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Current Status of National Strategies for Financial Education: A Comparative Analysis and Relevant Practices

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Abstract

CURRENT STATUS OF NATIONAL STRATEGIES FOR FINANCIAL EDUCATION: A COMPARATIVE ANALYSIS AND RELEVANT PRACTICES

Abstract: In both developing and developed economies, the awareness of the importance of financial education led to the development of an increasing number of tailored national strategies for financial education. These frameworks promote a smoother and more sustainable co-operation between interested parties and stakeholders, avoid duplication of resources and allow the development of articulated and tailored roadmaps with measurable and realistic objectives based on dedicated national assessments. The comparative analysis shows how countries overcame a series of challenges such as lack of resources, the identification a leading institution, gathering all stakeholders around common objectives and move efficiently to the operational phase.

The experiences analysed in this report provide a global picture of the situation in 2011/12 and a selection of relevant solutions and tools to address these issues in a replicable way.

This comparative report should be seen as a background document and as a complement to High-level Principles on National Strategies for Financial Education prepared by the OECD and its International Network on Financial Education (INFE).

JEL codes: D14, D18, I28, O16, O19, G28

Keywords: financial literacy, financial capability, financial education, financial inclusion, public policy, financial services, G20

Résumé

STATUT ACTUEL DES STRATEGIES NATIONALES SUR L'EDUCATION FINANCIERE : ANALYSE COMPARATIVE ET PRATIQUES PERTINENTES

Résumé: La prise de conscience de l'importance de l'éducation financière a permis la mise en place d'un nombre croissant de stratégies nationales sur l'éducation financière, tant dans les pays en voie de développement que dans les pays développés. Ces structures promeuvent une coopération facilitée et plus durable entre les parties intéressées et les parties prenantes, évitant la duplication de ressources et permettant le développement de feuilles de route plus adaptées et articulées avec des objectifs mesurables et réalistes basés sur des évaluations nationales ciblées. L'analyse comparative qui en est faite montre comment les pays ont surmontés certains défis comme le manque de ressources, l'identification d'une institution coordinatrice, et comment ils ont réussis à réunir l'ensemble des parties prenantes atour d'un objectif commun et sont passés efficacement à la phase opérationnelle.

Les expériences analysées dans ce rapport offrent une image globale de la situation 2011-2012 ainsi qu'une sélection d'outils et de solutions pertinentes qui pourront être transposés dans différents contextes nationaux.

Ce rapport comparatif doit être considéré comme un document complémentaire aux *Principes de haut niveau sur les stratégies nationales pour l'éducation financière*, préparés par l'OCDE et son réseau international sur l'éducation financière (INFE).

Codes JEL : D14, D18, I28, O16, O19, G28

Mots clés : Connaissances financières, capacité financière, éducation financière, inclusion financière, politique publique, services financiers, G20

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EXECUTIVE SUMMARY

In both developing and developed economies, the awareness of the importance of financial education has gained momentum among policy makers leading notably to the development of an increasing number of tailored national strategies for financial education in recent years. Receptivity to the need to set up a National Strategy for Financial Education (NS) has often been coupled with a greater national emphasis on financial consumer protection and inclusion measures. The attractiveness of such an approach is exemplified by the growing number of countries with varying economic, financial and socio-demographic contexts and characteristics that have established or are currently designing NS (36 according to surveys conducted in 2010/12).

The interest in such endeavours is growing also at the international level. The OECD and its International Network on Financial Education (INFE) are currently working on a set of High-level Principles on National Strategies for Financial Education that are expected to be endorsed by G20 Leaders in June 2012. This comparative report should be seen as a background document and as a complement to these Principles.

There are several advantages in the development of NS. They can provide the prerequisite for efficient financial education efforts at national level. They promote a smoother and more sustainable co-operation between interested parties and stakeholders, avoid duplication of resources and, more importantly, allow the development of articulated and tailored roadmaps with measurable and realistic objectives based on dedicated national assessments and following the most efficient and innovative practices.

However such initiatives are fairly new and there is a lack of comparative analysis on the approaches taken by countries and on the objectives, framework and implementation of national strategies. In this respect, this report provides selected relevant practices for policy makers and other stakeholders interested in designing and implementing a NS, either as a standalone endeavour or combined with other policy objectives.

The analysis shows how countries that have already set up NS overcame a series of challenges from the lack of resources to the difficulty of identifying a leader, gathering all stakeholders around common objectives maintain their long-term commitment and move efficiently to the operational phase. The experiences analysed in this report provide a good picture of the situation in 2011/12. They also indicate relevant solutions and tools to address these issues in a replicable way while bearing in mind that the first goal of a national strategy remains to be to adapt to national circumstances.

The OECD through its INFE will continue monitoring the design of new NS and the evolution of existing initiatives, notably their implementation and evaluation, in order to update this report as necessary and to provide policy makers with insights into this rich body of experiences.

Acknowledgments

This paper benefited from the important contribution of delegates to the OECD International Network on Financial Education (INFE). INFE delegates, and their counterparts within national administrations, provided significant inputs into the drafting of the report and made useful suggestions regarding its structure and content. Though INFE delegates are too numerous to mention by name, their contribution to this paper is gratefully acknowledged.

The OECD would like to acknowledge in particular the contribution of the members of the INFE Expert Subgroup on National Strategies for Financial Education: Ms. Susana Narciso, *Central Bank of Portugal*, Ms. Olivia Davids, *Financial Services Board of South Africa*, Mr. Sevak Mikayelyan, *Central Bank of Armenia*, Ms. Pascale Dugre-Sasseville, *Department of Finance of Canada*, Ms. Nidia García Bohórquez, *Central Bank of Colombia*, Ms. Helena Kolmanova, *Czech National Bank*, Mr. Kaza Sudhakar¸ *Reserve Bank of India*, Ms. Nadene Newsome, *Financial Services Commission of Jamaica*, Mr. Vincenzo Nastasi, *Svi Finance (Invitalia)*, Ms. Vanessa Rubio Márquez, *National Commission for the Retirement Savings System of Mexico (now Ministry of Finance and Public Credit)*, Ms. Zeynep Ozge Yetkin, *Central Bank of The Republic of Turkey*, Steve Stillwell, *United Kingdom Money Advice Service*.

Process and objectives

The OECD has been at the forefront of international work on financial education in this area. In 2003, it initiated a far-reaching financial education project to address governments' emerging concern about the potential consequences of low level of financial literacy. In June 2006, G8 Financial Ministers recognised the OECD work and activities on financial education. In particular, they "acknowledge[d] the importance of better financial education and literacy for improving the ability of people to use financial services and to make effective decisions with respect to their present and future welfare. [They] welcomed the ongoing work in the OECD on the Financial Education Project and call for further development of financial literacy guidelines based on best practices".

The OECD has accordingly expanded its project with the creation in 2008 of the International Network on Financial Education (INFE), developed to share and increase the expertise and knowledge of both developed and emerging economies. Currently more than 200 public institutions from over 90 countries participate in the INFE. Members meet twice yearly to discuss latest developments in their country and to develop analytical and comparative studies, methodologies, good practices and guidelines on key priority areas.

The OECD INFE decided at its meeting in Rio de Janeiro in December 2009 to launch a dedicated project in order to better address the issues related to the design and development of NS and to elaborate useful instruments for interested countries and policy makers. On this basis and following applications from members, the INFE created the Expert Subgroup on National Strategies for Financial Education[1].

The INFE began its work by a stock take on current or planned NS as well as reasons for not currently having such a strategy. The objectives of the stock take were to get a sense of the status of NS in different countries, understand the rationale for this development, and to collect sound and detailed data and resources for the development of comparative analysis, case studies and good practices/recommendations on the different options for the development of efficient NS.

[1] Subgroup Members include: Portugal (Subgroup Co-leader), South Africa (Subgroup Co-leader), Armenia, Canada, Colombia, Czech Republic, India, Italy, Jamaica, Mexico, Turkey and the United Kingdom.

The stock take conducted between August 2010 and December 2011 permitted to gather the responses of 35 countries[2]. The results of the stock take as well as additional research conducted by the Secretariat[3] served as the foundation of this paper.

The paper has a comparative approach and also points out good or relevant practices throughout the analysis whenever these have be identified by countries. It presents relevant background information and experiences and should be read in conjunction with the High-level Principles on NS developed in parallel. Together these documents provide policy makers with guidance and concrete examples to design and implement efficient NS.

[2] Abu Dhabi, Armenia, Australia, Austria, Belgium, Brazil, Canada, Colombia, Czech Republic, Denmark, Egypt, Estonia, France, Germany, Hungary, Iceland, India, Ireland, Japan, Lebanon, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, Peru, Poland, Portugal, Serbia, South Africa, Spain, the United Kingdom, United States, Turkey, Sweden.

[3] Other sources include information from other institutions such as the European Commission (information about Romania and Latvia) or publicly available information gathered through conferences or contacts with national institutions occurred after the INFE survey (including Ghana, Japan, Malawi, Russian Federation, Slovak Republic, Slovenia, Tanzania, Thailand, Uganda and Zambia).

CURRENT STATUS OF NATIONAL STRATEGIES FOR FINANCIAL EDUCATION: A COMPARATIVE ANALYSIS AND RELEVANT PRACTICES

Introduction

Governments around the world are increasingly concerned about low levels of financial literacy[4] amongst their citizens. They recognise that good financial literacy skills would enable individuals to make better informed decisions in an increasingly complex financial marketplace, and that in turn these well informed decisions could have positive spill-over effects on financial markets and the economy as a whole.

As more and more of the responsibility for financial well-being and decision-making shifts from both the state and the private sector onto the individual, the need to improve levels of financial literacy through financial education becomes increasingly apparent. Indeed, and notably since the unfolding of the financial crisis[5], financial literacy has been globally acknowledged as a key life skill and as an important element of economic and financial stability and development.

This has led to an increasing number of financial education programmes being developed in OECD countries and in emerging markets. However, such initiatives, launched by both public and private institutions, often lacked coordination and evaluation of their impact, leading to duplication of effort and resources. In this context, the development of NS has become an important priority for many policy makers particularly in the aftermath of the financial crisis.

The OECD INFE decided accordingly to investigate these issues and map existing programmes, the allocation of the resources invested, their appropriate use and whether the effectiveness of such efforts could be improved. Although the development of NS has been quite steady especially since 2008, this is still a relatively new endeavour for most countries, for which information on good practices is needed.

Structure

The structure of the paper follows an order based on the experience of the countries analysed and on the agreed definition of NS[6]. It is important to bear in mind that the sequence of steps chosen by countries may be different and is often heavily influenced by local specificities and priorities.

The paper begins with a definition of the object of analysis and a snapshot of the current situation among INFE Members (**section I**). It then addresses the set up and the preparation of the NS (**section II**), including its objectives and driving factors, and finally addresses the building of a framework for the NS (**section III**), including the development of governance mechanisms, roadmap, delivery tools and programmes and their evaluation.

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[4] Defined as "a combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve financial wellbeing", Atkinson and Messy (2012).

[5] OECD/INFE (2009).

[6] See definition in I.A, page 11.

I. GENERAL CONTEXT

A. National Strategies for Financial Education: definition, scope, terminology and focus

Definition of national strategy and scope

For the sake of this paper, a NS will be defined as a nationally coordinated approach to financial education which consists of an adapted framework or programme that:

- Recognises the importance of financial education and defines its meaning and scope at the national level in relation to identified national needs and gaps;
- Involves the co-operation of different stakeholders as well as the identification of a national leader or coordinating body/council;
- Establishes a roadmap to achieve specific and predetermined objectives within a set period of time; and,
- Provides guidance to be applied by individual programmes in order to efficiently and appropriately contribute to the NS.

NS are meant to be tailored to national and/or jurisdiction circumstances. In this respect, in many countries, the strategy is part of, or a complement to, a holistic approach aimed at financially empowering consumers and investors through enhanced financial protection and/or adequate financial inclusion[7] measures; or more broadly at promoting the development of sound and fair financial markets and supporting financial stability.

In countries where access to a range of mainstream financial services by a large part of the population remains a concern, financial inclusion and education goals and policies are combined in order to mutually reinforce their impact. In such cases, financial education strategies typically form part of wider demand and supply side national strategies aimed at both widening the access to financial services and ensuring their appropriate use by all segments of the population, including vulnerable groups.

Terminology used in countries

The terminology used by countries when it comes to their NS varies. However most of those responding to the questionnaire define their NS as focusing on "financial education" with a minority of

[7] Financial inclusion is currently defined in various ways and work in order to develop a globally acceptable definition is undertaken in various fora including the Global Partnership on Financial Inclusion. The INFE Expert Subgroup on the role of financial education in financial inclusion has also developed a working definition of financial inclusion which will be used for the sake of consistency, in the rest of this document: i.e. "financial inclusion refers to the process of promoting affordable, timely and adequate access to a range of regulated financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including financial awareness and education with a view to promote financial wellbeing as well as economic and social inclusion".

them preferring "financial literacy" and a few examples of countries encompassing wider concepts such as "consumer protection/education".

When focusing on financial education, the concept is typically based on the 2005 OECD definition: "Financial education is the process by which financial consumers/ investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become aware of (financial) risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being and protection"[8]. This is explicitly the case in Brazil, Ireland, Peru, Poland, Spain and South Africa.

Some countries such as Australia, Japan and the United Kingdom stress the link between having the necessary level of financial literacy, meaning "the ability to make informed judgements and to take effective decisions", as a precondition to improve financial wellbeing. Others such as Canada particularly stress confidence as a necessary element to help people making the right decisions. One country, Colombia, also mentions the importance of understanding changes in key macroeconomic indicators affecting individuals' living standards and the values and responsibilities that are part of financial decision-making and that enhance the ability to participate actively in the democratic process.

Active participation in financial markets is a component of financial education in the Czech Republic and in India. Finally in one country, Malaysia, the focus of the NS is more explicitly on consumer education, since it began by providing consumers with knowledge and understanding of financial products (banking and insurance), but has now come to encompass a broad spectrum of activities such as financial education in schools, making the focus of the strategy not dissimilar from that of other countries.

The terminology therefore varies slightly, but the overall content is coherent and does not differ substantially among countries, suggesting that the general scope of NS and the modalities used for their development can be meaningfully compared.

B. The current picture: National Strategies worldwide and stages of development

A majority of the countries surveyed have already launched, to various extents, the process to develop a NS (see table 1 for a summary). The OECD INFE survey and additional research found 36 countries having either designed and implemented a NS or having considered or designed a NS.

Table 1: Stages of development*

National Strategy	Count	Countries
1) Countries that have designed and implemented (implementation date)	15	Australia (2011),Brazil (2010), Czech Republic (2010), Ghana (2009), India (2006/2010), Ireland** (2009), Japan (2005), Malaysia (2003), Netherlands (2008), New Zealand (2008, 2010), Portugal (2011), Slovenia (2011), Spain (2008), United Kingdom (2003), United States (2006, 2011)
2) Countries that have started considering and/or designing a NS (but not yet implemented it)	21	Canada, Colombia, Estonia, Indonesia, Kenya, Latvia, Lebanon, Malawi, Mexico, Peru, Poland, Romania, Serbia, South Africa, Sweden, Tanzania, Turkey, Uganda, Russian Federation, Thailand, Zambia

* The information is updated as of February 2012. Denmark does not have a NS as such and it is not considering designing one due to budgetary constraints, however it established a national board with responsibilities for financial education. ** Ireland on the other hand has an approach based on the recommendations of a steering group, but this does not include a NS. Nevertheless it has much in common with national strategies elsewhere and so is included in the following analysis.

[8] OECD (2005b).

Among the group of countries that have started considering and/or designing a NS (category 2), some are currently at an advanced design phase and are not far from the implementation (currently finalising the draft NS document, such as Colombia, or expecting government approval of a final document as in Canada). These countries are therefore included in the following analysis.

Among the countries responding to the OECD INFE questionnaire that they have neither considered nor planned a NS, most have however expressed willingness to develop national endeavours on financial education, but mentioned that a range of constraints and challenges (also reflected in Box 1) have so far prevented their establishment.

In some cases, countries have also pointed to more specific explanations. For instance, Belgium is awaiting government regulations which should assign a clear financial education mandate to a public authority. In Luxembourg, a NS is not deemed necessary due to the characteristics of the local retail financial marketplace.

Box 1. Challenges in the development of National Strategies

Agreeing on definitions and common objectives

The United Kingdom stressed the difficulties faced in agreeing on the definitions of the main purpose and content of NS and the relationship between financial literacy and financial inclusion.

Buy-in and commitment

Another area of concern relates to getting all parties involved in the process (Netherlands and New Zealand), or the sustainability of the coalition and its drive over time (Brazil). The diversity of existing programmes (Australia) can also generate difficulties: some organisations already active in financial education might be very passionate about their programmes and have a great sense of ownership of their work.

Coordination among different levels of the public administrations involved (Spain) and their agendas (United Kingdom) was also mentioned. Malaysia points out the problems faced in getting financial sector providers involved in playing a greater role in the implementation of programmes.

Such challenges might be aggravated by the long-term nature of a NS and by the lack of immediate visible impact in the short-term, as stressed by Australia.

Competing policy priorities

There might be several “national strategies” across a wide range of policy priorities being designed and implemented by the government and its agencies. These strategies do compete at ministerial level for visibility and political backing, as underlined by Australia. This can impact negatively on the timing for releasing the NS and the resources allocated to it.

Resources and budgetary issues (see also section III B.3 Budget.)

The lack of resources is the reason why countries such as Armenia, Austria, Egypt, Iceland and Serbia have neither considered nor planned a NS so far.

Securing credible and long-term sources of funding is also pointed to as one of the main difficulties in the development of a NS (Spain). In this respect, Mexico for instance advises to clearly differentiate between the public budget devoted to government communication programmes and the one devoted to financial education initiatives. Such differentiation would allow financial education funds to become more permanent and independent.

India also stresses that the setting of a defined and global budget for the NS might in some cases be counterproductive as it may pose a clear limit on the resources to be deployed. In this respect, most countries have developed budgets for particular financial education programmes within the NS rather than a global budget.

Federal structure

The division of responsibilities between different state levels is one of the main challenges to overcome in countries with a federal structure. This is for example identified by Germany as the main reason preventing it from developing a NS. However, the challenges linked to federal government structures emerge also from the experiences of Australia, Belgium, Canada and the United States.

II. SETTING UP AND PREPARING THE NATIONAL STRATEGY

A. Objectives and driving factors[9]

The rationale behind the design and implementation of a NS vary among countries. NS are often the result of a combination of national circumstances and are designed to reach long-term goals or following hard evidence provided by a key national authority concerning the state of financial literacy and inclusion of the population. For the sake of clarity, the report analyses such rationale differentiating between the objectives that countries aim to achieve and their related approach when designing the NS, on the one hand, and the reasons that prompted them to initiate the NS, on the other.

1. Objectives: holistic and standalone approaches

NS seem to be developed following two main approaches which are not necessarily mutually exclusive. In a first and predominant approach, NS are part or complement of a more general national endeavour aimed at empowering financial consumers (typically including financial consumer protection and inclusion initiatives). In a second approach, NS are developed as standalone initiative and aimed at addressing particular financial literacy challenges.

In many countries the development of a NS is part of a wider endeavour (18 within the OECD INFE survey sample). In most of these countries, NS are linked explicitly from the onset to financial consumer protection strategies and are intended as a complement to regulation in that area. They also find their rationale in structural changes in financial markets and/or economic, demographic and societal evolutions.

In emerging markets, in particular, the development of NS can also find its basis in the will to complement nation-wide financial inclusion initiatives designed to increase the proportion of the population that has access to financial services. This is specifically the case in India and Indonesia (but also in Mexico), where the NS is intended as one of the pillars of a financial inclusion process.

Notwithstanding these holistic approaches, the rationale for their specific financial education component always finds its roots in the expected benefits and spillovers that countries associate to increased levels of financial literacy: from more resilient and broader financial markets to more effective financial regulation policies.

In a second group of countries, the objectives sought through the creation of a NS relate more closely and exclusively to the factors making financial education increasingly important and already identified in the 2005 OECD study[10]. These factors are the growing complexity of financial products, the greater financial responsibility passed on to consumers by governments worldwide, the demographic changes such as the baby boom and the increase in life expectancy, changes in capital markets, and the need for citizens to make appropriate financial decisions. Such "structural" changes are deemed among the factors determining the NS in Australia, Colombia, Portugal and South Africa.

[9] See also Box 2, "Selected benefits of a NS".

[10] OECD (2005b).

Within this group of countries, some also stress a particular aspect such as the need to equip citizens with the tools and skills needed to address increased financial responsibilities (Australia and Czech Republic), or a more pervasive empowerment of citizens (New Zealand). The increase in awareness about financial matters and more specifically the encouragement of savings and investments are also indicated as the main rationale leading to the development of a NS in India.

2. Driving factors: the financial crisis, national policy priorities and reforms, low financial literacy levels

NS can be prompted by different national circumstances that either raise the awareness of the importance of financial literacy or facilitate consensus on its development. Governments' political agendas also play a determinant role, as political backing of the NS is crucial to ensure not only its launching, but more importantly its sustainability.

NS have found an opportunity for development in the aftermath of the financial crisis, when the profile of financial literacy was substantially raised in a number of countries[11]. In some cases, NS were designed thanks to links and synergies with broader national policy priorities or reforms, notably of the financial sector or of its supervisory architecture. This was respectively the case in South Africa, where institutional changes facilitated the establishment of new regulatory bodies, and in Malaysia, where the reform of the financial sector provided a chance to increase financial consumer protection mechanisms with financial education as an essential component.

Finally, in some cases, evidence of the low levels of financial literacy of the population coupled with a demonstration of its detrimental effects has paved the way for the consideration of a NS[12]. In Brazil for example, authorities discovered through a targeted survey worryingly low levels of knowledge of financial matters and evidence of non sustainable households' consumption/savings ratios. In Lebanon, informal surveys indicated that the population's financial skills were very weak or inexistent. In New Zealand, the design of the first NS followed the 2005/06 ANZ-Commission for Financial Literacy and Retirement Income Financial Knowledge Survey aimed at investigating the financial knowledge of the adult population[13]. In Portugal, the development of the NS was due to the poor level of financial literacy revealed through surveys[14] and the examination of complaint against financial services providers. Finally, in Spain it occurred after a national survey of households' finances[15].

Need to rationalise and coordinate existing programmes

The need to gather and rationalise existing initiatives that lack coordination is another factor that plays an important role in the creation of a NS. In this case, one or more national public authorities recognise this issue and decide to endeavour to enhance the role of already active players. This is the case in the United States and in Canada. In the latter, the government established an independent task force that made recommendations to the Minister of Finance for a cohesive NS.

When NS are designed in countries with several financial education programmes already in place, countries point out the lack of coordination between the various institutions trying to educate financial

[11] INFE(2009).

[12] See below section 3.A "National surveys of financial literacy".

[13] More information available at: www.financialliteracy.org.nz/research-/results-anz-retirement-commission-financial-knowledge-survey/2006

[14] The document is available at: http://clientebancario.bportugal.pt/pt-PT/Publicacoes/InqueritoLiteraciaFinanceira/Documents/Survey.pdf

[15] More information available at: www.bde.es/webbde/en/estadis/eff/eff.html

consumers. Some countries realised the benefits of pulling together various organisations that were individually unable to appropriately address national gaps, and better coordinated such organisations in order to enhance their effectiveness (Estonia, Ireland, Poland and South Africa).

Box 2. Selected benefits of a National Strategy

Some countries explained in detail what they have achieved through the implementation of the NS or in its design phase.

Increased levels of collaboration between stakeholders, the public and private sectors, and a general buy-in from public authorities is reported as one of the main achievements by Brazil, New Zealand and the UK (three countries that are at different stages of their strategies). Along the same line, the Czech Republic points out how the creation of the working group on financial education itself allowed for the exchange of information and expertise, thus increasing the number of sources and the level of expertise ahead of the full implementation of the NS.

A similar virtuous circle, this time operating between public authorities responsible for the NS and the target population, is reported by Mexico. Here, the substantial increase in the provision of information to financial institutions account holders determined a greater and diversified demand for information on the part of financial customers. This results from legal and regulatory reforms enacted within the past few years to strengthen financial consumer protection, especially with regard to the provision of accurate, timely and clear information and the reforms to strengthen the financial consumer protection agency.

Some countries also provide examples of specific projects that would not have seen the light without the creation of a NS, such as the measurement exercise in the Czech Republic, while others such as Malaysia stress how the NS allowed the establishment of several formal infrastructures and institutional pathways with the potential to serve future diverse financial education and consumer protection initiatives.

B. National Strategy preparatory phase

The establishment of a NS generally requires preparatory surveys to ensure it is relevant and adapted to country circumstances. Such steps do not necessarily follow a predetermined order but they usually include the assessment of the needs of the population and the identification of possible target groups, the mapping of existing initiatives and consultation and communication among stakeholders[16] as well as available resources.

1. Assessment of population needs and policy gaps

Countries identify criteria and sources of information in a variety of ways. This depends on the availability of resources, the ownership of the strategy and the institutional arrangements underpinning its development.

Needs and gaps assessment is crucial in many respects, it informs the development of the national approach and is usually the method by which institutions set key priorities and begin to draft a working programme. It is also during this phase that countries have the chance to assess the preferred methods to address specific issues, define the target population and determine the extent and needs of vulnerable groups.

[16] See also Box 3, “Consultation and communication”.

Countries indicated several methods, illustrated by the table below:

Table 2: Sources of evidence

Country	National Surveys	Consumer Surveys	Opinion Polls	Financial Market Surveys	Consumer Complaints	Survey of Providers	Examples from other countries	Other
22	18	13	5	2	12	6	16	14
Australia	X	X			X		X	X
Brazil	X						X	X
Canada	X	X			X		X	X
Colombia		X				X	X	X
Czech Republic	X	X	X		X	X	X	
Estonia	X				X		X	
India		X		X	X		X	X
Ireland	X				X		X	
Japan	X	X				X	X	
Lebanon	X		X		X		X	X
Malaysia					X	X	X	X
Mexico	X	X						
Netherlands	X	X				X		
New Zealand	X	X					X	X
Peru		X	X			X		X
Poland	X			X	X		X	
Portugal	X				X		X	X
South Africa	X	X						X
Spain	X				X		X	X
Sweden	X		X		X			X
Turkey	X	X	X				X	
United Kingdom	X	X						X

National surveys of the levels of financial literacy, consumer complaints data and drawing on examples from other countries are the preferred methods to identify key priorities and have been used by respectively 80%, 52% and 67% of countries surveyed.

National surveys of financial literacy

National surveys can provide authorities with unique insights, as they allow identifying the levels of financial knowledge, attitudes, and behaviours of consumers. In particular they permit to highlight key priorities, notably in relation to specific financial products, informing targeted programmes and determining the involvement of additional stakeholders/authorities. They can also reveal the financial habits of the population regarding access to financial products, credit, savings and investments or planning for retirement, allowing national authorities to begin the development of suitable financial education resources. National surveys notably allow a segmentation of the population and the identification of more vulnerable groups.

The identification of areas of concerns or populations at risk can in turn foster the political momentum needed for a successful NS.

Such surveys have been carried out in different ways. Their focus can be on individuals or on households. They can be carried out by national statistics bureaus or by private firms contracted on an ad hoc basis on behalf of central banks or other public authorities. It is interesting to note that the countries that indicated national surveys as a method to identify key priorities but had not collected data at the time

of the survey (Estonia, Poland and South Africa) are part of the OECD INFE Financial Literacy Measurement Pilot[17].

Consumer complaints

Data from consumer complaints is another popular source of information. The authorities responsible for the development of a NS are often those in charge of financial markets supervision or financial consumer protection policies. In some cases, together with complaints, such authorities are also able to assess the needs of their population by analysing requests for information that have been submitted by consumers or consumers associations (Czech Republic, Mexico). As such, they are well placed to assess the data collected in the years preceding the creation of the NS.

The institution(s) responsible for the NS can also make use of local branches of the banking ombudsmen and gather data already available within consumers associations (India). Finally, complaints and requests for information can also reveal the attitudes of consumers during their interactions with private financial institutions and product distributors, in particular regarding their rights and obligations (Portugal).

International examples and other methods

The experience of other countries is another common way to identify priorities. Countries do this to learn from international good practices in the development of NS, identify literature reviews and set benchmarks. So far, the United Kingdom, Australia and New Zealand are the countries most often taken as examples. This notably stems from the fact that they were amongst the first group of countries which have initiated a NS and have released their roadmap in English. In some cases, NS are also informed by the tools provided by multilateral institutions such as the OECD/INFE and the European Commission[18].

Other members stress the guidance provided by official strategic documents or pieces of regulation issued by the financial regulator (Brazil, Colombia), the use of focus groups (Brazil, New Zealand) and the analysis of macroeconomic and financial indicators such as savings level, indebtedness and the percentage of non-performing loans (Portugal). Two countries also mention the research performed on the financial press (Peru) together with the analysis of journal articles, published and unpublished research reports in the field of financial education, financial services regulation and behavioural economics (Australia).

2. Mapping of existing initiatives and resources

Mapping and assessment of the state of financial education initiatives is very important during the design or the preliminary implementation phase. Countries mention several associated benefits: from the identification of potential partners for the NS to the understanding of shortcomings in existing programmes. This is an important step as it can prevent duplication of efforts and might allow for the identification of valuable resources, actors and programmes that could be incorporated within the framework of the NS.

The stock take indicates that 45% of countries sampled performed mapping and assessment, specifying that this was conducted during the design rather than at other points of the development of the NS. This has been done through meetings with other government agencies and selected institutions that might have had an interest in the field, through surveys conducted among stakeholders, or through the

[17] See the tools developed at international level by the INFE: OECD/INFE (2011a), OECD/INFE (2011b), OECD (2012b).

[18] See available material on the DG Internal Market website: ec.europa.eu/internal_market/finservices-retail/capability/

organisation of a national conference on financial education (Czech Republic). Others opted for more targeted investigations such as curriculum mapping exercise or, concerning the educational sector, formal audits within secondary schools (Ireland and New Zealand).

Countries indicate that such surveys have proven very useful, as they permitted to identify shortcomings in the existing initiatives such as lack of coordination and weak evaluation (Colombia) or identify selected stakeholders to involve in the NS (Portugal). In some cases, this exercise served to reinforce the political drive behind the NS, as in India where it further revealed the low level of access to mainstream financial services that then became one of the major focuses of the NS. In other situations, the assessment phase shed light on some interesting problems to address: in Mexico the mapping exercise, through the analysis of already existing initiatives, pointed out the importance of supporting citizens in their approach to the retirement saving system as well as to the insurance sector.

Finally, the mapping of existing initiatives and resources can also be a good brainstorming exercise. In Sweden, organisations already active in the field of financial education were a powerful source of ideas and suggestions on how the NS could better inform and coordinate their activities and which kind of support they would benefit from.

Box 3. Consultation and communication

Consultation between stakeholders is a useful method to get a feel of the perceived priorities, to understand the potential role that some institutions can play within the NS, and to receive constructive advice from knowledgeable actors in the field of financial education.

During the design phase

Some respondents indicated public consultation and feedback from stakeholders as two of the criteria used to define their priorities. More specifically countries can engage in official consultation processes (Canada and United Kingdom), interviews with stakeholders including government departments (Lebanon, New Zealand and South Africa), or feedback from consumer bodies (Malaysia and South Africa) and the private sector.

During the development

Consultation mechanisms can also be one of the components that provide inputs to initiate and develop the overall NS. Eighteen countries indicated that they had undertaken public consultation with stakeholders. Out of this group, three had open consultation processes (Canada, Ireland and the United States).

In the cases where the consultation was restricted to selected stakeholders, the openness of the process differs substantially. In some countries, the process was restricted to government agencies (Colombia and Lebanon), in others it was extended to private financial institutions (Brazil, India, Mexico and Netherlands) and NGOs (Brazil) or consumer bodies (Brazil, South Africa). In one situation, the process included a first round of consultations with key Ministries and the Central Bank, and a second one restricted to members of the existing working group on financial education (Czech Republic). Finally, in one case, existing consultative bodies and networks were used (Australia).

Communication

In many cases, countries decided to communicate on the NS itself and on the results of the initial measurement exercise. This proved useful to capture the attention of the population and media and it helped to raise the profile of the NS with stakeholders and public authorities.

Such communication strategies include not only media campaigns (press conferences, media releases and ads), but also the display of NS material in banks and financial providers offices.

III. BUILDING THE NATIONAL STRATEGY FRAMEWORK

A. Governance mechanisms and involvement of stakeholders

NS are the product of a collective effort that involves different public authorities and several stakeholders from the private sector and/or NGOs. Given the long-term nature of such initiatives and the numbers of actors involved, countries devote much attention to the establishment of mechanisms allowing a better governance and coordination amongst them.

1. Leadership and governing mechanisms

Countries have initiated a NS in a variety of ways. In any of the settings the identification of a leading coordinator or leading structure is one of the main challenges to address. This goes hand in hand with the need to ensure the involvement, more or less formally, of several relevant stakeholders from the public, private and civil sectors and a smooth and effective co-operation between them[19].

Indentifying a leader

The results of the stock take and related consultation with countries highlight the importance of identifying a leader or leading body as early as possible in the development of the NS. Such leader is ideally a resourceful and competent authority/structure that can steer and coordinate the collective effort.

In several countries, the leader seems to have been self-appointed. This was the case in the United Kingdom, where the Financial Services Authority initiated the process and was the leading force behind the NS, or in New Zealand, where the Commission for Financial Literacy and Retirement Income has been the driving force and coordinating leader from the very beginning. In such cases, one public institution (a ministry, or a regulatory/supervisory authority) under the leadership of key personalities or through the expertise of an internal department decided to begin to work on financial education issues and later on the development of a NS. This occurred also when the initiative was taken by ministries of finance, such as in the Czech Republic and the Netherlands. Central banks have also self-appointed themselves as natural leaders (Malaysia, Colombia and Portugal).

In some cases, the appointment of a lead agency is directly related to the portfolio of responsibilities of the agency and the directives by relevant Ministries (Australia). Finally in one unique case so far, Canada, the government-created national task force on financial education addressed specifically this issue. It included in its final recommendations the appointment of a physical person to become Leader of the NS (without stating which organisation s/he should be drawn from)[20].

Stakeholders responsibility for initiating the NS

NS were initiated in most countries by a combination of public authorities, usually the Government (through the Ministry of Finance), the Central Bank and the Financial Regulator/Supervisory Authority (for Financial Markets or Pensions, according to national circumstances). There are a few cases in which there is a single authority responsible for launching the NS. This is the case for the Bank Negara Malaysia (central bank), the financial regulator in Australia (Australian Securities and Investments Commission, ASIC), South Africa (Financial Services Board, FSB[21]) and Turkey (Capital Markets Board), the financial consumer protection agency in Ireland (National Consumer Agency) and the government in Canada

[19] See also Box 2, "Selected Benefits of a National Strategy".

[20] See the Executive Summary and Recommendations within the Report "Canadians and Their Money: Building a brighter financial future". Recommendations available at http://www.financialliteracyincanada.com/pdf/canadians-and-their-money-4-rec-eng.pdf

[21] In South Africa, the National Treasury took the lead from the FSB following the first draft of the NS.

(Department of Finance), Lebanon (Minister of Finance), the Netherlands (Ministry of Finance) and New Zealand (Commission for Financial Literacy and Retirement Income).

In some cases, the government has launched the NS by appointing a government department to serve as secretariat of a high-level working group. This occurred in Slovenia, and in the United States, where Congress initially appointed the Treasury's Office of Financial Education to lend its expertise and provide primary support to the Financial Literacy and Education Commission (FLEC), chaired by the Treasury Secretary and gathering over twenty federal entities, including financial supervisors, the central bank and several government ministries. In Canada, the government created a Financial Literacy Taskforce composed of key individuals from public and financial institutions which was given the mandate to draft the NS and provide appropriate recommendations. Table 3 on the next page illustrates the picture.

Whilst one authority might have a key coordinating role, almost all countries have had two or more institutions gathering forces to initiate this process. This can be explained by the need to create political momentum and to have, at the preliminary phase, as many powerful stakeholders as possible backing this effort.

This is particularly important as in most countries national authorities are not necessarily familiar with financial education policies and might not be aware of the international good practices and developments in the field. Another reason to gather forces lies in the necessity to understand thoroughly the financial literacy needs of the population, which can be more consistently and comprehensively addressed thanks to the experience of different national authorities.

The added value provided by working groups and consultative committees[22]

Furthermore, in most countries the institution/s responsible for designing the NS decided to convene, more or less formally, a working group, a steering group or a consultative committee. Such bodies serve to discuss the NS and assist its development they have been created both when there was one single institution initiating the NS and when two or more authorities began the process.

In some cases, the group of authorities was later enlarged to include additional stakeholders. In Brazil, the NS was initiated by a committee representing the four financial regulators (COREMEC), but the NS is now coordinated by CONEF, a wider committee comprising the four regulators and representatives from the Ministries of Justice, Education, Finance and Social Security and a few high-level representatives from the private sector. In the United States, FLEC members set up a National Strategy Working Group created specifically to align public and private organisations to work on common goals. In Mexico the Ministry of Finance and Public Credit, which initiated the co-ordination of financial education activities and leads the NS, constituted the Financial Education Committee. This is chaired by the MoF and integrated by public financial and educational authorities, national development banks and representatives from the private sector in order to align public and private actions.

These groups are typically composed of several authorities, including Central Banks and Regulators, but also involve industry bodies (Australia, South Africa, Slovenia, Sweden) and consumer associations (Australia, Slovenia, South Africa) as well as Education Ministries (Australia, Colombia, Czech Republic). This is crucial to acknowledge and harness the efforts of relevant stakeholders and to provide as much support and backing as possible to the NS.

[22] See also Box 3, "Consultation and communication".

Table 3: Institutions initiating the National Strategy

Country	Supervisory Authority, Financial Regulator	Central Bank	Government	Other
Australia	Australian Securities and Investments Commission			
Brazil	X	X		COREMEC*
Canada			Department of Finance	
Colombia	Fogafin + Fogacoop**	X	MoF + MoE	
Czech Republic		X	MoF + MoE	
Denmark	FSA			
Estonia	FSA		MoF	
India	RBI, SEBI, IRDA, PFRDA***	X	MoF + Ministry of Consumer Affairs	NGOs
Ireland	National Consumer Agency			
Japan	FSA	X		The Central Council for Financial Services Information
Lebanon			MoF	
Malaysia		X		
Mexico			MoF	
Netherlands			MoF	
New Zealand				Commission for Financial Literacy and Retirement Income
Peru	FSA		MoE	
Poland	FSA		X	
Portugal	National Council of Fin Regulators (bank, sec, ins)	X		
South Africa	Financial Services Board			
Slovenia			MoF	
Spain	CNMV (securities)	X		
Sweden	FSA + Consumer Agency + Pensions Agency		MoF	NGOs and private financial institutions
Turkey	Capital Markets Board			
United Kingdom	FSA		HM Treasury	
United States			Dept. of Treasury	

Note: "X" indicates that the institution is initiating the NS. *COREMEC is composed of the Central Bank, CVM (Securities and Exchange Commission), PREVIC (National Superintendency of Complementary Social Security), SUSEP (Superintendency of Private Insurance). ** Fogafin: Financial Institutions Deposit Insurance Agency, Fogacoop : Cooperatives Deposit Insurance Agency. *** RBI: Reserve Bank of India; SEBI: Securities and Exchange Board of India; IRDA: Insurance and Regulatory Development Authority of India; PFRDA: Insurance Sector and Pension Fund and Regulatory Development Authority of India.

Even in the few cases where the NS is led and coordinated by one institution, the authority established partnership agreements or permanent coordination with external stakeholders or they made use of a consultative group.

The level of formalisation of such groups vary considerably: in most cases these were set up on an ad hoc basis solely to support the NS, while in others, authorities decided to make use of existing structures. This is the case in India, where the four financial regulators in charge of financial education initiatives discuss the main issues at stake through the High-level Co-ordination Committee on Capital Markets. This committee was assigned responsibility to determine goals relating to financial literacy and inclusion and to guide the NS.

2. Involvement of stakeholders

Wider stakeholder involvement is encouraged in a number of countries, more or less formally through the establishment of steering groups or advisory boards, and can take place through a variety of methods during the drafting of the NS and/or in its preliminary phases. The participation of stakeholders might prove essential to ensure a thorough coverage of the NS, both in geographical terms in countries with federal institutions and in institutional terms in countries where several public authorities may possess mandates relating to financial education and consumer protection.

Stakeholders' representation and involvement is sometimes sought to secure funding to parts of the NS or to specific programmes, or because of the expertise they possess. The involvement of the private sector has often proven essential for the success of the NS. In such cases, countries define the role of financial institutions through clear yet flexible divisions of responsibilities, the development and application of quality standards, codes of conduct or other arrangements to prevent the emergence of conflict of interests.

Modalities of involvement

In a majority of countries, the involvement of a wide range of stakeholders stems from the fact that financial education straddles the interests of a number of authorities. In this respect, governments and public authorities often interact with a very wide range of stakeholders, including private sector institutions, trade unions, academics, pension managers, charities and community groups (Czech Republic, Denmark, Ireland, Japan, Mexico, New Zealand, Sweden, the United Kingdom and the United States). In addition in countries with a federal structure, such involvement is essential to provide an intermediary between national and regional government (Australia, India and Spain).

Such involvement can take different forms. In Brazil for instance, different chapters of the NS were written by private sector organisations (e.g. self-regulatory organisations -SROs-, NGOs and non-profit organisations) under the supervision of a government representative of the working group as chapter coordinator. In the Czech Republic, relevant stakeholders also were invited to co-draft the text of the NS. This ensured a sense of ownership of the final document and a commitment to implement it together. Active consultation during the drafting of the NS occurred also in New Zealand.

Some countries created ad hoc bodies in order to ensure a coherent and participative implementation of the NS. New Zealand set up a national advisory group with high-level government and central bank representatives to monitor implementation and progress of the NS and ensure active and wide consultation. Another example can be found in Mexico, with the establishment of a Financial Education Committee, headed by the Ministry of Finance and Public Credit. Other countries used already established bodies to further the priorities identified by the NS, such as Australia that regularly consults with the Australian Government Financial Literacy Board, as well as a Financial Literacy Community of Practice Network, and the National Reference Group on Financial Literacy in Schools (the latter two established by ASIC).

Some respondents, whose NS include programmes for the introduction of financial education in schools, also point out the need to involve the educational sector as a key and relevant stakeholder from the

outset of the NS (Ireland, Brazil) going as far as creating a pedagogical/educational group to draw together financial and educational authorities and private sector stakeholders (Brazil).

The development of material is another task that can provide opportunities for the involvement of stakeholders. In Malaysia, private sector institutions provide input for the development of pedagogic tools and their dissemination. As in other cases, this also ensures a more thorough involvement in the implementation phase of the programme (in schools in this specific case).

The involvement can also take the form of periodical attendance of experts from specific government agencies in the meeting of the working group responsible for the implementation of the NS. This happens for example in Spain, where experts from the General Directorate of Insurance and Pension Funds regularly attend the meetings of the working group and provide their technical expertise and advice.

Finally, Brazil provides a useful example of structured involvement of the private sector on one specific aspect of the NS. There, the associations representing most of the financial markets institutions operating in the country decided to set up a National Association for Financial Education that is going to take over the nationwide coordination and implementation of school programmes.

Box 4. Involvement of stakeholders: a few relevant practices

Some countries have also shared some relevant practices on ways to gain stakeholders' support for the NS.

Brazil advises countries to identify the institutions and organisations that share the same long-term goals of the financial regulators, such as that of having conscious and well-informed financial consumers. The United Kingdom stresses the need to understand stakeholders' perspectives and priorities, in order to better assess their needs and understand how likely they are to commit to the NS and help in its implementation.

New Zealand suggests having stakeholders and interested parties to sign up to become official supporters of the NS, as even a formal buy in might reinforce their commitment. Finally, Mexico feels it is important to establish and maintain continuous contacts with state authorities (in its specific case at federal and local level) and other stakeholders and to regularly keep them informed of the achievements of the NS and of the challenges ahead.

For what concerns the use of private funds and the prevention of conflict of interests, some countries suggested that the structure of the funding mechanism can be more effective than the implementation of codes of conduct. The good practice here, according to Canada, lies in pooling the resources so that there is no direct link between private sponsors and funded entities.

B. Roadmap and operating framework

1. Roadmap, outcomes and timeline

Countries often define reasons, objectives[23], governance and content of their NS in an official document or roadmap[24]. Such documents, providing an overarching framework for the development of NS, are often drafted by several authorities, with the involvement of stakeholders and are sometimes submitted to public consultation. In some cases, private sector and/or NGOs are invited to officially sign up to the document and formally endorse it.

Such NS official documents also include provisions about the timing and the deadlines set for the development of programmes and initiatives. The indicated time spans underline the long-term nature of the objectives set by authorities. Half of countries surveyed indicate a time span of 5 years before an official review, underlining that the validity of the NS is not limited to 5 years but extends further. Some countries

[23] See also Box 5, "Roadmap objectives within NS official documents".

[24] See also NS documents and selected resources in appendix.

indicate longer time horizons such as 7 and 10 years. Finally, two countries also provide information on the preliminary phase of the NS: Turkey foresees this period, (including the initial coordination, design and start-up) to last 3 years, and Sweden mentions a 2 years initial test of the NS.

Box 5. Roadmap objectives within National Strategies official documents

NS official documents highlight the vision behind the NS, the overall objectives sought through its implementation and its guiding principles. There are different ways in which countries define these. Some focus on operational goals or guiding principles, while others rather stress policy areas or target groups they would like to reach out in particular.

Australia emphasises the core principles on which the NS is founded: inclusiveness, engagement, diversity, knowledge and empowerment, improving outcomes, partnerships, and measurement. The NS document underlines that such principles have guided the formulation of the strategy, the initiatives it focuses on, the selection of the target groups and the suggested implementation.

Canada also addresses what are defined as NS priorities. Such priorities are shared responsibility, leadership and collaboration, lifelong learning, delivery and promotion, as well as accountability.

New Zealand, while putting forward the NS mission of financially well-educated citizens that can make informed financial decisions throughout their lives, explains that the focus of the NS is on four elements: developing quality, extending delivery, sharing what works, and working together.

The United States identifies what are defined as the four goals of the NS: increase awareness of, and access to, effective financial education, determine and integrate core financial competencies, improve financial education infrastructure, and finally identify, enhance and share effective practices.

In this first group, there are some common trends that can be identified. These are an emphasis on the need for the NS to be a platform where different stakeholders can effectively work together to achieve common objectives (partnerships/sharing/collaboration), and a focus on efficiently identifying best ways to reach out to specific segments of the population that need financial education (inclusiveness/extending delivery/increase access).

In other NS documents, the focus is rather on the policy areas and specific topics or population segments that are chosen according to the financial education needs of the country. Even in these cases operational goals are mentioned, notably collaboration between authorities and stakeholders, however these are not put forward as main objectives.

This is for example the case in the Czech Republic, where the NS document puts forward the priority areas for the future: preventing indebtedness, active and responsible participation in the financial market, and providing for retirement.

Spain develops the NS on the basis of the target groups addressed. The plan begins with a segmentation of the target population, and it presents financial education needs together with the actions to be undertaken in the NS framework and the cooperating agents that will implement them.

The Portuguese NS as well highlights that the objectives have been set taking into account the specific needs of the different segments of the population, and on this basis chooses five major levels of objectives: improve financial knowledge and attitudes, support financial inclusion, develop saving habits, promote the responsible use of credit, and create precautionary habits.

Finally, in some cases such as in the draft NS document in Colombia, the two sets of objectives are combined. This document highlights both operational objectives such as the generation of consensus, or the construction of a solid institutional agreement, and policy areas, notably the need to define guidelines for the incorporation of financial education in formal education.

2. Target audience

As also highlighted in Box 5, most roadmaps also identify target audiences. Countries display three main approaches, not mutually exclusive, in the identification of the target of their NS. The focus might be on the entire population, on some segments (identified by socio-economic criteria) or might be even more specific and embrace a life-cycle approach.

Among the 35 countries responding to the OECD INFE survey, half of the respondents (52%) indicated that their NS is targeting the entire population. 18% of countries specified further that they also have a specific focus on certain segments of the population. Malaysia for example while focusing on the entire population devotes special attention to the needs of school children, youth, women, SMEs, disabled, and rural communities.

All responding countries include school programmes and underline that this is a very effective way to address two key objectives of NS, i.e. the coverage of most population and the long-term nature of the objectives sought.

A minority within the sample indicated that they address the financial literacy needs of specific groups. However, this might still lead to reaching out to a substantial part of the vulnerable population. This is for example the case in Poland where the targeted segments include primary and secondary school students, pregnant women and couples starting a family, retirement age people and over indebted households.

The importance of differentiating between target groups and identifying specific resources devoted to each of them emerges quite clearly. Several respondents underline this aspect and suggest it as a useful practice. Such need is brought forward notably by Mexico and the United Kingdom.

Countries identified specific segments of the population in a number of ways. Vulnerable groups are often selected on the basis of national financial literacy surveys and research (Australia) or they might become the target of the NS as a complement to other relevant political initiatives (such as financial inclusion in Mexico, determining a focus on bank account holders). The United Kingdom has a universal approach but stresses its involvement with citizens facing key life stages and events (retirement, having a child, going to university).

Some countries also indicated as target relevant stakeholders and disseminators in the field of financial education. The involvement of these institutions and their staff in government, non-government and community sectors and industry is perceived to be important for the sustainability of the NS, in particular whenever this needs fine tuning or refining (Australia). Sometimes the target might also include political leaders (Mexico).

3. Assessing the overall NS[25]

Countries have stressed that ideally, the extent to which a NS has been effective would be first quantitatively assessed through repeated waves of a national financial literacy surveys performed at intervals of a few years. In practice though, this has not been widely implemented due to the relatively early stage of most NS, with the notable exception of New Zealand and Australia[26]. More commonly (but

[25] See also Box 6, "Monitoring and qualitatively evaluating the NS: two examples".

[26] See the surveys conducted by Australia in 2008 and 2011 at http://www.financialliteracy.gov.au/research and those conducted by New Zealand at http://www.financialliteracy.org.nz/national-strategy

still not systematically), monitoring and evaluation are used for individual programmes to provide details about which aspects of the NS are effective, and where changes are needed[27].

Roadmaps also often highlight the need for an overall monitoring quantitative assessment of the NS. In this respect, in some countries the NS roadmap mandates constant reporting against the recommendations, informed by structured monitoring and qualitative evaluation. In the case of New Zealand, this is included in the original draft of the NS and incorporates bi-annual reporting to the Ministry of Finance[28].

Box 6. Monitoring and qualitatively evaluating the National Strategy: two examples

In order to better understand the assessment process, it is useful to consider the experience of some of the first countries adopting a NS. Building on several years of implementation, some countries already performed multiple qualitative assessments (such as the US) whereas others developed institutional mechanisms to periodically report to the government (New Zealand).

The testimony[29] of the US General Accounting Office (GAO) to the US Senate in 2009 presents an overall monitoring and qualitative evaluation of the NS and discusses the progress made in implementing a first set of recommendations issued by the GAO in 2006. The analysis firstly focuses on the key elements of a NS and develops practical recommendations. It generally highlights the need for main objectives to be followed by specific plans for implementation that include budget streams, actors involved and modalities of co-operation. It also underlines that performance measures or other evaluation mechanisms, established from the onset of the NS, are essential to hold relevant players accountable and understand progress made. The testimony also measures progress against previous recommendations made by the GAO. Particularly relevant in the framework of this report is the one on fostering partnerships. The GAO notes that progress has been made in this respect and strongly welcomes the creation of the National Financial Education Network, presenting its positive role in helping communication and collaboration. At the same time, the GAO calls for the definition of clearer mission statements and membership criteria that will be needed to ensure effective results as the NS is further implemented.

After the release of an updated US National Strategy for Financial Literacy in late 2010, the US GAO provided an assessment report to the US Senate in April 2011[30] regarding the National Strategy and overall US government efforts to coordinate financial literacy activities, and updated its assessment again in February 2012[31]. GAO's review found little evidence of duplication among existing federal financial literacy activities—that is, cases where two or more agencies or programs are engaging in the same activities and providing the same services to the same beneficiaries. However, it did find evidence of fragmentation and some areas of duplication among agencies. GAO expects to recommend that Congress may wish to consider:

- requiring federal agencies to evaluate the effectiveness of their financial literacy efforts and, if appropriate, to identify options for consolidating such efforts. Federal agencies could potentially make the most of scarce resources by consolidating financial literacy efforts into the activities and agencies that are most effective. In addition to improving effectiveness, such consolidation could have potential monetary savings, an issue GAO is examining as part of ongoing work; and

[27] See section C.2, "Monitoring and evaluation of programmes".

[28] See both examples in Box 6 "Monitornig and qualitatively evaluating the NS: two examples".

[29] Testimony Before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate, "Financial Literacy and Education Commission: Progress Made in Fostering Partnerships, but National Strategy Remains Largely Descriptive Rather Than Strategic", 29 April 2009, www.gao.gov/assets/130/122383.pdf

[30] "Financial Literacy - The Federal Government's Role in Empowering Americans to Make Sound Financial Choices", available at http://www.gao.gov/products/GAO-11-504T

[31] "2012 Annual Report - Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue" available at http://www.gao.gov/products/GAO-12-342SP#mt=e-report

- monitoring the implementation of the Bureau of Consumer Financial Protection's efforts. As the bureau's financial literacy activities evolve and are implemented, it will be important to evaluate how those efforts are working and make appropriate adjustments that might promote greater efficiency and effectiveness.

The biannual reports[32] of the New Zealand National Strategy Advisory Group to the Minister of Finance are an example of periodical monitoring and reporting mechanisms. Such reports provide a succinct update of organisational developments, such as Advisory Group membership, and then address the delivery of the NS presenting what has been achieved under each of the four guiding principles of the NZ*.

The reports address the main output of the NS, such as developments relating to financial education in the school curriculum and tertiary institutions. They also cover relevant initiatives developed by single organisations, such as the financial education component of new pieces of financial market regulations drafted by the Securities Commission. There are also updates on significant partnerships such as the sponsorship of the new NZ Centre for Financial Education at a university by a major bank. The reporting also includes an international update, to inform the Minister of Finance of major developments or initiatives in the field of financial education in other countries, and makes recommendations to be endorsed by the Minister.

* see also Box 5 "Roadmap objectives within NS official documents".

4. Budget

NS are often the result of collaboration among many stakeholders and as such countries face some challenges when defining a budget dedicated exclusively to the NS[33]. Among the countries surveyed only seven have a global budget allocated for the overall NS development[34] and, within this group, the main sources of financing vary considerably and include public, private or other sources.

Among countries funding their NS exclusively with public sources, Spain does so through a reallocation of budget between the financial market authority and the central bank. At the other end of the spectrum, in the United Kingdom the funding comes from fees levied on the financial services firms regulated by the FSA.

Most countries enjoy mixed sources of funding. Malaysia receives funding from both the central bank and financial services providers in addition to those received from other members of the working committee. The NS in the Netherlands receives funding that is 85% public and 15% private and that comes from a reallocated budget. Mexico, who is in the process of developing a NS, does not have a global budget allocated. It funds current programmes from the financial education and communication budget of the Ministry of Finance, the central bank and regulatory agencies.

C. Implementation: individual programmes and their evaluation

1. Programmes and delivery tools

The range of programmes and delivery tools chosen by countries varies according to the amount of funds allocated to the NS development, the programmes and their objectives, and the target population they

[32] The reports are available in the NS section of the website of the New Zealand Network for Financial Literacy: www.financialliteracy.org.nz/national-strategy

[33] See also Box 1 "Challenges in the development of a NS".

[34] E.g. in Malaysia, Mexico, the Netherlands, Spain, Sweden, Turkey and the United Kingdom.

focus on. A feature common to all respondents is the presence of a website that can either describe the NS or provide users with interactive tools and resources, and the distribution of paper material.

Among the countries part of the OECD INFE survey, popular tools include train the trainer programmes (76%) and social marketing initiatives (65%). Finally, countries also put in place workplace initiatives (53%) and programmes targeting adults specifically (65%), organise events (53%) and set up online/telephone guidance on financial issues (41%) and counselling centres (24%).

2. Monitoring and evaluation of programmes

Policy makers use monitoring and impact evaluation of individual programmes to gauge their effectiveness[35], identify areas for improvement within the NS and to check that initiatives make good use of resources. In particular, evaluation evidence is important to inform future funding decisions and to maximise the benefit of a NS. Furthermore, when robust evaluation findings can be generalised to a wider population, as it is the case within the context of a NS, it becomes possible to predict the overall impact of a programme on a national scale and better set policy targets. Once a number of programmes have been evaluated policymakers can also make better decisions about the appropriate mix of programmes, the choice of delivery methods and the extent to which other types of intervention may be necessary in order to have the required impact.

Responses to the stock take confirmed that provisions to monitor and evaluate the individual programmes are generally introduced and planned during the NS design phase, in order to maximise the usefulness of results. However, three members have introduced such provision at a later stage (Malaysia, Peru and Spain). Such monitoring and evaluation of programmes can be performed in house, under the guidance of a working group as in the Czech Republic, or both in house and by external evaluators, as in Mexico.

Some countries described how the results of evaluation and monitoring exercises are used in the context of the NS. They are not simply applied to the specific programme but can also influence future priorities. In the Netherlands and New Zealand for example, evaluation results are used to report to Parliament about the NS. In Mexico the evaluation exercise is used to inform decisions about which communication options to continue using in current campaigns and to prioritise future ones, and in India data are used to fine tune the coverage of the target population.

[35] See the international guidance provided by the OECD INFE: INFE((2010a), INFE (2010b), OECD/INFE (2011c).

CONCLUSION

It is undeniable that an increasing number of countries choose to deal with the financial literacy needs of their populations through the design and implementation of tailored, articulated and coordinated National Strategies for Financial Education (NS). This happens both in advanced and emerging economies across different financial systems and in response to specific national needs and contexts.

This report highlights both the long-term nature of NS and the fact that in most countries such NS are in an early stage of advancement. In this respect, their development and implementation are still associated with a series of challenges including: maintaining momentum, stakeholders' initial and continuous involvement, sustainability of funding and institutional co-operation. Many countries have also indicated the advantages and (expected) benefits of the development of NS.

The findings of the report allow the identification of some common essential steps to successfully establish NS. Such common features include assessment of needs and gaps; early consultation with, and ongoing co-operation between, a range of stakeholders; identification of a leader and resources; definition of target groups and main policy priorities as well as the creation of collaborative platforms and processes to evaluate and monitor the NS. Countries experiences also show that these elements do not necessarily have to be addressed in a predetermined order, but should be adapted to national circumstances and priorities.

Going further, this paper as well as previous work undertaken by the OECD and its INFE on financial education, permits to single out a set of good practices and overall framework for the development of NS while acknowledging their necessary adaptation to national circumstances.

The OECD will continue monitoring the development of NS through the INFE in order to update and revise this paper as necessary.

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Other relevant instruments and outputs

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G20 (2011), High-level Principles on Financial Consumer Protection (available at www.financial-education.org).

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World Bank (2012b, forthcoming), Financial Education Programme Evaluation Toolkit.

ANNEX:
NATIONAL STRATEGIES DOCUMENTS AND SELECTED RESOURCES

(Links to official NS documents or to the webpage where they can be found are indicated by "NS –")

Australia: NS - www.financialliteracy.gov.au/
Brazil: www.esaf.fazenda.gov.br/esafsite/educacao-fiscal/39_reuniao_gef/APRES_Bras%C3%ADli0a_enef.pdf www.vidaedinheiro.gov.br/Enef/Default.aspx
Canada: NS - www.financialliteracyincanada.com/canadians-and-their-money.html
Colombia: NS - www.superfinanciera.gov.co/ConsumidorFinanciero/estratenaledufinanciera012011ev.pdf
Czech Republic: www.mfcr.cz/cps/rde/xchg/mfcr/xsl/fm_financial_education.html
Denmark: www.pengeogpensionspanelet.dk/da/Forside.aspx
Estonia: www.minuraha.ee/ www.fin.ee/finantskirjaoskus
India: http://www.rbi.org.in/financialeducation/home.aspx
Ireland: http://www.nca.ie/eng/About/Education/ http://www.lia.ie/education.php
Malaysia: www.bankinginfo.com.my www.insuranceinfo.com.my www.duitsaki.com.my
Mexico: www.condusef.gob.mx/ www.consar.gob.mx
The Netherlands: www.wijzeringeldzaken.nl/home.aspx
New Zealand: NS - financialliteracy.org.nz/national-strategy
Peru: www.sbs.gob.pe/0/home_usuarios.aspx
Poland: www.knf.gov.pl/dla_rynku/edukacja_cedur/index.html
Portugal: NS - www.bportugal.pt/pt-PT/Supervisao/ConselhoNacionalSupervisoresFinanceiros/Documents/PlanoNacionaldeFormacaoFinanceira.pdf
South Africa: www.fsb.co.za/
Spain: NS - www.bde.es/webbde/es/secciones/prensa/EdU_Financiera_final.pdf NS - www.cnmv.es/DocPortal/Publicaciones/PlanEducacion/PlanEducacion_een.pdf
Sweden: www.gilladinekonomi.se/
Turkey: www.yatirimyapiyorum.gov.tr/
United Kingdom: www.moneyadviceservice.org.uk/ NS - moneyadviceservice.org.uk/_assets/downloads/pdfs/businessplan_20112012.pdf
United States: www.mymoney.gov/about-us.html NS - www.mymoney.gov/sites/default/files/downloads/NationalStrategyBook_12310.pdf

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WP9: Catastrophe Financing for Governments

WP8: Funding in Public Sector Pension Plans - International Evidence

WP7: Reform on Pension Fund Governance and Management: The 1998 Reform of Korea National Pension Fund

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WP6: Options to improve the governance and investment of Japan's Government Pension Investment Fund

WP5: The New IAS 19 Exposure Draft

WP4: The EU Stress Test and Sovereign Debt Exposures

WP3: The Impact of the Financial Crisis on Defined Benefit Plans and the Need for Counter-Cyclical Funding Regulations

WP2: Assessing Default Investment Strategies in Defined Contribution Pension Plans

WP1: Framework for the development of financial literacy baseline surveys: A first international comparative analysis

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