-for-profit organisations.

The objective of the Financial Education Activation Plan in Korea is to improve the infrastructure for the provision of financial education (training teachers, developing incentives for adoption of financial literacy in the curricula, etc.), to enhance customised education programmes, to improve the level of the programmes and instructors, and to establish a follow-up management and evaluation system. Financial education activities are co-ordinated by the Financial Education Council (FEC), a body led by the Financial Services Commission that co-ordinates basic policy directions, examines how financial education is provided by each institution and continues to upgrade the Financial Education Activation Plan.

In **Malaysia**, the Central Bank (Bank Negara Malaysia, BNM) initiated the Consumer Education Programme (CEP) in 2003 as part of the Financial Sector Master Plan 2000-2010. In 2010, the Economic Transformation Plan 2010-2020 (ETP) recognised the importance of having financially competent consumers who could make informed and conscious financial choices, and identified BNM to lead the creation of a co-ordinated national financial literacy programme based on public-private partnerships. Moreover, the new Financial Sector Blueprint (2011-2020) placed great emphasis on financial literacy as a key element of financial inclusion, and recommended the promotion of financial education for adults and young people. The Blueprint set out a number of recommendations aimed to empower consumers with knowledge, skills and tools to make informed financial decisions to build, manage and protect their personal wealth. Financial education initiatives have three main goals, including supporting the overall developmental agenda, addressing specific needs and current consumer vulnerabilities (including high household indebtedness, young adults getting into financial difficulties and to support teachers in delivering financial education to school children), and supporting life-long learning based on life stages.

In November 2016, Malaysia established a Financial Education Network (FEN)⁴⁴ for a more holistic and co-ordinated governing arrangement to accelerate the overall financial literacy of the population. The FEN serves as an inter-agency platform to increase the impact of financial education initiatives and identify new opportunities for improving financial literacy among the Malaysian public through greater alignment, closer collaboration, and a strong focus on impact assessments. The FEN is currently formulating a 5-year National Strategy for Financial Literacy for Malaysia (2018-2022).

Mandated by law, in **Mexico**, the Committee on Financial Education (CEF) is the co-ordinating body of all efforts, actions and programmes on financial education undertaken by all Committee members in order to achieve the National Strategy for Financial

⁴⁴ The network’s initial core members include the Central Bank of Malaysia, the Securities Commission, the Ministry of Education, the Ministry of Higher Education, the Employees’ Provident Fund, the Malaysia Deposit Insurance Corporation, the Credit Counselling and Debt Management Agency, and the Permodalan Nasional Berhad (an investment institution).

Education, while avoiding any duplicity of efforts and maximising all available resources. The Committee is chaired by the Deputy Minister of Finance and Public Credit, and made up of senior officials within different public entities involved with the finance and education sectors in the country. The Committee's responsibilities include:

- to define the priorities and formulate the guidelines of the public policy for financial education;
- to design and issue the National Strategy for Financial Education;
- to establish financial education measurements and indicators to assess financial capabilities among the population;
- to plan the activities of the National Financial Education Week; and
- to co-ordinate efforts with the National Council for Financial Inclusion.

In line with its mandate, the Committee approved and launched Mexico's National Strategy for Financial Education in September 2017 (see section II.B.2. for information on main policy objectives and target groups). As part of the strategy's implementation activities, the Supervisory, Development and Research Group⁴⁵ designed and approved an implementation Work Plan for the next five years⁴⁶. The Work Plan outlines short, medium and long-term objectives, while establishing the setup of three working groups that will be focused on the completion of certain objectives and elements of the Strategy, including:

- the introduction of financial education contents in primary, secondary and high school curricula;
- the creation of a unique website gathering all programs on financial education already made available by public financial entities; and
- the development of transparency tools to promote and facilitate comparison of financial products and services among consumers.

New Zealand was one of the first OECD member countries to adopt a National Strategy for Financial Literacy in June 2008. The Commission for Financial Capability (previously Commission for Retirement Income and Financial Literacy) provides leadership and co-ordination of the National Strategy, and reports progress in implementing the strategy twice a year to the Minister of Finance. The strategy was reviewed and a new version was released in June 2015 under the name of National Strategy for Financial Capability.

The status of financial education was further strengthened in July 2015, when the New Zealand Government released a statement "Building financial capability in New Zealand" identifying financial capability as a priority for the Government. The current strategy runs for 10 years, until 2025, and is organised around five work streams: to get people to 1) talk and 2) learn about money, to 3) plan for the future, to 4) be debt-smart and to 5) save and invest.

Since the launch of the first National Financial Inclusion and Financial Literacy Strategy in 2013, **Papua New Guinea** reports experiencing unprecedented progress in financial inclusion, with the proportion of adults with an account at a formal financial institution

⁴⁵ This group was established by the Committee on Financial Education in order to supervise the implementation of the strategy and lead the evaluation and assessment efforts.

⁴⁶ This also corresponds to the strategy's general implementation timeframe.

nearly doubling to reach 37% in 2016 (CEFI, 2016). However, about two thirds of the population continues to lack access to any form of formal financial service today. It is within this context that the Second National Financial Inclusion Strategy 2016-2020 was developed in order to provide a co-ordinated and effective framework for all financial inclusion activities in the country. The Centre for Excellence in Financial Inclusion (CEFI) is in charge of co-ordinating and monitoring the national strategy and all financial inclusion activities in Papua New Guinea, whilst several financial institutions such as banks, finance corporations, microbanks, savings and loan societies, superannuation funds, and insurance companies are ensuring its implementation. In terms of institutional setup, CEFI is an independent entity, founded in 2013 by the Bank of Papua New Guinea (BPNG) through its work with the Microfinance Expansion Project. CEFI established its Governing Board, with the Governor of BPNG being the ex-officio Chairman. While the founding members of CEFI are the BPNG and the Department of National Planning and Monitoring, the Board also includes representatives from government departments, industry associations, training organisations and financial service institutions (CEFI, 2016).

In **Peru**, the *National Plan for Financial Education* was launched in June 2017. Designed as a public policy tool to articulate the different financial education initiatives envisaged under the wider framework of the national strategy for financial inclusion, the Plan sets out 14 guiding principles and a work plan with a series of general and specific actions for the period 2017-2021 in order to ensure the effective implementation of financial education in the country.

The National Plan for Financial Education (PLANEF) is the concrete outcome of line of action 61 of the National Strategy for Financial Inclusion (ENIF), and is co-ordinated and implemented jointly by the Superintendence of Banking, Insurance and Private Pension Funds (SBS) and the Ministry of Education (MINEDU) through the Thematic Technical Group on Financial Education.

In the **Philippines**, the Economic and Financial Learning Program (EFLP) is the flagship program of the Central Bank (Bangko Sentral ng Pilipinas, BSP) for financial education. Along with the development of a Financial Education Master Plan (FEP) in 2008, the BSP has been conducting workshops, seminars and expos about personal finance across the country as part of the Economic and Financial Learning Program. Since 2000, the programme has also included financial education activities to support overseas Filipino workers and their families. In its response to the OECD/INFE survey for APEC economies, the Philippines noted that “the BSP is initiating the drafting of a national strategy for financial education (2018-2028), in line with its objective of promoting financial inclusion and financial stability.

In the **Russian Federation**, the National Financial Literacy Strategy is developed as part of the National Financial Education and Financial Literacy Project launched by the Russian Government with support from the World Bank in July 2011. In September 2017, the Government of the Russian Federation approved the strategy for improving financial literacy in the country for 2017-2023 (National Strategy), which is coordinated by the Ministry of Finance of the Russian Federation and the Bank of Russia. (OECD, 2016b).

MoneySENSE is the national financial education programme in **Singapore**, launched in 2003. MoneySENSE is spearheaded by the Financial Education Steering Committee (FESC), which is chaired by the Monetary Authority of Singapore (MAS) and comprises representatives from several public sector agencies and government ministries. The MAS also serves as the secretariat to the FESC. The FESC is responsible for developing national strategies and approaches for financial education programmes, evaluating their

effectiveness, and allocating public funding for these efforts. The committee also co-ordinates financial education initiatives run by member agencies for the population segments under their purview. In 2014, the FESC developed a new MoneySENSE roadmap to guide financial education efforts for the upcoming years (2014-2019).

Chinese Taipei has had a strategic approach to financial education since 2006, through the Financial Literacy Program. Whilst the Financial Supervisory Commission co-ordinates the overall strategy, the Academy of Banking and Finance, the Securities and Futures Institute and the Insurance Institute, among other institutions, are responsible for its effective implementation. With a specific mandate, these entities are dedicated to provide financial education and related programmes to professionals and amateurs. In 2006, the Financial Supervisory Commission launched the first phase of the 3-year Financial Literacy Program (2006-2008). Today, the program is at its 4th phase running from 2015 to 2017. Since the outset of the Financial Literacy Program, the associated costs have been borne by all participating agencies.

As part of the promotion plan for the Financial Literacy Program, the participating institutions regularly conduct different financial education activities, including the creation of online platforms (e.g. the Money Wise website by the Financial Supervisory Commission)⁴⁷; outreaching to media outlets such as radio and TV programmes; the development of basic financial knowledge teaching material, courses or seminars for industry personnel, and general public newsletters and comic books; money management lectures and summer camps for school teachers; and, community and school financial literacy campaigns and contests.⁴⁸

Various institutions conduct financial education activities in **Thailand**, including the Ministry of Finance, the Bank of Thailand and the Securities and Exchange Commission. These authorities also participate in the Committee on Financial Education, chaired by the Ministry of Finance. The Committee is designing a national strategy for financial literacy, drawing on evidence collected through financial literacy surveys carried out by the Ministry of Finance and the Bank of Thailand.

II.B.2. Policy priorities, target groups and links with other policy efforts

The overall goal of the national strategies reviewed in the previous section is to co-ordinate economy-wide efforts to strengthen financial literacy, develop financial skills, and promote responsible financial behaviour. Some APEC economies also have more specific policy objectives related to financial behaviours and attitudes, such as improving money and debt management, and fostering long-term saving and proper attitudes towards financial services. At the same time, due to the high levels of financial exclusion, difficult access to and lack of familiarity with formal financial products, certain APEC economies consider financial education as part of broader endeavours and have explicitly linked financial education to financial inclusion and financial consumer protection policies.

This section identifies the main policy objectives and target groups of APEC national strategies for financial education, as well as provides some examples of the links with other government efforts at the institutional and policy levels, where relevant.

⁴⁷ <https://moneywise.fsc.gov.tw/Main/Default.aspx>

⁴⁸ <https://www.fsc.gov.tw/en/home.jsp?id=85&parentpath=0.2>

Australia has released its first National Strategy for Financial Literacy in 2011, with a timeframe set for three years. In 2014, the second National Strategy for Financial Literacy was released and implemented under the leadership of ASIC. The strategic priorities of the second National Financial Literacy Strategy (2014-2017) included educating the next generation, particularly through the formal education system; increasing the use of free, impartial information, tools and resources; and providing quality targeted guidance and support. In addition, two of five strategic priorities focused on improving the strategy implementation process itself, through strengthening co-ordination and effective partnerships; and improving research, measurement and evaluation. At the 2016 roundtable discussions in preparation of the third 2018 National Strategy, there was widespread agreement that the strategic priorities outlined in the 2014 document remained relevant and in alignment with national and international developments.⁴⁹ Throughout 2017, ASIC led a consultation process, to refine and update the National Strategy for 2018. In particular, ASIC sought views from all interested stakeholders in relation to a few key strategic areas such as priority audiences, broadening of stakeholders' reach and engagement, ways to improve research measurement and evaluation as well as updating the language of the National Strategy from 'financial literacy' to 'financial capability'. (<https://consultation.asic.gov.au/financial-capability/national-strategy-consultation-2017/>)

The results of the extensive consultations are captured in the most recent iteration of the National Strategy (2018) which is built on the foundation of Australia's prior financial literacy strategies. The National Financial Capability Strategy 2018 identifies: 1) three behavioural areas in which Australians can be empowered to take control of their financial lives (managing money day to day; making informed money decisions; planning for the future); 2) three modalities to reach and empower Australians, through education, information and support; and 3) four target groups for focused action. The National Financial Capability Strategy aims to support better financial outcomes for all Australians, however it identifies priority audiences and groups for advanced support (see box 8).

⁴⁹ <http://www.financialliteracy.gov.au/media/560753/cp295-national-financial-literacy-strategy-consultation-2017.pdf>

Box 8. Target groups of the 2018 Australian National Financial Capability Strategy

The 2014-2017 Australian National Strategy identified a number of priority audiences for particular attention: Indigenous Australians, people from culturally and linguistically diverse backgrounds, pre-retirees and seniors, and women. The 2018 National Strategy incorporated these target audiences, and, through feedback and consultation identified additional groups that have now been pin-pointed as priority audiences in the 2018 National Strategy.

Discussions with key stakeholders have highlighted a number of issues which led to identification of target audiences for the 2018 National Strategy, as well as for specific behaviors that need to be enhanced for each of these target groups:

- **Women**, who engage with their finances;
- **Young people**, to make informed decisions;
- **Older Australians** receive the support they need; and
- **Indigenous Australians** that can access appropriate financial products and services

Source: ASIC (September 2019), National Financial Capability Strategy 2018, <https://financialcapability.gov.au/strategy/#home>

The National Strategy for Financial Literacy of **Canada** seeks to mobilise and engage public, private, and non-profit sectors to strengthen the financial literacy of Canadians and empower them to achieve the following goals: manage money and debt wisely; plan and save for the future; and, prevent and protect against fraud and financial abuse. The strategy has the general population (all Canadians) as its main target audience, but also includes specific initiatives to reach targeted subgroups such as seniors, individuals in the workplace and Indigenous peoples.

In economies such as **Chile** where financial inclusion is the main objective assigned to the national strategy for financial education,⁵⁰ a dedicated committee/body (i.e. Financial Inclusion Advisory Council) in charge of the financial education strategy is often created within a broader structure focused on financial inclusion. The long-term vision of the first National Strategy for Financial Education aims to see a Chilean population that understands and manages financial concepts and products, and that is capable of making appropriate financial decisions to improve their wellbeing.⁵¹ Among other policy priorities, the strategy also seeks to contribute to strengthening people's financial skills to help them better plan for the future, as well as to increasing their overall understanding of how the economic and financial system works. The strategy sets out a total of 76 specific financial literacy measures or interventions with a given timeline (2017-2019), 37 of which target the general population. Students and women are also identified as specific target groups of the strategy, with 36 and 13 assigned measures or actions, respectively.

The rationale for developing a national strategy for financial education in **China** stems from the recognition of rapid development of the financial services industry, with more complex financial products and various financial risks being shifted to consumers.

⁵⁰ OECD/INFE (2015), National strategies for financial education: OECD/INFE Policy Handbook.

⁵¹ <http://www.inclusionfinanciera.cl/educacion-financiera>

Consequently, financial education has become an important complement to market regulation. In recent years, all the financial regulators established their respective financial consumer protection bodies (Financial Consumer Protection Bureau by the People's Bank of China; Banking Consumer Protection Bureau; Investor Protection Bureau; and Insurance Consumer Protection Bureau). All these entities also carry out financial education according to their respective scopes of intervention.

In **Hong Kong, China**, the vision of the Strategy for Financial Literacy is to empower the population to make informed and responsible financial decisions for themselves and their families. The strategy seeks to co-ordinate efforts among stakeholders to achieve the common goal of instilling the knowledge, skills, attitudes, motivations and behaviours required for financial literacy, as set out in the Financial Competency Framework.⁵² Some of the strategy's main policy actions include: raising awareness of the benefits of financial education, encouraging life-long learning on financial matters starting from an early life stage, and extending the impact and reach of financial education initiatives.⁵³ The strategy is targeted at the general population of Hong Kong, China.

The vision and main goal of **Indonesia's** revised national strategy is a highly financial literate population who can therefore take advantage of suitable financial products and services to achieve sustainable financial well-being. A prosperous society is one that is able to have good financial management, has the financial capacity to make investments, and is financially resilient (OJK Press Release, 14 July, 2017). For comparison, the 2013 vision sought to see a highly financial literate population who is competent to, or confident in choosing and utilising financial products and services to raise their welfare. Regarding target audiences, the revised national strategy is broader by adding youth, the disabled, disadvantaged, isolated and outermost regions, Indonesian migrant workers, farmers and fishermen, whilst also replacing the term 'housewives' with women.⁵⁴

In Indonesia, financial education is linked to financial inclusion and financial consumer protection. In this regard, both Bank Indonesia and OJK are responsible for financial education and financial consumer protection in their respective areas of intervention. OJK conducts financial education as part of its financial consumer protection mandate. In order to protect consumers, OJK is authorised to take necessary actions to prevent the general public from unnecessary losses, which includes providing information and education on the characteristics of financial services sector, services and products. Similarly, Bank Indonesia conducts financial education as part of its payment system regulation mandate (stated in Bank Indonesia's Act 1999 which was amended in 2009). Consumer protection is conducted through education, consultation and facilitation. Moreover, Bank Indonesia recently issued regulation on consumer protection for payment system services, requiring banks to report periodically their consumer complaints and strengthening consumer redress mechanisms.

In **Japan**, the Financial Services Agency is responsible for both financial consumer protection and financial education (sharing the latter responsibility with the Central Council

⁵² "The Hong Kong Financial Competency Framework" identifies a comprehensive set of financial competencies that a person at different life stages should ideally possess.
<http://www.thechinfamily.hk/web/iec/en/fcf/index.html>

⁵³ <http://www.hksfl.hk/en/about-hksfl/strategic-focuses-and-actions.html>

⁵⁴ Target audiences in the 2013 version included housewives, MSMEs, pupils/students, employees, professionals and retirees.

for Financial Services Information). The financial literacy strategy targets all Japanese residents.

In **Korea**, financial consumer protection and financial education are linked at the institutional level: the Financial Services Commission has a financial consumer protection mandate and leads the Financial Education Council (FEC) that is the body co-ordinating the national strategy for financial education. At the policy level, the national strategy for financial education focuses on empowering consumers and expanding financial inclusion. A focal point of the Financial Education Activation Plan is to enhance financial knowledge and skills to avoid investment failures or a downgrade of consumers' credit rating caused by excessive loans. More emphasis has been placed on financial inclusion through government-supported microfinance products for those who lack information and/or use loan-sharks.

In **Malaysia**, the financial education strategy is aligned with consumer protection and financial inclusion objectives, as it aims at promoting responsible money and debt management, and at mitigating risks of consumers falling prey to fraudulent investment schemes. Improving financial inclusion is one of the primary mandates of Bank Negara Malaysia, with financial literacy and awareness being important pillars to develop an inclusive financial sector. Moreover, financial education also supports the national financial developmental agenda, by promoting greater awareness, educating businesses and the public towards accelerating migration to electronic payments, and promoting higher insurance and takaful⁵⁵ penetration. The National Strategy for Financial Literacy for Malaysia (2018-2022) will aim to strengthen the framework for financial consumer protection and financial literacy at the national level to better align and co-ordinate initiatives for consumer protection and financial literacy among key stakeholders in a more holistic manner. It will target all Malaysian through a life events approach.

The starting point for the development of the strategy in **Mexico** was the realisation that despite the great advances in financial access, the use of formal financial services was still hindered by insufficient levels of financial education and awareness among important sectors of the population. This financial inclusion-financial education synergy is also reflected in the institutional structures set up to implement, respectively, the national strategies for financial education (the CEF) and the one on financial inclusion (the National Council for Financial Inclusion), which are expected to co-ordinate closely on financial education matters. The current national strategy sees financial education as a public policy tool to guide the country's efforts in fostering the financial wellbeing of the population. It aims to achieve its vision of a population that:

- has access to the financial system and uses optimally financial products and services to foster their development and improve their well-being;
- comprehends basic economic and financial concepts and the benefits of being part of the formal financial sector, thus generating trust in its usage among the population;
- understands the underlying risks of the formal financial services and products, where and how to get information and financial consumer protection;

⁵⁵ Takaful insurance products are based on the principle of co-operation.

- is conscious of the importance of financial planning that enables them to save and comply with financial liabilities in order to face present and future income shocks and build a patrimony;
- is better served by public and private institutions through improved financial education programmes with a focus on behavioural economics according to their financial needs; and
- has tools that promote and improve their financial decision-making.

The overall target audience of the strategy is the general population, with a specific focus on vulnerable groups such as women, youth, children, rural populations, migrants and MSMEs.

In **New Zealand**, the strategy was reviewed and a new version was released in June 2015 under the name of National Strategy for Financial Capability. The revised strategy covers five main areas, including making it easy to talk about money (both with family and friends and with financial providers), ensuring effective financial learning throughout life, planning and being prepared for the unexpected, making smart use of debt, as well as saving and investing. The strategy is targeted at all New Zealanders.

Papua New Guinea addresses financial education and consumer protection as part of its overarching policy framework on financial inclusion. The Second National Financial Inclusion Strategy 2016-2020 thus seeks to align all relevant stakeholders to the common vision that “All Papua New Guineans are financially competent and have access to a wide range of financial services that address their needs and are provided in a responsible and sustainable manner” (CEFI, 2016). The second financial inclusion strategy aims to achieve its vision through nine broad priority areas, one of which covers financial literacy and financial education, whilst another one focuses on financial consumer protection. For the priority area relating to financial literacy and financial education, the strategy sets out the following policy goal – to build on gains in financial education and extend it to educational institutions such as technical colleges, secondary and primary schools (see Box 9 for further details). The strategic objective for the financial consumer protection priority area is to introduce and implement a consumer protection framework for regulated financial institutions. The entire economically active population is the target audience of the Papua New Guinean financial inclusion strategy.

Box 9. Rationale for financial literacy and financial education as a priority area of Papua New Guinea’s Second National Financial Inclusion Strategy

Research shows that financial literacy and competence of the population is low. The pervasive low levels of financial literacy and competence constitute a key barrier to financial inclusion and expose Papua New Guineans (in particular low income households) to the risks of exploitation by financial predators, and the ineffective use of household cash flows. There is therefore a need to continue to focus on increasing levels of financial literacy in order to ensure that people will use financial services to their best advantage. This particularly applies to low-income and rural customers.

These issues were addressed during the implementation of the First Strategy by the “Working Group on Financial Education and Financial Literacy”. 124,240 people were trained in total. While there was significant participation by financial institutions in delivering financial education, there was limited participation of non-financial sector players such as schools, churches, NGOs and businesses.

It was therefore decided to maintain this Priority Area to build in the achieved gains and to further expand participation by both financial sector players and non-financial sector players.

Source: CEFI (2016), National Financial Inclusion Strategy 2016-2020.

The vision of **Peru**’s National Plan for Financial Education is to ensure that all individuals improve their financial wellbeing through effective money management. The Plan aims to strengthen the financial competencies and skills of all segments of the population in order to enhance their financial decision-making. Peru addresses financial education as part of its overarching framework on financial inclusion and through the work of the Thematic Technical Group on Financial Education. This Group reports the progress on the implementation of the Plan to the Multi-sectoral Committee for Financial Inclusion, as established by the National Strategy for Financial Inclusion (ENIF) that was launched in July 2015. The main target groups of the National Plan for Financial Education include high school students, tertiary education students, vulnerable populations, micro-entrepreneurs, and workers.

In the **Philippines**, the Central Bank (BSP) addresses financial education mainly through the Economic and Financial Learning Program (EFLP)⁵⁶ which is in line with the BSP’s drive to promote greater awareness and understanding of essential economic and financial issues to help the public acquire the knowledge and develop the skills needed to make well-informed economic and financial decisions and choices. The Program consists of learning sessions and activities such as financial education campaigns and expos designed for different audiences such as teachers, students, employees, banking and business communities, overseas Filipinos, etc. In addition, the BSP adopted its Financial Consumer Protection Framework in 2014, including financial education and redress mechanisms under its consumer empowerment pillar. Such initiatives aim to provide financial consumers with knowledge of their rights and responsibilities, and with skills to make informed financial decisions. More recently, the BSP reported to have started the drafting

⁵⁶ http://www.bsp.gov.ph/about/advocacies_eflp.asp

of a national strategy for financial education with a possible timeframe of 5-10 years (2018-2028), and which will target the general public as well as key specific groups such as students, micro-entrepreneurs, and vulnerable populations including the elderly and low income individuals, among others.

In the **Russian Federation**, financial education is explicitly considered a key element of financial consumer protection efforts. Students, youth, middle and low income people, citizens of pre-retirement and retirement age, and the disabled, are key target groups of the national financial literacy strategy (OECD, 2016b).

In **Singapore**, financial education is a pillar within the broader objective of safeguarding the interests of consumers and empowering them to make sound financial decisions. Financial education complements other strategies to develop well-informed and empowered consumers. To complement the regulation and supervision of financial institutions, MoneySENSE targets its financial education interventions to help consumers understand the information provided to them and their rights and obligations in respect of financial transactions. Financial education and consumer alerts are intended to address risk areas such as scams, as well as insufficient understanding of complex products, transactions or schemes. As the national financial education programme, MoneySENSE aims to enhance the basic financial literacy of Singaporeans in general, with a focus on segments that demonstrate lower levels of financial literacy, students, and retirees.

In **Chinese Taipei**, financial education is included in financial consumer protection policies based on the Financial Consumer Protection Act. In addition, financial consumer protection has been a central piece of the Financial Literacy Program which is targeted at all financial consumers and seeks to achieve the following policy goals:

- to improve the financial knowledge of financial consumers;
- to prevent financial crimes and protect the rights and wellbeing of financial consumers;
- to form proper attitudes towards consumer banking;
- to reduce the possibility of disputes between financial consumers and financial institutions.

The Financial Supervisory Commission also provides relevant information concerning financial education and consumer protection through its official website.⁵⁷

The Central Bank of **Thailand** is an example of an institution with an initial mandate for financial consumer protection but which also takes on a leading role in pursuing financial education as part of its wider financial sector responsibilities. In 2012, the central bank created the Financial Consumer Protection Centre (FCC) with the two main objectives of being a one-stop service centre for consumer complaints about financial products and services, and improving financial knowledge and raising consumers' awareness of their rights and responsibilities (Kenan Institute Asia, 2015). In response to the OECD/INFE survey for APEC economies, the central bank noted that a national strategy for financial education is currently in the design phase, and that it will aim to achieve the following policy goals:

⁵⁷ <https://www.fsc.gov.tw/ch/home.jsp?id=5&parentpath=0>

- to raise awareness of financial literacy, personal financial management, and sources of financial knowledge and information, and
- to develop capabilities to make sound financial decisions, manage efficient personal financial planning, and commit to financial discipline.

The national strategy is targeted at all Thai citizens who will be organised into 7 different groups: students and young adults, low-income farmers and self-employed jobbers, low-income workers, government personnel, medium and high-income households, retirees, and community saving groups.

To conclude this section, nine APEC survey respondents mentioned having a financial inclusion framework in place in their economies (Chile, Indonesia, Korea, Malaysia, Mexico, Papua New Guinea, Philippines, Chinese Taipei and Thailand) which, in most cases, also covers digital financial services. Nearly all APEC survey participants (except for Hong Kong, China and Papua New Guinea) also noted the existence of a financial consumer protection framework in their jurisdictions.

Box 10. Financial consumer protection in APEC

Financial education and financial consumer protection policies are, along with financial inclusion, essential to achieve the financial empowerment and well-being of consumers. The importance of combining financial education and financial consumer protection policies has been acknowledged at the highest levels, and notably by the G20.

The G20 High-level Principles on Financial Consumer Protection (G20/OECD, 2011), designed to assist policy makers to enhance financial consumer protection globally, also include “Financial Education and Awareness” as one of their ten pillars.

More recently and in the context of digital financial services, the G20 High-level Principles for Digital Financial Inclusion (G20, 2016) also focus closely on both financial consumer protection – through Principle 5 on the establishment of “responsible digital financial practices to protect consumers” – and financial education – through Principle 6 on how to “strengthen digital and financial literacy and awareness.”

In addition, to complement and further contribute to the implementation of the aforementioned instruments, the OECD has also developed a Policy Guidance on Digitalisation and Financial Literacy (2018) as well as a Policy Guidance on Financial Consumer Protection Approaches in the Digital Age developed through the G20/OECD Task Force on Financial Consumer Protection (2018).

As described earlier in section II.B.2, financial consumer protection and financial education are strongly linked at the institutional or policy levels in a number of APEC economies, including in China, Indonesia, Japan, Korea, Malaysia, Papua New Guinea, the Philippines, the Russian Federation, Chinese Taipei, and Thailand. In addition, other institutions such as the Australian Securities and Investments Commission (ASIC), the Financial Consumer Agency of Canada (FCAC), and the Superintendence of Banking, Insurance and Private Pension Funds of Peru (SBS) also have dual legal mandates for both financial education and financial consumer protection.

Moreover, fifteen out of a total of seventeen responding APEC economies indicated having a dedicated financial consumer protection framework in place in their jurisdictions, which in a majority of cases also applies to all aspects of digital financial services.

These financial consumer protection frameworks address issues such as the need for oversight bodies, the equitable and fair treatment of consumers, disclosure and transparency, responsible business conduct, fraud, privacy and data protection, along with complaints handling and redress mechanisms, often based on national legislation and the G20/OECD High-level Principles on Financial Consumer Protection (2011). In APEC economies such as Japan, Korea, New Zealand, Singapore and Thailand, their current financial consumer protection frameworks also cover relevant issues of national and international competition.

II.B.3. Evaluating financial education strategies

Three APEC economies (Japan, Indonesia and Chinese Taipei) noted that their strategies for financial education have been reviewed or evaluated. For example, in Japan, the Committee for the Promotion of Financial Education checks the outcomes of financial education programmes of member organisations every six months. Australia, Canada; Hong Kong, China; and New Zealand mentioned that their current strategies would be

assessed in the coming years, and as early as in 2018 for the latter two. Similarly, some APEC economies with national strategies in the design phase such as the Philippines and Thailand are also planning to review their national strategies in the future to ensure that they meet the needs of the target populations.

Other APEC economies also provided specific details about their evaluation plans. For example, it is expected that the National Strategy for Financial Literacy for Malaysia (2018 - 2022) will undergo a mid-term review in 2020 and a post-implementation assessment in 2023. Papua New Guinea will conduct a mid-term review of its second national strategy for financial inclusion at the end of 2018. Mexico is currently developing new measures and indicators to evaluate the impact and effectiveness of all the efforts made for the implementation and – later on – assessment of its national strategy. Singapore noted that they have no plans to assess their national programme for financial education. The first summative evaluation of Canada’s Financial Education Program will be completed in 2020.

II.C. Financial education programmes and initiatives

Given the growing diversity of financial education programmes being developed within and outside the scope of national strategies and for a variety of target audiences, it would be hard to give a complete account of all financial education initiatives conducted in the APEC region. Therefore, this section only takes stock of the sheer number of financial education initiatives mentioned by APEC members in response to the OECD/INFE survey, but will not discuss them in detail as the majority of programmes concerning several APEC economies have already been described at length in previous publications.⁵⁸ Some examples of financial education initiatives in schools are provided in section II.D further below.

Programmes delivered through traditional channels

All seventeen APEC economies participating in the survey for this report noted the existence financial education initiatives using traditional delivery channels such as printed materials (books, brochures, leaflet, magazines, etc.), lectures, seminars, financial literacy events (national savings days, global money weeks, financial literacy days/weeks/months), money museums, national student competitions, entrepreneurial and finance courses, financial management and counselling centres, train the trainers/teachers programmes, newspaper articles, workshops, financial education fairs, exhibitions, debt clinics, and financial literacy messages through TV programmes.

Various types of financial education initiative are being implemented in the APEC region, with economies such as Canada; Hong Kong, China; Indonesia, Mexico, Philippines and Thailand even mentioning the availability of at least eight different financial education initiatives in their jurisdictions. Each one targets either the general population or a specific segment (e.g. children, students, young workers or entrepreneurs, migrants, parents,

⁵⁸ For financial education programmes targeting a broad audience, specific groups of adults, children and young people in schools, including some duly evaluated initiatives in Asia and the Pacific region, please see Messy, F. and C. Monticone, 2016. For financial education initiatives within the scope of national strategies for financial education, see OECD/INFE, 2015. For detailed examples of recent financial education initiatives and evaluated programmes for MSMEs and potential entrepreneurs in Asia, please see OECD, 2017d.

retirees, women, school teachers, etc.). Most APEC economies' financial education initiatives have more than just one single target audience.

Some initiatives have been evaluated, but this is far from universal, and not necessarily of the quality needed to draw firm conclusions.

Programmes delivered through innovative tools or platforms

Sixteen APEC respondents provided at least one example of financial education programmes using digital tools and platforms as their key delivery instrument, including websites and portals, digital newsletters, financial education through online videos and courses, online/mobile phone games and quizzes, mobile applications, SMS reminders, digital alerts, online teaching resources, social media accounts (Facebook, Instagram, Twitter, etc.), digital budget tools and calculators.

Out of the total number (67) of examples of financial education programmes or initiatives provided that are delivered through digital means in the APEC region, only a few have undergone a rigorous evaluation process, with most programmes currently only assessing their reach, for instance, through the number of online visitors or “likes” to their pages.⁵⁹

The vast majority of APEC economies reported using digital tools in combination with more traditional delivery methods. They also noted the following factors as the main advantages of and reasons for choosing digital tools to deliver financial education:

- increased (re)usability, functionality and cost-effectiveness;
- user (e.g. younger generations) preferences for digital resources;
- greater reach, access and increased number of users (scalability);
- more likely than traditional means to keep the attention span of audiences;
- enables practise using these resources in real-time;
- more interactive and appealing, thus facilitating learning, and
- convenient, can be accessed in a variety of locations and at any time.

Financial education on digital financial services

Financial education that specifically addresses digital financial services is not very widespread in the APEC region, with only ten (**Australia, Canada, Japan, Korea, Malaysia, Papua New Guinea, Peru, Philippines, Chinese Taipei, Thailand**) out of seventeen economies responding to the survey for this report, noting the existence of some initiatives (see an example in the focus box below), and providing limited details about them.

⁵⁹ For specific examples of financial education initiatives delivered through digital tools, please see OECD, 2017a.

FOCUS: Financial education on DFS in Malaysia

Malaysia has been organising national e-payment roadshows since 2015 which aim to create awareness of payment industry developments and educate the public on e-payment services. Some key DFS and consumer protection topics covered by this initiative include online banking, electronic payments, and fraud prevention measures. The programme periodically collects data to monitor migration to e-payments and adoption of DFS.

In Hong Kong, China, key DFS topics such as the risks associated with new fintech products and the safe use of mobile/online banking services are generally integrated into existing financial education programmes. There has been no significant issue related to DFS warranting the creation of new initiatives specifically designed to address them.

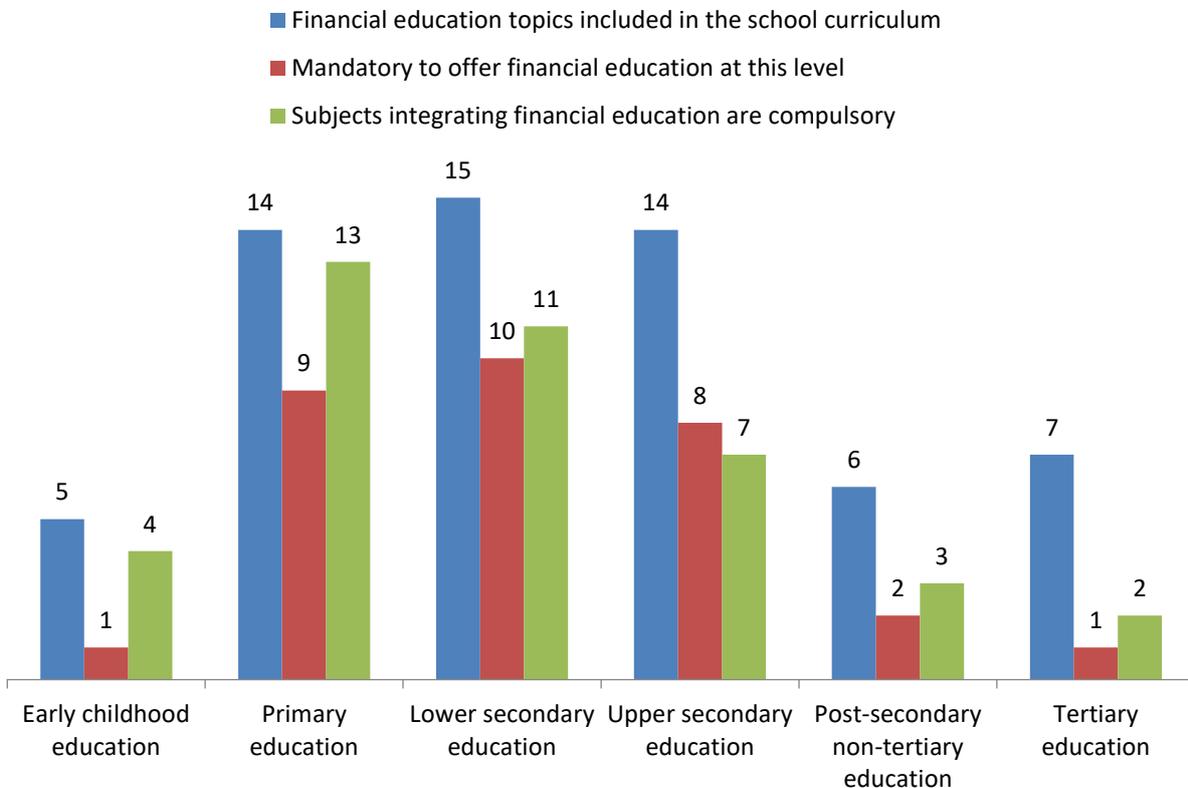
II.D. Financial education in schools

The majority of APEC economies teach financial education in schools. This is mainly delivered through a cross-curricular approach and in at least two levels of education. In Brunei Darussalam and Japan financial education is available at all levels of education.

Financial education has been integrated in the school curriculum/standards/learning objectives at the lower secondary education level in 15 out of the 17 participating APEC economies (Figure 7). Several economies (14) have also included financial education topics in the curricula of both the upper secondary and the primary education levels. Likewise, financial education been incorporated – though to a lesser extent – in the national standards for the tertiary, post-secondary non-tertiary, and the early childhood education levels by 7, 6 and 5 APEC economies, respectively.

Figure 7. Financial education in schools in APEC economies

Number of APEC economies indicating that financial education is available at different levels of education



Source: OECD/INFE stocktaking survey of APEC economies, 2017/18.

Figure 7 also shows that, in general, a higher proportion of APEC economies have made integrated financial education into compulsory subjects (e.g. maths, social sciences), as opposed to making financial education itself a mandatory requirement at a given education level. The only exception to this occurs at the upper secondary education level where it is mandatory to offer financial education in the schools of 8 APEC economies. This section provides a few more specific details on the status of financial education in schools across all participating APEC economies.

The introduction of financial education in **Australian** schools started in 2005 with the endorsement by educational authorities in all jurisdictions of the Australia's National Consumer and Financial Literacy Framework, subsequently revised in 2011. Building on the Framework, the integration of financial literacy topics into school subjects has been deepened with the inclusion of financial literacy in the new Australian Curriculum.⁶⁰ Financial literacy topics were integrated into school subjects, including mathematics, English and science. Consumer and financial literacy will be integrated in other areas of the curriculum as general capabilities and cross-curriculum priorities. However, given the

⁶⁰ See <http://www.australiancurriculum.edu.au/>

structure of the Australian school system, states and territories continue to have flexibility in implementing the new Australian Curriculum.

In the period August 2012 to June 2013, the Australian Securities and Investment Commission (ASIC) collaborated with 92 schools that decided to embed consumer and financial literacy into their curriculum ('MoneySmart Schools')⁶¹ and created the national education portal MoneySmart Teaching, consisting of a hub of free financial literacy resources and professional learning materials for educators. Training to implement consumer and financial literacy in schools is available on a voluntary basis for Australian teachers at all levels, delivered by the MoneySmart Teaching Program officers in each state and territory, as well as freely available online.⁶²

Financial literacy resources are available for schools at all education levels in **Brunei Darussalam**, with financial education being originally introduced in the upper secondary level since the 1980's, and in the primary and lower secondary education levels in 2009. The Ministry of Education is the main national/regional institution in charge of introducing and delivering financial education in most Bruneian schools, with a few financial authorities (e.g. the Monetary Authority, the Ministry of Finance, etc.) also taking up responsibility for key activities at the tertiary level. Financial education topics are well integrated in the school text books for subjects such as Maths, Enterprise, Commerce, and Principles of Accounts at the secondary education level.

Specific subject-based professional development programmes are available for Bruneian teachers seeking to be trained. The Student Entrepreneurship Development Expo (SEDEX) is an important financial education initiative in Bruneian schools that has been evaluated, and provides students with an opportunity to sell handmade products and gain practical experience in business and entrepreneurship. It involves students from primary, secondary, technical/vocational, and tertiary education level institutions. Through SEDEX, students are able to utilise their financial knowledge and they are made aware of the importance of financial management in their daily lives. Students are also given entrepreneurial and financial education briefings and lectures by agencies such as the Trust Fund, Ministry of Finance, and other financial institutions in Brunei Darussalam.

In **Canada**, financial literacy content in subjects such as Maths, Social Studies and Economics is available from early childhood through to the upper secondary education level in all Canadian provinces, with some of these courses being compulsory whilst others are optional. Provincial governments have jurisdiction over school curricula, and are therefore responsible for the introduction and delivery of financial education in Canada. 'The City' is a learning initiative developed by the Financial Consumer Agency of Canada and the British Columbia Securities Commission that teaches young people lifelong lessons about money through everyday scenarios.⁶³ Evaluated in May 2013, The City⁶⁴ is designed to be a fun online world for educators and their students that engages youth by using an imaginative and interactive hands-on approach to learning, providing practice in real-life skills, and making financial concepts easy to understand. As each topic is introduced,

⁶¹ <https://www.moneysmart.gov.au/teaching/moneysmart-schools>

⁶² <https://www.moneysmart.gov.au/teaching/professional-development/workshops-and-online-learning>

⁶³ <https://www.canada.ca/en/financial-consumer-agency/services/the-city/city-benefits.html>

⁶⁴ For more specific details on the origins of The City, please also see OECD (2014), Financial Education for Youth: The Role of Schools.

students learn through eight “life stage characters”, each of whom faces different financial circumstances. The City is also a powerful teacher resource that is ready to use with lesson plans, overheads, income, expense and budget handouts, and a variety of worksheets.

The Ministry of Education of **Chile** is responsible for preparing the national school curriculum that is later approved by the National Education Council. Once approved, the Ministry of Education is in charge of the delivery of financial education in schools. Financial education was introduced in the curriculum for grades 7th and 8th in 2016, and for the first year of secondary (high school) education level in 2017. Financial education topics are incorporated in school text books in the subject of Social Sciences in the first year of high school. Financial education notions are also included as part of the initial learning/training package of all teachers offered by the Ministry of Education. The SIMCE⁶⁵ national assessment targets students in their second year of high school, and measures the financial education content learnt/taught to them the year before.

The national curriculum in **China** is structured on three levels: national, regional and school-based. Some financial and economic topics are incorporated in the national curriculum to some extent, and schools may autonomously develop and teach additional ones (Gao, 2014). In the statutory part of the national curriculum, financial and economic education is embedded in subjects such as Ethics and Society (primary education), Ideology and Ethics, History and Society (lower secondary education), and Ideology and Politics or History (upper secondary education). In the national curriculum financial and economic education includes knowledge about the (socialist) economic system, about budgeting and money management, basic financial services, and risks and benefits of financial products.

Since 2001, schools in some municipalities, such as Beijing and Shanghai, and provinces, such as Guangdong, Zhejiang and Jiangsu, introduced specific financial education curricula. For instance, 116 primary and secondary schools have established a regional curriculum called Finance and Money Management in the Pudong New Area, in Shanghai. In recent years, the western and central regions of China have started to implement similar programmes as well.

In **Hong Kong, China**, financial education topics are included to some extent through a cross-curricular approach in primary and secondary education. In primary education it is integrated in Mathematics and General Studies; in lower secondary education, it is integrated in Mathematics, Life and Society, and Home Economics; in upper secondary education it is integrated in Mathematics, Liberal Studies, Business, Economics, Accounting and Financial Studies. The Investor Education Centre initiated a qualitative research study in 2013 to better understand how financial education was implemented in schools, what support was required from teachers, the opportunities to support and promote financial learning and teaching, and the expectations from students, teachers, parents, principals, education experts and practitioners. The research found that in spite of the financial literacy elements present in the school curriculum, the implementation was scattered across different school subjects and some subjects were optional. Moreover, the study noted the lack of dedicated staff support and central co-ordination.

The “Teaching your Kids about Money Parent-Child Workshops” programme in Hong Kong, China, targets junior primary school children and their parents, and consists of two

⁶⁵ SIMCE stands for “Sistema de medición de la calidad de la educación” in Spanish or “Measurement system of the quality of education” in English.

workshops.⁶⁶ In the first one, parents are given practical tips on how to teach their kids about money management through giving pocket money and other day-to-day events. Pupils learn about sources of income, how to differentiate needs from wants, protect their personal belonging, etc. through role play and card games. A follow-up session a month later gives parents the chance to share with others how they put into action what they learned in the first workshop, thus allowing for knowledge sharing and mutual learning among parents. Evaluation surveys on the impact of the initiative were conducted in 2016, with over 90% of parents agreeing that the workshops strengthened their children’s money management concepts.⁶⁷

The Financial Services Authority (OJK) and the Bank of **Indonesia** have worked closely with the Ministry of Education and the financial industry to successfully incorporate financial education in the new national education curriculum. Financial education was first introduced in Indonesian high schools in July 2014, following a series of pilots in 156 schools across 7 provinces. Today, financial education is integrated in the curricula at all education levels, except for the early childhood one, and taught as part of subjects such as Economics and Social Sciences.

In 2014, OJK released the book “*Introduction to OJK and the Financial Services Industry*” for senior and junior high school students. OJK also prepared another book for students at the elementary education level titled “*Introduction to Financial Services*” that was complemented with a tailored board game, and launched in November 2015. Both publications were designed in line with the national education curriculum. Lastly, OJK launched a series of financial literacy books for college students (tertiary level) in August 2016.

In **Japan**, elements of savings promotion have been present in schools since the 1950s. More recently, financial education has been integrated in the school curriculum. According to the national curriculum published by the Ministry of Education in 2008/2009, financial education contents are taught through a cross-curricular approach in a number of subjects such as Social Studies, Home Economics, and Moral Education in primary and secondary schools. The Guidelines associated to the new national curriculum were implemented in elementary, junior and high-schools in 2011, 2012 and 2013 respectively. Today, financial education in Japanese schools is available at all education levels, from early childhood through to tertiary education.

The introduction of financial education elements into the national curriculum has been mostly due to the efforts of the Central Council for Financial Services Information (CCFSI). In 2007, the Central Council published the “Financial Education Programme: How to Cultivate the Ability to Live in Society”. The programme was developed with the involvement of scholars, officials from the ministry of education and others who have influence over the revision of the national curriculum. The programme provides an overview of financial education goals and learning outcomes for primary and secondary school students; describes the most effective ways to introduce financial education in schools and provides model teaching plans for every major subject in primary, secondary, and high schools, written by experienced teachers. The Central Council, together with the Japanese Bankers Association, the Japan Securities Dealers Association, the Japan Institute

⁶⁶ <http://www.thechinfamily.hk/web/en/tools-and-resources/programmes/teaching-kids.html>

⁶⁷ See more key programme evaluation findings here: <http://www.thechinfamily.hk/web/en/tools-and-resources/programmes/teaching-kids.html>

of Life Insurance and the Japan Exchange Group, also carries out financial education seminars for teachers at primary, secondary and tertiary education levels.

In **Korea**, the 2009 revised national curriculum gives increasing importance to financial education. Financial education has been introduced in subjects such as Economics and Social Studies in primary and lower secondary education. At the upper secondary and tertiary levels, financial education elements are offered as part of other courses such as Economics and Practical Finance, and at an optional basis. Economics textbooks have also been revised by adding a separate chapter on financial education at the secondary school level.

The Financial Supervisory Service (FSS) provides financial education training for primary and secondary school teachers every summer and winter break. In addition, it launched the ‘One Company – One school’ programme in 2015 where financial firms’ employees deliver financial education in about 1500 schools in the country. The FSS develops teaching materials, trains the instructors, and issues guidelines to prevent marketing activities.

Bank Negara **Malaysia** (BNM) collaborates with the Ministry of Education to introduce financial education elements in the school curriculum, especially since 2011, when the Ministry of Education started developing a new curriculum for Malaysian schools. Since 2014, financial education has been integrated progressively in the new primary school curriculum within core subjects such as Mathematics, English Language, Malay Language, and in non-core subjects such as Moral Education. Starting from 2017, financial education has also been incorporated in selected core subjects at the lower and upper secondary school levels. By 2021, the process of embedding financial education at all levels from early childhood to tertiary education will be completed.

Until recently in Malaysia, financial education was delivered in schools as a part of co-curricular activities,⁶⁸ mostly carried out in collaboration with financial service providers. Specific public-private partnerships have been developed between BNM, the Ministry of Education and financial service providers since 1997 with the launch of the Schools Adoption Programme, whereby 10,000 government-funded schools have been adopted by financial service providers. Apart from teaching smart money management and opening of bank accounts, financial education activities conducted during the co-curricular activities are based on a framework developed with the Ministry of Education in 2006.⁶⁹ The involvement of financial service providers is part of their corporate and social responsibility and is co-ordinated and monitored by Bank Negara Malaysia. BNM also allocates an annual budget for the implementation of teacher workshops, development and production of educational materials, as well as for the maintenance and enhancement of a pocket money for children website launched in 2004 in collaboration with the Ministry of Education.⁷⁰

⁶⁸ Co-curricular refers to activities, programmes, and learning experiences that complement what students learn in school through the academic curriculum.

⁶⁹ Malaysia’s financial education learning framework is available in OECD, 2014a.

⁷⁰ <http://www.duitsaku.com/>

FOCUS: Evaluating financial education implementation in Malaysian schools

In 2015, the Ministry of Education and the BNM jointly conducted an assessment on the implementation of financial education at the primary education level (Years 4 and 5) in 32 selected primary institutions from different states and parts of the country. The assessment aimed to evaluate initiatives undertaken as part of the incorporation of financial education in schools. The results of the survey revealed that, overall, progress on the implementation of financial education in Malaysian schools is on the right track. Survey findings also showed that all teachers were successfully delivering financial education in core school subjects, and that school children were very interested in learning financial education concepts and participated actively in classroom discussions.

In the 2017-2018 school year in **Mexico**, curricular autonomy was applied in the educational system. Each school has the possibility to decide what content they will impart to students, such as science, robotics, financial education or arts. In the first year around 20% of the schools chose the financial education course.

Financial literacy was included in the **New Zealand Curriculum**⁷¹ in 2007. Following a cross-curricular approach, financial literacy is promoted as a theme that schools can use for effective cross-curricular teaching and learning programmes. It provides a context for linking learning areas such as Social Sciences, Mathematics and Statistics, English, Business Studies, Health, and Technology. It also provides a relevant context for strengthening literacy and numeracy skills and understanding, developing the key competencies, and exploring values. Given the self-governing structure of the school system in New Zealand, the school principals have a responsibility to plan their school curriculum with their staff and communities, ensuring it is aligned with the national curriculum. It is therefore up to schools to decide how and to what extent to integrate financial literacy.

The effective inclusion of financial education in schools also draws upon the Financial Literacy Framework, developed by the Commission for Financial Literacy and Retirement Income (now Commission for Financial Capability) and revised by the Ministry of Education in 2013. In June 2009, the Commission formally handed responsibility for the teaching and learning of financial capability in New Zealand schools to the Ministry of Education.

In 2017, the Commission for Financial Capability received government funding to develop and roll out a nationwide programme in schools to help young people become financially capable. The Sorted in Schools programme will provide quality, consistent learning to be incorporated into the curriculum at each year level.⁷² It will also provide teachers with professional development to strengthen their confidence in teaching financial capability, and with digital and interactive resources for use in the classroom and with their students. The programme will be rolled out gradually between 2018 and 2021.

Financial education is not yet incorporated in the national school curriculum in **Papua New Guinea**, although financial education elements may be discussed as part of the broader subject of Business Studies, particularly at the secondary and post-secondary non-tertiary education levels.

⁷¹ <http://nzcurriculum.tki.org.nz/Curriculum-resources/Financial-capability>

⁷² <https://www.cffc.org.nz/financial-capability/school-programmes/>

In **Peru**, the introduction of financial education content in the national school curriculum was originally enacted in 2008. In 2016, the Ministry of Education approved a new national curriculum which incorporates an economic-financial competency for all basic education, and approved curricular programmes for elementary and high schools. The national curriculum establishes a gradual and progressive process of cognitive achievement in each cycle (combination of 2 or 3 academic years), while the curricular programmes present examples of outputs per year.

The economic-financial competency focuses on the responsible management of economic resources and is divided in two more specific abilities: (i) “understands the functioning of the economic and financial system”; and (ii) “makes economic and financial decisions”. This competence is included in two curricular areas: Social Personal – Citizenship at the primary school level; and History, Geography, and Economics for secondary schools. The economic-financial competency will be implemented gradually between 2017 and 2019.

Peruvian teachers are regularly trained to provide financial education, in particular through the national teachers’ training programme “Finances at school” which underwent a rigorous impact assessment in 2014-2015 by the Superintendence of Banking, Insurance and Private Pension Funds (SBS).⁷³ In addition, the Ministry of Education, the Superintendence, and the Banking and Insurance Association developed textbooks and educational materials for both lower secondary level students from public schools (2016) and for upper secondary high school students that include topics on family budgeting, and financial, insurance and pension systems (2015). The Superintendence has also created stories, comics and teaching guides for elementary schools.

In the **Philippines**, the Bangko Sentral ng Pilipinas (BSP) collaborated with the Department of Education in the development and integration of financial literacy lessons in the primary school curriculum. Since school year 2008-2009, this involved the distribution of three teaching guides to public elementary schools nationwide, with the aim of incorporating lessons on money management, saving, and basic economics related to savings. The use of the teaching guides was monitored through classroom observation. However, recent findings show that the teaching guides were not fully integrated as regular lessons in primary schools. The BSP is now currently implementing awards in order to provide incentives for teachers to voluntarily use the teaching guides in their classes.

Since 2015, the second week of November of every year has been declared “Economic and Financial Literacy Week”. The National Economic Development Authority (NEDA) is designated as the lead agency to ensure meaningful observance of the Economic and Financial Literacy Week. The Department of Education is also encouraged to assess and revise the high school economics curriculum to make economic and financial education become an integral part of formal learning. In this regard, the Bureau of Curriculum Development at the Department of Education will mainstream financial education as part of the K-12 curriculum.

The **Russian Federation** is working to introduce financial education in schools, professional colleges and universities. In 2013 the Government developed core competencies for children and youth that are now being used to develop financial literacy educational programmes. Educational resources, including teaching materials and materials for students, electronic modules, games and tests, have been developed. At the

⁷³ Since 2007, the programme has been implemented in all 24 regions of the country and reached over 14, 000 teachers nationwide.

same time, some educational programmes for schools have been developed and piloted in regions. Currently, an important step is to introduce elements of financial literacy into mandatory subjects such as social studies, mathematics, literature, geography, and life safety. A wide variety of educational kits for school students from grades 2 to 11 and students in secondary vocational institutions was developed by the Ministry of Finance. In 2019, 11.5 million copies of the second edition were distributed free of charge to schools in 50 regions for students, teachers and parents.

The national system of training for educators and tutors was also put into place. Already half of schools in Russia now have a teacher who has received such training. The Ministry of Education, with the Bank of Russia and the Ministry of Finance, is working systematically on improving the financial literacy of students, the preparation of teachers, and the introduction of basic financial literacy to the Federal standards of general education at all levels of education. The Bank of Russia and more than 125 universities work together to improve the financial literacy of the Russian population. In the period from 2016 to present, the Bank of Russia has conducted more than 7000 open lessons on financial literacy in educational institutions.

Both the Ministry of Finance and the Bank of Russia have educational and informational websites (“vashifinancy.ru” and “fincult.info”) – online platforms with educational materials, news, tests and videos about financial literacy for the general public. (OECD, 2016b).

Financial education has been taught in **Singapore** since the 1960s, with the Ministry of Education being responsible for the overall national curriculum. The Ministry of Education recognises that financial literacy education should start from an early age, by fostering the habit of saving and inculcating values of prudence in students. Among other initiatives, financial literacy messages have been incorporated in the subject of Character and Citizenship Education for primary school students since 2012. Lower secondary students have been introduced to basic consumer and financial literacy education since the 1990s through the Home Economics syllabus. In 2014, the subject Home Economics was renamed as Food and Consumer Education and includes messages on managing financial resources and understanding consumer rights and responsibilities. Some financial education content is also infused in upper secondary schooling, particularly as part of subjects such as Principles of Accounts and Elements of Business Studies. At the post-secondary non-tertiary education level, financial literacy messages are weaved into the A Level Economics syllabus. The Ministry also provides pre and in-service financial education training for teachers of relevant subjects.

In addition, the Financial Education Steering Committee (FESC) develops and partially supports some financial education programmes carried out in collaboration with industry associations. The FESC also monitors that such programmes do not promote or endorse a specific financial institution, its products and services, or membership of an industry association.

Financial education was introduced in the school curriculum of **Chinese Taipei** in 2011. Financial education topics are taught as part of the Social and Integrated Areas subject in primary and lower secondary schools. Financial education is also included in the Civil Studies course at the upper secondary and post-secondary non-tertiary education levels. In addition, the Insurance Bureau of the Financial Supervisory Commission holds basic financial education training camps for teachers every year. The camps are not mandatory and provide teachers with the necessary tools to teach financial education including financial knowledge, teaching materials, lesson plans, etc.

In **Thailand**, some financial education topics are included in primary and secondary education within the compulsory core subject Social Studies, Religion and Culture, in the sub-strand Economics. Economics mostly refers to managing resources for production and consumption, and efficient and cost-effective utilisation of limited resources available, but it also includes some personal finance topics (such as spending without exceeding the amount of money available, and appreciating the benefits of saving in Grade 1; keeping records of income and expenditure in Grade 2).⁷⁴ At the tertiary education level, financial education elements are covered as part of the Finance courses.

Relevant authorities also recognise the importance of ensuring teachers' capability to provide financial education in schools. Therefore, specific training programmes for teachers have been arranged to enhance its multiplier effect. For example, the Bank of Thailand regularly organises training courses on personal finance and debt management for primary and secondary school teachers. Similarly, the "Foundation of Virtuous Youth" established a programme that aims to help school teachers manage their debt wisely. Through this initiative, a financial advisor provides debt management advice to the teachers, and other experts from various institutions⁷⁵ are also invited to join as guest speakers. The ultimate goal of the programme is to change the teachers' money management mind-set so that they can become the right role models for their students, and disseminate financial skills in the classrooms.

⁷⁴ The text of the national curriculum available at <http://www.act.ac.th/document/1741.pdf>

⁷⁵ This may, for instance, include experts from the Bank of Thailand and the Thai Financial Planners Association.

III. Concluding remarks and policy suggestions

Overall, the majority of APEC economies are well-advanced in their efforts to collect relevant data, implement appropriate financial education policies, and address the remaining issues related to financial literacy, inclusion and consumer protection. They are applying international best practices and making good use of available tools and resources to develop and refine strategic approaches and specific initiatives. However, there is still some way to go in ensuring that everyone living in an APEC economy has the financial literacy that they need.

Based on the analysis of the evidence, policies and programmes presented in this report, it is possible to highlight some policy suggestions on the way forward, which should be considered taking into account the specificities of each APEC economy.

1. Financial literacy and financial inclusion gaps

- The important national data collection efforts undertaken in the APEC region in recent years have made it possible to assess more clearly the levels of financial literacy and financial inclusion today. Whilst financial inclusion is relatively high in several economies, financial literacy can be improved, and important disparities across income groups and within a number of economies persist. Further work will therefore be needed to close remaining financial inclusion gaps and increase the overall levels of financial literacy in all APEC economies. In this regard, APEC members are encouraged to participate in global data collection exercises including the next OECD/INFE's International Survey of Adult Financial Literacy Competencies (2019/20), the PISA financial literacy assessment of students, and the future OECD/INFE survey to measure the financial literacy of micro and small business owners.
- Data should be used to inform the content and direction of future initiatives. Some APEC members need to improve levels of financial knowledge alongside behaviour in order to ensure that their citizens understand financial literacy principles and become more effective money managers, whilst others need to foster better financial attitudes towards money and longer term planning.
- The progress made in advancing financial inclusion – including through digital financial services – in the APEC region still needs to be matched by similar or stronger policy action to achieve full and more tailored financial education on digital financial services for all APEC citizens in order to ensure that they know how to use DFS effectively and safely. DFS developments should be monitored and financial education content needs to be designed or revised to reflect emerging DFS issues, wherever relevant. In this regard, the G20/OECD INFE Policy Guidance on Digitalisation and Financial Literacy (OECD, 2018a) is a tool that can be used by economies to enhance their digital and financial literacy approaches.

2. Refining financial education policies and initiatives⁷⁶

- Whilst several APEC economies have advanced in terms of developing and refining a strategic approach to financial education there is still room to accelerate the implementation of national strategies for financial education in the remaining economies, as well as to further ensure that all frameworks include a proper review and impact evaluation.
- There appears to be scope for improving their overall quality and effectiveness of financial education initiatives in all APEC economies, given that in-depth evaluation efforts are still missing from many of the region's programmes and initiatives. More work is needed to enhance lesson sharing, monitoring and evaluation of financial education programmes, including by learning from and participating in the OECD/INFE's regional programmes in Latin America and Asia, when relevant.
- Financial education should be introduced in APEC schools as early in the lives of students as possible, including at the early childhood education level, in order to ensure more financially savvy and capable future generations. Ideally, this should be a compulsory subject to ensure that no child is left behind, and should be examined or evaluated to ensure that young people are meeting their learning goals.

⁷⁶ Please see also Annex 3 for a full list of OECD/INFE policy tools and instruments to support financial education approaches.

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Annex A. List of institutions that participated in the survey

1. Australian Securities and Investments Commission, Australia
2. Autoriti Monetari Brunei Darussalam, Brunei Darussalam
3. Financial Consumer Agency of Canada, Canada
4. Ministry of Finance, Chile
5. Investor Education Centre, Hong Kong, China
6. Indonesia Financial Services Authority, Indonesia
7. Bank of Japan, Japan
8. Financial Supervisory Service, Korea
9. Bank Negara Malaysia, Malaysia
10. Ministry of Finance and Public Credit, Mexico
11. Commission for Financial Capability, New Zealand
12. Bank of Papua New Guinea, Papua New Guinea
13. Superintendence of Banking, Insurance and Private Pension Funds, Peru
14. Bangko Sentral ng Pilipinas, Philippines
15. Monetary Authority of Singapore, Singapore
16. Financial Supervisory Commission, Chinese Taipei
17. Bank of Thailand, Thailand

Annex B. Relevant tables and figures

Social and economic context

Table A B.1. Demographic statistics in participating APEC economies

Economy	Year	Total Population (in thousands)	Population Growth Rate (annual %)	Population, Ages 0-14 (% of total population)	Population, Ages 15- 64 (% of total population)	Population, Ages 65 and Above (% of total population)
Australia	2010	22031.75	1.56	19.02	67.54	13.45
	2017	24601.86	1.68	19.01	65.48	15.50
Brunei Darussalam	2010	388.66	1.27	25.96	70.64	3.40
	2017	428.70	1.29	23.02	72.38	4.59
Canada	2010	34005.27	1.11	16.46	69.35	14.19
	2017	36708.08	1.22	16.03	66.99	16.98
Chile	2010	16993.35	0.97	22.47	68.30	9.24
	2017	18054.73	0.81	20.32	68.60	11.09
China	2010	1337705.00	0.48	17.85	73.75	8.40
	2017	1386395.00	0.56	17.68	71.68	10.64
Hong Kong, China	2010	7024.20	0.73	11.94	75.09	12.97
	2017	7391.70	0.75	11.49	72.21	16.30
Indonesia	2010	242524.12	1.32	28.97	66.18	4.85
	2017	263991.38	1.10	27.36	67.32	5.32
Japan	2010	128070.00	0.02	13.35	64.15	22.50
	2017	126785.80	-0.16	12.89	60.06	27.05
Korea	2010	49554.11	0.50	16.10	73.19	10.71
	2017	51466.20	0.43	13.47	72.61	13.91

Economy	Year	Total Population (in thousands)	Population Growth Rate (annual %)	Population, Ages 0-14 (% of total population)	Population, Ages 15- 64 (% of total population)	Population, Ages 65 and Above (% of total population)
Malaysia	2010	28112.29	1.82	27.93	67.13	4.94
	2017	31624.26	1.39	24.31	69.39	6.29
Mexico	2010	117318.94	1.56	29.80	64.30	5.90
	2017	129163.28	1.26	26.67	66.48	6.86
New Zealand	2010	4350.70	1.11	20.50	66.45	13.05
	2017	4793.90	2.12	19.77	64.91	15.32
Papua New Guinea	2010	7108.24	2.29	38.26	58.32	3.42
	2017	8251.16	2.03	35.94	60.26	3.81
Peru	2010	29373.65	1.28	29.36	64.44	6.20
	2017	32165.49	1.23	27.39	65.46	7.15
The Philippines	2010	93726.62	1.62	33.90	61.96	4.14
	2017	104918.09	1.53	31.72	63.48	4.80
Russia	2010	142849.45	0.04	14.89	72.02	13.09
	2017	144496.74	0.11	17.61	68.22	14.18
Singapore	2010	5076.73	1.77	17.34	73.64	9.02
	2017	5612.25	0.09	14.98	72.10	12.92
Chinese Taipei	2010	23140.95	0.27	15.65	73.61	10.74
	2017	23555.52	0.17	13.12	73.02	13.86
Thailand	2010	67208.81	0.49	19.20	71.90	8.91
	2017	69037.51	0.25	17.32	71.31	11.37
United States	2010	309326.09	0.83	20.17	66.86	12.97
	2017	325147.12	0.64	18.91	65.67	15.41
Viet Nam	2010	88472.51	1.03	23.68	69.77	6.55
	2017	95540.80	1.02	23.06	69.79	7.15
APEC	2010	2754361.45	0.70	20.24	70.43	9.33
	2017	2890129.57	0.68	19.68	69.08	11.24
World	2010	6932596.13	1.22	26.83	65.54	7.64
	2017	7529719.39	1.15	25.94	65.36	8.70

Source: StatsAPEC database, <http://statistics.apec.org/>. Own elaboration.

Table A B.2. Old-age dependency ratios in APEC

Economy	Age Dependency Ratio, Old (% of working-age population)	
	2010	2017
Australia	19.91	23.68
Brunei Darussalam	4.82	6.34
Canada	20.46	25.35
Chile	13.52	16.16
China	11.39	14.85
Hong Kong, China	17.28	22.58
Indonesia	7.33	7.90
Japan	35.07	45.03
Korea	14.63	19.16
Malaysia	7.35	9.07
Mexico	9.17	10.32
New Zealand	19.64	23.60
Papua New Guinea	5.87	6.32
Peru	9.62	10.92
The Philippines	6.68	7.57
Russia	18.17	20.78
Singapore	12.25	17.92
Chinese Taipei	14.59	18.99
Thailand	12.39	15.95
United States	19.40	23.47
Viet Nam	9.39	10.24
APEC	13.24	16.27
World	11.65	13.30

Source: StatsAPEC database, <http://statistics.apec.org/>. Own elaboration.

Table A B.3. GDP statistics in APEC economies

Economy	GDP, Current USD (in millions)			GDP Growth Rate (annual %)			GDP per capita, Current USD		
	2007	2010	2017	2007	2010	2017	2007	2010	2017
Australia	851962.79	1144260.55	1323421.07	3.78	2.05	1.96	40905.47	51936.89	53793.54
Brunei Darussalam	12247.69	13707.37	12128.09	0.15	2.60	1.33	32672.37	35268.10	28290.59
Canada	1464977.19	1613464.42	1647120.18	2.06	3.08	3.05	44544.53	47447.48	44870.78
Chile	173605.97	218537.55	277075.94	4.91	5.84	1.49	10526.88	12860.18	15346.45
China	3552182.31	6100620.49	12237700.48	14.23	10.64	6.90	2695.37	4560.51	8826.99
Hong Kong, China	211597.41	228637.70	341449.34	6.46	6.77	3.79	30594.02	32550.00	46193.61
Indonesia	432216.74	755094.16	1015420.59	6.35	6.22	5.07	1855.09	3113.48	3846.42
Japan	4515264.51	5700098.11	4872415.10	1.65	4.19	1.73	35275.23	44507.68	38430.29
Korea	1122679.15	1094499.34	1530750.92	5.46	6.50	3.06	23060.71	22086.95	29742.84
Malaysia	193547.82	255016.61	314710.26	6.30	7.42	5.90	7269.17	9071.36	9951.54
Mexico	1052696.28	1057801.30	1150887.82	2.29	5.12	2.04	9412.83	9016.46	8910.33
New Zealand	137316.09	146583.83	204139.05	3.76	0.96	2.82	32510.08	33692.01	42583.08
Papua New Guinea	9545.07	14250.73	20536.31	11.10	10.12	2.55	1440.13	2004.82	2488.90
Peru	102170.98	147528.94	211389.27	8.52	8.33	2.53	3611.21	5022.49	6571.93
The Philippines	149359.92	199590.78	313595.21	6.62	7.63	6.68	1672.69	2129.50	2988.95
Russia	1299705.76	1524917.47	1578417.21	8.54	4.50	1.65	9101.26	10675.00	10749.06
Singapore	179981.29	236421.78	323907.23	9.11	15.24	3.62	39223.58	46569.68	57714.30
Chinese Taipei	408254.00	446105.00	574940.00	6.52	10.63	3.08	17814.00	19278.00	24408.00
Thailand	262942.65	341105.01	455302.68	5.44	7.51	3.91	3972.21	5075.30	6595.00
United States	14477635.00	14992052.00	19485394.00	1.78	2.72	2.22	48061.54	48466.82	59927.93
Viet Nam	77414.43	115931.75	223779.87	7.13	6.42	6.81	901.32	1310.37	2342.24
APEC	30687303.06	36346224.88	48114480.64	4.11	4.88	3.38	11384.28	13195.88	16647.86
World	57969299.49	66036387.11	80934771.03	4.18	4.36	3.15	8674.32	9525.49	10748.71

Source: StatsAPEC database, <http://statistics.apec.org/>. Own elaboration.

Table A B.4. Poverty rates in APEC economies with available data, various years

	Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)	
	Value	Year
Australia	0.75	2014
Canada	0.30	2013
Chile	1.30	2015
China	0.73	2015
Indonesia	5.71	2017
Japan	0.30	2008
Korea, Rep.	0.25	2012
Malaysia	0.01	2015
Mexico	3.00	2014
Papua New Guinea	38.00	2009
Peru	3.370	2017
Philippines	8.30	2015
Russian Federation	0.02	2015
Thailand	0.03	2017
United States	1.25	2016
Viet Nam	1.97	2016
World	10.05	2015

Source: World Bank, Development Research Group. For more information and methodology, please see PovcalNet (<http://iresearch.worldbank.org/PovcalNet/index.htm>).

**Table A B.5. Human Development Index for APEC economies
(2010 and 2017, sorted by 2017 values)**

	Human Development Index Trends (value)	
	2010	2017
Papua New Guinea	0.52	0.544
Indonesia	0.661	0.694
Viet Nam	0.654	0.694
Philippines	0.665	0.699
Peru	0.717	0.75
China	0.706	0.752
Thailand	0.724	0.755
Mexico	0.743	0.774
Malaysia	0.772	0.802
Russian Federation	0.78	0.816
Chile	0.808	0.843
Brunei Darussalam	0.842	0.853
Korea (Republic of)	0.884	0.903
Japan	0.885	0.909
New Zealand	0.899	0.917
United States	0.914	0.924
Canada	0.902	0.926
Singapore	0.909	0.932
Australia	0.923	0.939

Source: United Nations Development Programme, Human Development Report, various annual editions. Own elaboration. <http://hdr.undp.org/en/content/human-development-index-hdi>.

Table A B.6. Education indicators in APEC economies with available statistics, 2017 (* 2016)

	Gross Enrolment Ratio, Secondary, Total (%)	Gross Enrolment Ratio, Tertiary, Total (%)	School Life Expectancy, Total (years)
Australia	150.99	113.77	22.10
Brunei Darussalam	92.24	32.92	14.38
Canada*	113.04	67.04	16.09
Chile	99.66	91.47	16.53
China	...	51.01	...
Chinese Taipei	98.34	84.49	16.60
Hong Kong, China	104.44	73.76	16.51
Indonesia	87.77	36.28	13.35
Japan*	102.37	...	15.23
Korea*	99.75	93.78	16.39
Malaysia	86.16	41.93	13.47
Mexico	99.90	38.18	14.30
New Zealand	114.56	82.00	18.84
Papua New Guinea*	48.78
Peru	98.52
Thailand*	118.63	49.29	15.42
The Philippines*	89.10	35.28	...
United States*	98.77	88.84	16.27
Viet Nam*	...	28.26	...
World	76.60	37.88	12.42

Notes: Gross enrolment ratio is the ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown. School Life Expectancy refers to ‘The total number of years of schooling which a child of a certain age can expect to receive in the future’.

Source: StatsAPEC database, <http://statistics.apec.org/>. Own elaboration.

Financial inclusion

Table A B.7. Financial inclusion indicators in APEC economies with available statistics, 2014 and 2017

	Account at a financial institution (% age 15+)		Account at a financial institution, income, poorest 40% (% ages 15+)		Account at a financial institution, income, richest 60% (% ages 15+)		Debit card (% age 15+)		Mobile money account (% age 15+)	
	2014	2017	2014	2017	2014	2017	2014	2017	2014	2017
Australia	99%	100%	100%	99%	98%	100%	89%	90%		
Canada	99%	100%	98%	100%	100%	100%	93%	97%		
Chile	63%	74%	54%	67%	69%	79%	54%	60%	4%	19%
China	79%	80%	73%	68%	83%	88%	48%	67%		
Hong Kong, China	96%	95%	94%	92%	98%	97%	70%	83%		
Indonesia	36%	48%	22%	36%	45%	57%	26%	31%	0%	3%
Japan	97%	98%	97%	98%	96%	99%	88%	87%		
Korea	94%	95%	94%	92%	94%	97%	67%	75%		
Malaysia	81%	85%	75%	80%	84%	88%	41%	74%	3%	11%
Mexico	39%	35%	29%	25%	45%	42%	27%	25%	3%	6%
New Zealand	100%	99%	99%	99%	100%	99%	95%	96%		
Peru	29%	42%	16%	26%	38%	53%	21%	28%	0%	3%
Philippines	28%	32%	15%	18%	37%	41%	20%	21%	4%	5%
Russian Federation	67%	76%	63%	70%	70%	79%	44%	57%		
Singapore	96%	98%	96%	96%	96%	99%	89%	92%	6%	10%
Chinese Taipei	91%	94%	88%	91%	94%	96%	70%	74%		
Thailand	78%	81%	71%	77%	83%	84%	55%	60%	1%	8%
United States	94%	93%	88%	85%	97%	98%	76%	80%		
Vietnam	31%	30%	18%	20%	39%	37%	27%	27%	0%	3%
World	61%	67%	54%	59%	66%	72%	41%	48%	2%	4%

Source: World Bank Group, Global Findex database, 2014 and 2017. Own elaboration. <http://datatopics.worldbank.org/financialinclusion/>

www.oecd.org/finance/financial-education

