



Advancing National Strategies for **Financial Education**

**A Joint Publication by Russia's
G20 Presidency and the OECD**

SUMMARY



This booklet reproduces the Executive Summary and first chapter from *Advancing National Strategies for Financial Education*, a joint publication by Russia's G20 Presidency and the OECD. It is circulated for information to G20 Leaders at their Summit meeting in St-Petersburg on 5-6 September 2013.

For further information, please contact Mr. André Laboul, Head of the Financial Affairs Division, OECD; Chair of the International Network on Financial Education (INFE) [tel: +33 1 45 24 91 27; E-mail andre.laboul@oecd.org] or Ms. Flore-Anne Messy, Senior Policy Expert, Financial Affairs Division, OECD and INFE Executive Secretary [tel: +33 1 45 24 96 56; E-mail: flore-anne.messy@oecd.org].

This work is published on the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the Organisation or of the governments of its member countries. This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Introduction

At their Summit in June 2012, the G20 Leaders endorsed the *High-level Principles on National Strategies for Financial Education* developed by the OECD and its International Network on Financial Education (INFE).

In February 2013, the G20 Finance Ministers and Central Bank Governors confirmed their interest in these policies. In spring 2013, Russia's G20 Presidency and the OECD circulated a survey to G20 member economies and invited countries to collect information on the development of their respective national strategies and policy initiatives in the area of financial education with the objective to deliver a joint publication. In July 2013, G20 Finance Ministers and Central Bank Governors confirmed they were looking forward "*to the G20 Russia's Presidency and the OECD publication on national strategies for financial education by Leaders' Summit*".

The publication *Advancing National Strategies for Financial Education* includes contributions by twenty two G20 member economies and invited countries (*Argentina, Australia, Brazil, Canada, People's Republic of China, France, India, Indonesia, Italy, Japan, Korea, Mexico, the Netherlands, the Russian Federation, Saudi Arabia, Singapore, South Africa, Spain, Turkey, the United Kingdom, United States and the European Union*). It contains opening messages from Mr Anton Siluanov, Minister of Finance of the Russian Federation and Mr Angel Gurría, Secretary-General of the OECD. An introductory chapter drafted by the OECD highlights the main features of countries' experiences and in particular the rationale for the development of national strategies, their status in the countries covered in the publication, their main objectives and their founding elements. It also points to the different governing structures established to design and implement national strategies, the role of stakeholders, and their main implementing directions and challenges. It finally stresses possible areas for further policy action.

This Russia's G20 Presidency/OECD publication *Advancing National Strategies for Financial Education* is submitted to G20 Leaders at their Saint Petersburg Summit on 5-6 September 2013 and available at www.financial-education.org. **This document provides a summary of the main findings of the publication** (as reflected in its executive summary and first chapter of the publication).

EXECUTIVE SUMMARY

In a growing number of countries, the long-term implications of low levels of financial literacy among the majority of the population are prompting governments to take action. Improved access to basic financial products – including bank accounts, credit and saving products – for a rising middle class in emerging economies, the increasing sophistication of the financial landscape and products while public and occupational welfare benefits are shrinking in most developed countries have shed light on the importance of consumers’ financial decisions. Nevertheless, consumers around the world and in particular vulnerable groups display limited knowledge and understanding of financial products and concepts. They also have difficulty making long-term informed financial decisions and selecting financial products that match their needs. This may have negative consequences not only on individuals’ and households’ future financial well-being, but also on the long-term stability of financial and economic systems. To respond to these concerns and support consumers’ financial empowerment, governments and relevant stakeholders in many countries have established financial education initiatives as a complement to financial consumer protection and regulatory reforms, as well as policies aimed at reinforcing financial access.

Especially since the financial crisis, a growing number of governments have engaged in the development of dedicated national strategies. These aim to enhance financial education efficiency through nationally co-ordinated and tailored efforts. The national strategies are particularly designed to provide adapted and resource-effective solutions to the financial literacy needs of individuals, including the most vulnerable. They have been adopted either as stand-alone public policies, or in combination with financial inclusion and/or consumer protection approaches.

At present, 45 countries at different income levels are well-advanced in the design or implementation of a national strategy for financial education; and another widening group of countries is considering developing one.

Global and regional forums such as the G20 and the Asia Pacific Economic Co-operation (APEC) have acknowledged the relevance of these national endeavours to support financial stability and inclusive development. At their Summit in June 2012, G20 Leaders endorsed the High-level Principles on National Strategies for Financial Education developed by the OECD and its International Network on Financial Education (INFE). In February 2013, G20 Finance Ministers and Central Bank Governors confirmed their interest in these policies and called for the OECD, under the aegis of the Russia’s G20 presidency, to prepare a progress report on the development of national strategies. In July 2013, G20 Finance Ministers and Central Bank Governors 2012, further looked forward to the G20 Russia’s Presidency and the OECD publication on national strategies for financial education by Leaders’ Summit.

Responding to the G20 call, a publication: *Advancing National Strategies for Financial Education* which brings together the experiences of G20 and invited countries was prepared jointly by the OECD and Russia’s G20 Presidency. This publication includes contributions by 21 G20 members and invited countries (*Argentina, Australia, Brazil, Canada, People’s Republic of China, France, India, Indonesia, Italy, Japan, Korea, Mexico, the Netherlands, the Russian Federation, Saudi Arabia, Singapore, South Africa, Spain, Turkey, the United Kingdom and United States*) as well as the European Union. An

introductory chapter drafted by the OECD (and included in this summary) highlights the main features of countries' experiences and in particular the rationale for the development of national strategies, their status in the countries covered in this publication, their main objectives and their founding elements. It also points to the different governing structures established to design and implement national strategies, the role of stakeholders, and their main implementation directions and challenges. It also stresses possible areas for further policy action.

At the G20 level, the development of national strategies for financial education is relatively widespread. About half of the countries covered in the publication have already developed and implemented a national strategy. These are: Australia, Brazil, Japan, the Netherlands, Singapore, South Africa, Spain, the United Kingdom and the United States. Another group of countries is well advanced in the process of designing one; notably Canada, India, Indonesia, Korea, Mexico, Russia, and Turkey. Finally, Argentina, China, France, Italy and Saudi Arabia already display relevant financial education initiatives that can support the development of a national strategy.

There is no one-size-fits-all model for the development of a national strategy. In fact, the main objective is for it to be tailored to the population's needs and countries' circumstances (including the maturity of the financial system as well as the regulatory and market conduct framework). Accordingly, in some (emerging) countries, the main objective of the national strategy for financial education is to support financial inclusion efforts (*e.g.* in India, Indonesia, and Mexico), while in most others the strategy is more generally aimed at financially empowering consumers and helping them to address the challenges of the evolving financial and socio-economic landscape.

A National Strategy for Financial Education is defined as a nationally co-ordinated approach to financial education that consists of an adapted framework or programme [OECD/INFE High-level Principles on National Strategies for Financial Education (2012)], which:

- Recognises the importance of financial education – including possibly through legislation – 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 co-ordinating 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 National strategy.

Following this overarching framework, most countries covered in the publication have already taken steps to establish the foundation of a national strategy. These include data collection through the establishment of a baseline financial literacy survey (undertaken at least in 15 countries); the mapping of existing initiatives, stakeholders and replicable good practices at the national level; and the definition of the common objectives and a policy focus of the strategy.

A minority of national strategies (seven) have been or are being evaluated. Such evaluations generally involve the development of a second financial literacy survey three to seven years after the first baseline. The exercises may be accompanied by the development of simple indicators of consumers' financial behaviours used on a regular (often annual) basis. With a view to reassessing key priorities and

refining delivery mechanisms, evaluations are often complemented by qualitative surveys of participants/households and interviews of stakeholders involved in the design and implementation of the strategy.

Although national strategies are aimed at addressing the needs of the general public, they also often define key target audiences. Youth is a priority target of an overwhelming majority of existing national strategies. A range of other vulnerable groups are also often identified, depending on national circumstances (including women, migrants, entrepreneurs, workers, low-income citizens as well as elderly segments of the population). Some countries are also refining their approaches to target audiences through a risk-based approach or the identification of key life stages and teachable moments in individuals' lives.

National strategies are often spearheaded by a national leader at least in their early phase of development. In most cases, the leader is either the Ministry of Finance, the Central Bank, a financial regulatory or supervisory authority, a co-ordinating body or – in a minority of cases – a public institution specifically in charge of financial education at the national level.

Dedicated governance mechanisms and bodies to develop and/or implement the national strategy are also established in most countries with a national strategy. The format of these structures depends on existing political or institutional mandates and on the public institutions active at the time of design. They often involve the creation of formal co-ordination mechanisms and high-level committees composed of the main stakeholders. In some countries, the body or co-ordination mechanism in charge of designing and developing the strategy is also different from the body established to implement it.

Most countries also consider various ways to best integrate relevant private and civil stakeholders in the development and especially the implementation phase of their national strategy. In some cases, the financial sector supports the national financial education efforts through either mandatory or voluntary funding of public initiatives or through direct involvement in financial education programmes. A small number of countries have also started to develop dedicated codes of conduct on the involvement of the private and other stakeholders in financial education, as well as quality standards for the provision of financial education.

The design and implementation of national strategies is in general supported by a mixture of public and private resources. Private resources are increasingly sought to secure the sustainability of financial education strategies and their implementation.

The implementation of financial education strategies and programmes involves the use of a wide range of delivery methods. These aim to reach the whole population and target audiences depending on countries' circumstances and the population's preference. Almost all countries with a national strategy seek to introduce some form of financial education in schools as a way to reach the population at a young age. Most countries also develop dedicated interactive websites on financial matters, which in some cases also allows them to provide detailed advice to consumers.

Rigorous evaluation of individual financial education programmes is still relatively scarce. More and encouraging evidence on the effectiveness of well-designed financial education initiatives is now available, however, in particular thanks to the work developed under the Russian Trust Fund on financial literacy and education.

Suggested priority areas for further policy action

The publication as well as the ongoing work developed by the OECD and its INFE confirms the importance that G20 and non-G20 economies alike attach to the development of national strategies to ensure co-ordinated, tailored and efficient provision of financial education to the population and in particular to vulnerable groups. It also highlights a series of challenges related to the implementation and evaluation of strategies and programmes as well as the sharing of responsibilities between various public and private stakeholders. More generally, it points to the need to integrate these strategies in the global financial reform agenda in a consistent way.

No country or institution has all the answers, and a lot depends on the needs of the population and countries' circumstances. Nonetheless, G20 economies, the OECD and its INFE membership, as well as other international organisations can play an important role in addressing some of the identified challenges. This can include, where deemed, relevant to:

- **Strengthen the efficiency and sustainability of financial education policies and strategies by:**
 - Continuing to develop and report evidence on financial literacy and efficient financial education delivery using available international tools supported by G20 governments (tools developed by the OECD/INFE and World Bank [2013] and PISA Financial Literacy);
 - Harnessing the role of private and civil stakeholders and earmarking long-term resources to successfully implement national strategies;
 - Securing the quality of financial education delivery through the development of core competencies and high-quality standards for the provision of financial education;
 - Developing a policy handbook to facilitate the implementation of National Strategies for Financial Education through the OECD/INFE; and
 - Reinforcing international and regional dialogue on financial education (including through the peer review process) through the OECD/INFE membership and regional platforms, as well as developing dialogues with private, civil and academic communities to identify further effective and innovative implementation solutions.

- **Further integrate financial education, consumer protection and inclusion policies nationally and internationally to bolster their overall impact by:**
 - Encouraging closer co-operation at the national level between regulators and other stakeholders in charge of respectively financial access, financial consumer protection and financial education;
 - Supporting international co-operation and dialogue between these three areas through the Global Partnership for Financial Inclusion, as well as relevant international organisations (*i.e.* OECD/INFE, World Bank Group, Alliance for Financial Inclusion, G20/OECD Task Force on Financial Consumer Protection); and
 - Harnessing research into behavioural aspects (including available research on health behaviour) and the impact of different (and innovative) delivery tools to refine financial consumer protection and financial access approaches as well as the design of financial education initiatives, and tailor them to the target audiences' needs, abilities and preferences.

**Advancing National Strategies for Financial Education
Rationale, Global Policy Trends and Way Forward**

**Extract from the Publication
[Chapter 1 prepared by the OECD]**

Introduction: Strengthening financial education efficiency – the development of national strategies

Growing importance of individuals' financial decisions

The importance of financial education has increased over the past decade, including as a complement to financial consumer protection and inclusion with a view to supporting financial stability and individuals' financial well-being. Financial literacy in particular has come to be acknowledged as an essential life skill for individuals as a result of financial market developments and demographic, economic and policy changes.

In a growing number of countries, larger shares of the population have access to basic transaction products than in the past. At the global level, the number of new deposit accounts created in commercial banks increased from 2005 to 2010, with about 30-50 new accounts per 1000 adults every year in 2008-2010 (Ardic et al., 2012). Moreover, consumers enjoy greater access to a variety of credit and savings instruments provided by different entities, from on-line banks and brokerage firms to community-based groups.

At the same time, financial markets have become more sophisticated and new products are offered to retail consumers. Deregulation of financial markets and the reduction in costs determined by developments in information technology and telecommunications have resulted in a proliferation of new financial products tailored to meet very specific market needs. Even simple products such as savings accounts are now offered in a variety of forms and with different characteristics. This increase in the sophistication of products and in the offer means that relatively straightforward products might become complex to the average consumer, as they often require an understanding of financial concepts such as debt maturity, durations, pay-out options and other options. In both developed and emerging economies, facilitated access to a range of credit options by formal and non-formal institutions have led to worrisome overindebtedness levels among parts of the population. In emerging economies, the new middle classes are often first-time investors and need the instruments to navigate financial markets and products.

Individuals across the globe and living in different economic, financial and social environments have to take more responsibility for their future financial well-being and protection. In developed and emerging economies, changes in public and occupational welfare arrangements – e.g. a shift from defined benefit to defined contribution pensions – while life expectancy is rising, led an increasing number of workers to assume more (financial) responsibility. This is particularly true with respect to planning for their retirement, but also to financing long-term health care needs, insuring the impact of more frequent natural catastrophes and financing children's education. In most countries, the persistent difficult economic situation and instable job market also mean that individuals and their families must plan for their immediate and long-term future and in particular for unexpected life events (include income loss).

These evolutions, as well as the sophistication, interdependence and globalisation of financial and economic systems, make individuals' financial decisions and behaviour ever more important at the micro and macro levels. These choices are relatively complex and time-consuming, however; they can prove challenging even for relatively financially shrewd individuals and can overwhelm those with little or no financial literacy.

Low levels of financial literacy worldwide

Against these developments, surveys conducted by international organisations and by national authorities indicate that most individuals are ill-equipped to take advantage of new financial

opportunities and responsibilities (OECD/INFE, 2013a; the World Bank, 2013b). On average, individuals and households display some basic financial knowledge. An understanding of important financial concepts such as compound interest and risk diversification is however lacking amongst sizeable proportions of the population in every country (OECD/INFE, 2013a; World Bank, 2013b). Surveys conducted nationally (*e.g.* in the United States [FINRA 2009, 2013]) also demonstrate that consumers tend to overestimate their financial knowledge, making them unaware of their needs for education. In emerging economies especially, the level of financial culture and awareness of available existing financial products is at best partial (Atkinson and Messy, 2012; Monticone and Messy, 2012; García, Grifoni, López and Mejía, 2013). Worldwide, individuals also tend to display limited financial skills. While sizeable shares of the population across different countries appear to be relatively good at short-term money management, other behavioural aspects are more problematic. These include the lack of active and long-term savings in formal financial products, excessive reliance on credit (including to make ends meet), and difficulties in choosing adequate financial products, as well as in taking informed financial decisions.

These results also mask wide variations between and within countries, especially across prominent socio-demographic characteristics, including gender (OECD, 2013a forthcoming). International and national surveys reveal that specific groups find it particularly hard to deal with money matters and display lower levels of financial literacy. These groups can differ depending on national circumstances but generally include youth (in almost all countries), women (in a majority of countries, with a few exceptions), recently financially included individuals and migrants, as well as the elderly.

Financial education as a policy response

To address these concerns and especially low levels of financial literacy, governments have started establishing financial education policies either in a standalone fashion or as a complement to financial consumer protection and/or financial inclusion measures. Financial education is meant to empower individuals in the financial marketplace and allow them to better manage personal and household finances and resources. This applies to countries with different levels of economic development, to the emerging or consolidating middle classes, as well as to the poor and the financially excluded.

The definition of financial education developed by the OECD in 2005 and endorsed by G20 leaders in 2012 is used in a majority of countries to refer to:

“the process by which financial consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills and confidence to become more 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.” (OECD, 2005a).

As such, financial education is a process that covers and takes into account the varying needs of individuals in different socio-economic contexts. Financial literacy that is the outcome of this process is defined as a combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being (OECD/INFE, 2012). Financial literacy can be described through several stages depending on individual/household, financial, economic and social contexts. It can start with very basic notions, such as awareness of the characteristics and use of available financial products, progressing to more advanced ones, which deal with the knowledge of financial concepts and of the development of skills and attitudes for the management of personal finance in

the short and long term. Ultimately, all stages of financial literacy encompass positive behavioural change for individuals and households.

Effective financial education can be beneficial for individuals, but also for policy and for private stakeholders. Financial education can support financial inclusion policies by making consumers more aware of available financial services and more confident about using them. It is also instrumental in enabling consumers to compare financial products and make effective use and choices of these products, but also in promoting long-term saving and sound planning for retirement as well as for wiser use of credit. As such, financial education can contribute to the development of financial systems and markets as well as to the promotion of more transparent competition amongst financial providers. In most countries, financial education is also considered as the first line of defence and protection for consumers of financial products as a complement to appropriate regulatory measures.

Considering these potential benefits, financial education is identified as a key pillar of financial reform and a complement to market conduct and prudential regulation. Such recognition has notably led to the development of a wide range of financial education initiatives by public authorities, regulators and various other private and civil stakeholders over the past years¹.

Nonetheless, as the amount of attention and resources spent on financial education has increased, so has the importance of ensuring the efficiency and relevance of these programmes and their long-term impact. At the same time, governments have realised that given the long-term nature of financial education policies and their cross-sectoral nature involving governments, financial and educational authorities, it was necessary to establish frameworks for effective design and delivery. Thus countries have started establishing co-ordinated and tailored strategies to achieve these efficiency goals and to avoid duplication of resources and efforts while ensuring the participation of all relevant stakeholders.

National Strategies for Financial Education: evolution, definition and rationale

A widespread policy solution

National strategies for financial education are increasingly being put into place by policy makers worldwide to address the financial literacy needs of their populations. Currently, 45 countries, both developed and emerging, have implemented or are designing such a strategy. This policy trend began in the early 2000s mostly in developed economies (including, Japan, the Netherlands, New Zealand, Singapore, the United Kingdom and the United States) and spread in the aftermath of the financial crisis (OECD/INFE, 2009). The OECD and its International Network for Financial Education (INFE)² recognised early the importance of national strategies and established an Expert Subgroup in 2010 to monitor their status, survey available experience, identify good practices and draw policy conclusions. The number of national strategies has increased in particular over the past three years: surveys conducted

¹ For a database of existing financial education initiatives worldwide, please see the OECD International Gateway on Financial Education: www.financial-education.org

² The OECD created the International Network for Financial Education in 2008. It now gathers 107 countries and over 240 public institutions (such as central banks, ministries of finance and education, financial supervisory authorities), as well as international organisations and supranational authorities as Associate Members (Alliance for Financial Inclusion, European Commission, European Insurance and Occupational Pensions Authority, European Securities and Markets Authority, International Labour Organisation, International Monetary Fund, Development Bank of Latin America, the World Bank).

by the OECD/INFE found 26 countries having designed or implemented a strategy in 2011 (Grifoni and Messy, 2012). These countries numbered 45 in 2013, and the landscape is evolving fast.

Several factors have contributed to the recent boom in the number of national strategies. The persistent difficult financial and economic situation acted as a catalyst for policy makers' attention to the need for financial education, and to the increasing relevance of the international policy dialogue on these policies. A number of countries (Australia, the Netherlands, New Zealand, the United Kingdom and the United States) also started to evaluate these co-ordinated policies, showing positive impacts on target populations. The attention of global fora such as the G20, and of regional fora and associations such as Asia Pacific Economic Co-operation (APEC), the Association of South East Asian Nations (ASEAN), the Association of Latin American and Caribbean Central Banks (CEMLA), the Southern African Development Community (SADC) and the European Union (EU), shed further light on the relevance and importance of these policies for financial stability and inclusive development. The wide OECD/INFE membership (107 countries) and its dedicated work over the past years have also greatly contributed to the promotion of national strategies worldwide.

Figure 1.1 National Strategies for Financial Education as of September 2013

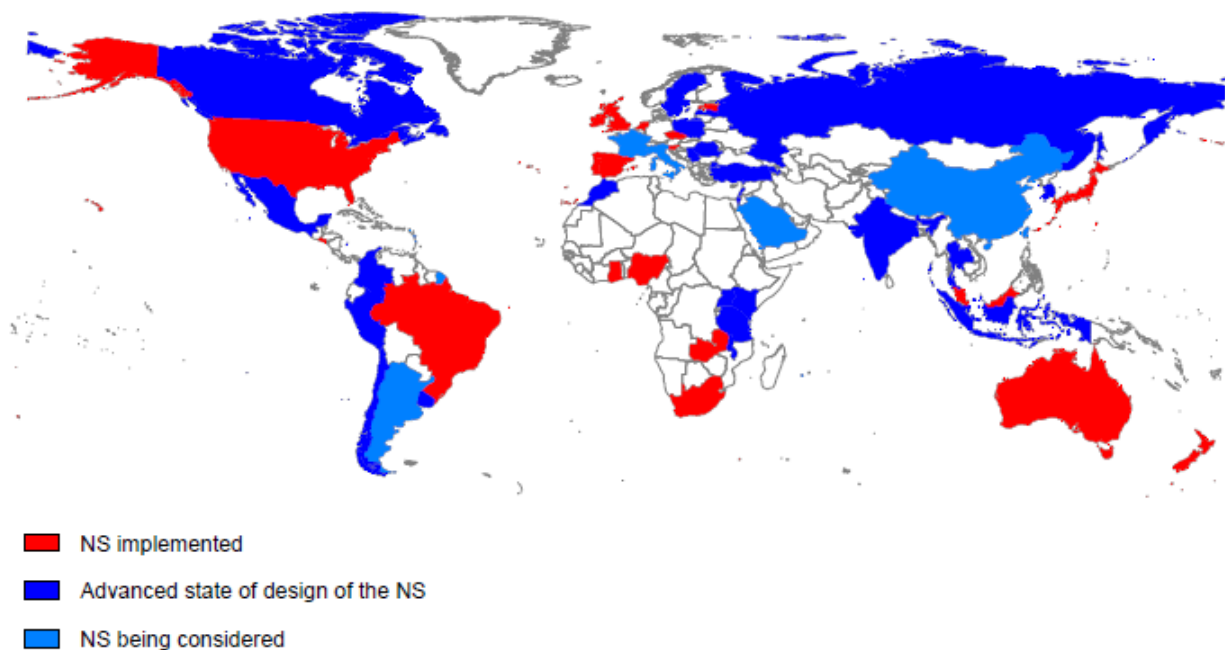


Table 1.1 Status of National Strategies

National Strategy	Number	Countries
Countries that have implemented a National Strategy	20 (7 G20)	Australia, Brazil , Czech Republic, El Salvador, Estonia, Ghana, Ireland, Japan , Malaysia, Netherlands, New Zealand, Nigeria, Portugal, Singapore, Slovenia, South Africa, Spain, United Kingdom, United States , Zambia
Countries that are at an advanced state of design of their National Strategy	25 (7 G20)	Armenia, Canada , Chile, Colombia, India, Indonesia , Israel, Kenya, Korea , Latvia, Lebanon, Mexico , Malawi, Morocco, Peru, Poland, Romania, Russian Federation , Serbia, Sweden, Tanzania, Thailand, Turkey , Uganda, Uruguay
Countries that are considering the design of a National Strategy	5 (all G20)	Argentina, China, France, Italy, Saudi Arabia

National strategies have been designed in countries with different economic and social conditions and with varying levels of financial market development (see map in figure 1.1). Financial education policies are also high on G20 governments' agendas. National strategies have been implemented in seven G20 members, with seven members currently designing one or waiting for final approval on a strategy document and ready to move to implementation. In countries with no national strategy, a debate is often ongoing on its possible design or its inclusion as a complement to wider policy endeavours (including financial and social inclusion as well as financial reform).

Definition

A national strategy for financial education is “a nationally co-ordinated approach to financial education that consists of an adapted framework or programme, which:

- Recognises the importance of financial education -- including possibly through legislation -- 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 co-ordinating 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 national strategy.” (OECD/INFE, 2012, see also Box 1.1)

There is no one-size-fits-all model or process for the development of a national strategy. Countries might begin the design of a national strategy when relevant programmes are already implemented, or might design a strategy with the need to address specific policy priorities or as a complement to existing government initiatives. It is, however, possible to identify the main components of these strategies and the steps that most governments have addressed in their design, development, and implementation.

Box 1.1 The OECD/INFE High-level Principles on National Strategies for Financial Education

The High-Level Principles* acknowledge that national circumstances must be fully taken into account in deciding over the scope of the strategy, its sequence of implementation, and whether financial education should be addressed as part of wider frameworks aimed at increasing financial inclusion or consumer protection. The High-level Principles centre on five sections, each addressing specific steps in the preparation and implementation of such endeavours:

- Definition, scope and purpose
- Preparation of the National Strategy: defining its scope and purpose through assessment, mapping and consultation
- Governance mechanism and the role of main stakeholders in the National Strategy
- Roadmap of the National Strategy: key priorities, target audiences, impact assessment and resource
- Implementation of the National Strategy: delivery mechanisms and evaluation of programmes.

* The High-level Principles (OECD/INFE, 2012) were developed by the OECD/INFE following a thorough consultative process within the INFE. They were endorsed by the 107 member countries of the INFE as well as OECD bodies in charge of financial education. The Principles were also endorsed by G20 leaders at the Los Cabos Summit in June 2012 (G20 Leaders Declaration, 2012). Asia Pacific Economic Co-operation (APEC) Ministers of Finance also recognised the importance of the High-level Principles, and welcomed their development and implementation (APEC, August 2012).

A response to populations' needs and related policy concerns

G20 members and non-members have first developed national strategies for financial education, to counter the negative impact on individuals and households of recent financial and economic trends. The rapid development of the financial services industry, the increasing complexity of available products, and the observation of the financial losses incurred by consumers in the context of the financial crisis are some general incentives underpinning national strategies in G20 member and non-member economies. Governments also stress the need to improve financial well-being and enable individuals to better navigate a rapidly evolving financial services industry by being more self-reliant and knowledgeable. In addition, national strategies are explicitly meant to rationalise existing initiatives and ensure a better use of resources.

Beyond the reasons cited above, countries have adopted financial education policies for nation-specific reasons and needs. These include in particular:

- **Addressing specific policy priorities, such as credit, debt and/or pensions/saving issues.** This usually follows evidence emerging from nationwide financial literacy measurement exercises or periodic households' surveys, of worrisome figures such as alarming household savings/consumption rates (Brazil) and savings/debt ratios (Canada) or excessive credit exposure (South Africa, Spain). Specific policy priorities can also be identified following major reforms of the financial sector or of the public welfare system, as is often the case with pensions and retirement benefits (the Netherlands).
- **Complementing financial inclusion policies.** Financial inclusion policies that focus solely on the supply side (increased availability of access points and range of products) cannot guarantee effective use of financial services and as such can hinder the impact of financial inclusion policies. Governments that place financial inclusion among the top policy priorities have often

complemented supply side policies with demand side policies including financial education measures (India, Indonesia and Mexico).

Establishing the foundation of a national strategy: collect evidence and identify available resources

Establishing the foundation of the national strategy is crucial to robustly prepare its development and implementation. The strategy is typically aimed at providing evidence on the population's needs and at securing public stakeholders' support for the initiatives. It can also help identifying relevant non-public sector partners that can assist public authorities in the implementation of parts of the strategy. This phase also serves to increase the levels of collaboration between concerned stakeholders, from both the public and private sectors, and can be used to achieve buy-in and commitment. The development of national strategies therefore usually involves the assessment of the population's financial literacy level, the mapping of existing initiatives, the consultation with relevant stakeholders and appropriate communication.

More refined and cross-comparable evidence of financial literacy needs

Assessing the population's level of financial literacy serves different purposes. It initially creates a baseline against which to measure future progress, and it helps to identify specific gaps in financial literacy levels as well as policy areas that need particular attention. It is also a useful tool to define specific target groups. Such assessment is generally performed through the national measurement of financial literacy. But it can also draw information from consumer complaints filed with financial ombudsmen, surveys of providers of financial education programmes, or opinion polls and financial market surveys. A significant number of countries covered in this report have used combinations of these methods to identify the financial literacy levels of their population (see Table 1.2).

The number of countries for which national data on financial literacy is available has risen in recent years. In total, dedicated national measurement of financial literacy has been undertaken (in some cases more than once) in at least **15 countries** covered in this publication and 14 G20 countries: **Australia, Brazil, Canada, Indonesia, Japan, Korea, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Turkey, the United Kingdom and the United States.**

In addition, notably thanks to the international tools to measure financial literacy developed in the context of the Russian Trust Fund on Financial Literacy and Education (OECD/INFE, 2013a and 2013b; World Bank, 2013b), these data are increasingly cross-comparable. With respect to countries covered in this publication, data are available or will be available for:

- Indonesia, Japan (*) Korea, South Africa and the United Kingdom, which have used in full or in part(*) the OECD/INFE survey instrument; as well as the Netherlands, which is planning to use it in future iteration of its national survey;
- Mexico and Russia, which have used a combination of the World Bank and OECD/INFE methodology; and
- Turkey, which has used both methodologies separately.

The introduction of a financial literacy option in the OECD Programme for International Student Assessment (PISA) in 2012 will also allow volunteering countries to establish a baseline survey of the financial literacy levels of 15-year-old students for their country. The results of this assessment, to be released in June 2014, will also provide a first international overview of the financial literacy needs of young people as they are about to reach adulthood and make their first important financial decisions. Amongst the countries covered in this publication:

- In 2012, Australia, China (Shanghai), France, Italy, Russia, Spain, and the United States participated in the PISA Financial literacy option,
- In 2015, Brazil, Canada (some provinces), the Netherlands and the United Kingdom (England) will join the second PISA financial literacy exercise.

These are welcome developments, as evidence collected can offer unique insights allowing a clear identification of knowledge, attitudes and behaviour of consumers and as such can better highlight gaps and priority areas for public action. The availability of cross-comparable data for adults and young people (although still fairly limited) will allow the identification of refined effective practices that can be replicated in other settings.

Mapping of existing financial education initiatives at the country level

The mapping and review of existing initiatives in the field of financial education is another essential step to prepare a national strategy. Such a review usually focuses domestically on the stakeholders providing financial education and on their programmes. It also encompasses other countries' examples and relevant instruments developed at the international level. Stakeholders active in financial education can be either public authorities already developing sectoral programmes (in securities, insurance or pensions, for example) or not-for-profit and private-sector organisations that might have developed independent programmes. The programmes identified, and their evaluation, can also function as a useful brainstorming exercise, shed light on the main problems being addressed at the national level, and even lead to the incorporation of certain programmes and actors within the national strategy.

In different ways, 13 G20 members and two invited economies have performed official mapping exercises. In some cases, the authorities responsible for the national strategy have a longstanding engagement in financial education, and as such might already be familiar with major players and stakeholders, having developed an important knowledge base or even established a committee for continuous interaction with stakeholders (as in Canada and South Africa). In other cases, the mapping can either be conducted through request for information on websites (Brazil) or carried out by an independent organisation (*e.g.* in Mexico and South Korea).

A variety of consultation mechanisms to launch the national strategy

The development of consultation mechanism(s) during the preparatory phase of the national strategy is also important. These might add to the mapping exercise and help to identify relevant stakeholders. More importantly, such consultations have been undertaken to unite stakeholders around common objectives, gauge their views on draft strategy documents and/or discuss the programmes to be implemented in the framework of the strategy.

Various consultation mechanisms have been activated by countries covered in this publication:

- **Wide consultation campaigns** with a variety of stakeholders have been undertaken in a few countries to establish the main priority(ies) of the national strategy (*e.g.* Canada);
- **Draft national strategy documents have also been released** for public consultation on websites (India, United Kingdom), or have been peer-reviewed by other countries in the context of the OECD/INFE (India). Some countries also engage in official consultation processes, limited to public institutions (United States) or open to the private sector and civil society (Brazil).
- **Committees and consultative platforms have been/are established or existing ones have been harnessed** (*e.g.* the External Stakeholder Advisory Committee of the Financial Consumer Agency of Canada; the Financial Stability and Development Council in India). These are usually open to both the public and private sectors, such as the National Consumer Financial Education Committee (NCFEC) convened by the South African Treasury, or the Financial Education Group created by the Financial Services Commission in Korea. In other examples, committees were established only between public sector institutions, which were later opened to private sector and civil society representatives (as in Brazil, where the National Committee on Financial Education, CONEF, was preceded by a COREMEC-created Working Group to prepare the first draft of the national strategy).
- Some of these consultative structures have become permanent features of the national strategy (*e.g.* in Brazil, Canada, Korea, the Netherlands and South Africa).

Table 1.2 National Strategies in G20 members and invited economies: status and preparation*

	National Strategy	Assessment	Mapping
ARGENTINA	Being considered	Opinion surveys conducted by the National Securities Commission	NA
AUSTRALIA	Yes, being revised (2011, 2013)	National survey of financial Literacy (ANZ Surveys 2003, 2005, 2008, 2011); PISA Fin Lit 2012, PISA Fin Lit 2015	Financial Literacy Stock Take Survey in the context of the national strategy revision
BRAZIL	Yes, implemented (2010)	National survey of financial Literacy (2008); PISA Fin Lit 2015	Call for initiatives on the national strategy public website. Review of what done by public authorities.
CANADA	Advanced design	National survey of financial Literacy (2009); PISA Fin Lit 2015 (some Provinces)	FCAC External Stakeholders Advisory Committee; national conferences; organisation of the Financial literacy month
CHINA	Being considered	Financial consumer surveys, analysis of consumer complaints; PISA Fin Lit 2012 (Shanghai)	Review of initiatives undertaken by public financial authorities
FRANCE	Being considered	Financial consumer surveys (2012); PISA Fin Lit 2012	NA
INDIA	Advanced design	Planned (OECD/INFE survey)	During the design of the national strategy roadmap

	National Strategy	Assessment	Mapping
INDONESIA	Advanced design	National survey of financial Literacy (2006, 2012, OECD/INFE)	Survey conducted by Bank Indonesia in 2012 that covers for evaluation of target group and improvement of financial education programme
ITALY	Being considered	Survey on Household Income and Wealth (biannual) and consumer surveys; PISA Fin Lit 2012, PISA Fin Lit 2015	NA
JAPAN	Yes, being revised (2005, 2007, 2013)	National survey of financial Literacy (2012, OECD/INFE survey – Knowledge questions)	Conducted by the Central Council for Financial Services Information
KOREA	Advanced design	National surveys of financial Literacy (2011, OECD/INFE survey) and surveys targeting students	Research paper assigned to independent authority (Korea Development Institute)
MEXICO	Advanced design	National survey of financial Literacy (2012, World Bank + OECD/INFE knowledge questions)	Mapping conducted by independent organisation; conducted by a dedicated working group of the Financial Education Committee
THE NETHERLANDS	Yes, being revised	National surveys of financial Literacy (2007, 2008, and planned OECD/INFE survey); PISA Fin Lit 2015	Conducted by specialised research firms in legal/regulation, consumer affairs, and school education
RUSSIA	Advanced design	National surveys of financial literacy (2012-3, WB + OECD/INFE Survey); Consumer Finance Survey (2013) PISA Fin Lit 2012, PISA Fin Lit 2015.	NA
SINGAPORE	Yes, being revised (2003)	National survey of financial Literacy (2005)	NA
SPAIN	Yes, implemented (2008, 2013)	Survey of households finance (2002, 2005, 2008, 2011); PISA Fin Lit 2012, PISA Fin Lit 2015	Research conducted by national strategy authorities
SOUTH AFRICA	Yes, being revised (2001, 2013)	National survey of financial Literacy (2011, OECD/INFE survey)	National Consumer Financial Education Committee already in place within the Treasury
TURKEY	Advanced design	National survey of financial Literacy (2012, WB survey; 2013, OECD/INFE Survey)	Identification of stakeholders by the Committee drafting the national strategy
UNITED KINGDOM	Yes, being revised (2003/06, 2013)	National survey of financial Literacy (2010, OECD/INFE survey, 2013); PISA Fin Lit 2015 (England)	Call for evidence on MAS website
UNITED STATES	Yes, being revised (2006, 2011, 2013)	Surveys conducted by not-for-profit organisations nationwide and on students (FINRA 2009, 2012); PISA Fin Lit 2012, PISA Fin Lit 2015	“Calls to Action” for the Financial Literacy Commission’s members, consumers, industry, non-profits and other stakeholders

* PISA Fin Lit: Financial Literacy Option of the OECD Programme for International Student Assessment (OECD, 2013).

OECD/INFE Survey (OECD/INFE 2013a).

NA – Not available.

World Bank Survey of Financial Capability in Low- and Middle-Income Countries (World Bank, 2013).

For additional information on individual countries, see following chapters.

Importance of leadership, clear governing mechanisms and stakeholders' roles (see also Table 1.3)

National strategies for financial education are in most cases initiated (and sometimes developed and implemented) by public institutions that have national leadership in these areas. These are usually the Ministry of Finance, the Central Bank, or supervisory/regulatory authorities. In a few cases, a dedicated body (*e.g.* in the UK) or a co-ordinating body (Brazil) is in charge of financial education at the national level. Such leaders usually either have a statutory mandate for financial education (Australian Securities and Investments Commission, Financial Consumer Agency of Canada, the Financial Services Board in South Africa, the Capital Markets Board in Turkey) or are given an explicit one in the context of financial markets reforms. For example, in the United Kingdom, the Financial Services Act paved the way for the creation of the Money Advice Service. The leader might also have financial education among its implicit responsibilities (often the case of central banks) or have nationally recognised experience in developing financial education programmes (for example the Dutch and Mexican Ministries of Finance).

Where a single authority is leading the national strategy, a dedicated governing body or mechanisms have also often been established to manage and/or monitor the strategy development and/or implementation. Such specific structures are set up to take account the long-term nature of most strategies and the need to involve a variety of stakeholders. They not only allow cross-sectoral co-ordination and an effective sharing of responsibility among different authorities and stakeholders, they also highlight the support to the national strategy and as such can increase its visibility. In some cases, different structures have been created for the design and implementation of the national strategy (*e.g.* in Brazil). These high-level bodies often create ad hoc working groups in charge of specific elements of the strategy (as in Brazil, Mexico, the Netherlands, the United States), focused both on the process – such as the evaluation of programmes – and on the content – such as financial education in schools. They also develop legal co-ordination and feedback mechanisms with other public bodies and institutions (*e.g.* in Brazil).

These bodies have been established through different modalities, depending on existing structures and the countries' context. In some cases, the bodies have been established by existing high-level co-ordinating committees with responsibility for financial market development or oversight. These committees are often headed by the Ministry of Finance, such as the Financial Stability and Development Council in India or the National Committee for the Regulation and Oversight of Financial, Capital, Insurance, Pension Funds and Capitalisation Markets (COREMEC) in Brazil. A similar body, the Financial Stability Committee in Turkey, headed by the Deputy-Prime Minister, has identified a member institution (the Capital Markets Board) as leading the national strategy implementation and has kept responsibility for its oversight and co-ordination. In other cases, new bodies dedicated to financial education issues have been created by government decree or by the leading institution of the national strategy, in particular the Ministry of Finance. This is the case for the Financial Education Council in Korea, the Committee for Financial Education (CEF) in Mexico and the National Consumer Financial Education Committee (NCFEC) in South Africa.

Table 1.3 Leading authorities and co-ordinating bodies in countries with a fully fledged national strategy

<p>AUSTRALIA</p>	<p><u>Leading authority:</u> Australian Securities and Investments Commission (ASIC) <i>Responsibilities:</i> Among statutory objectives is “ensure confident and informed investors and financial consumers”. Since 2008 ASIC has been entrusted by the Government with overall responsibility for financial literacy in Australia. <u>Advisory body:</u> ASIC is supported by the Australian Financial Literacy Board: a non-statutory body that provides strategic advice to government and ASIC on financial literacy issues (existed prior to the implementation of the strategy). <i>Membership:</i> Respected leaders from the business, education and community sectors who volunteer their services and expertise. Members are appointed by the Assistant Treasurer and Minister for Financial Services and Superannuation.</p>
<p>BRAZIL</p>	<p><u>Development body: design</u> Committee for the Regulation and Oversight of Financial, Capital, Insurance, Pension Funds and Capitalisation Markets (COREMEC), through a dedicated Working Group. <i>Membership:</i> Central Bank of Brazil, Brazil’s Securities and Exchange Commission (CVM), Brazil’s National Superintendence for Pension Funds (PREVIC), Brazil’s Superintendence of Private Insurance (SUSEP). <u>Leading authority and co-ordinating body: monitoring and oversight of implementation</u> National Committee on Financial Education (CONEF) <i>Membership:</i> A Deputy-Governor of the Central Bank; President of the Securities and Exchange Commission of Brazil (CVM); Superintendent-Director of Brazil’s National Superintendence for Pension Funds (PREVIC); Superintendent of Brazil’s Superintendence of Private Insurance (SUSEP); Executive-secretary of the Ministry of Education (MEC); Executive-secretary of the Ministry of Finance (MF); Executive-secretary of the Ministry of Social Security (MPAS); Executive-secretary of the Ministry of Justice (MJ); Four representatives of civil society: ANBIMA , BM&FBOVESPA , FEBRABAN , and CNSEG. <i>Responsibilities:</i> defines plans, programmes, actions, and coordinates ENEF’s implementation <i>Sub-committees:</i> Pedagogic Support Group; Monitoring and Fiscal Committee; Permanent Commission. <u>Implementing bodies:</u> CONEF members Association of Financial Education in Brazil (AEF- Brasil) <i>Membership:</i> Associations representing banking (FEBRABAN), insurance (CNSEG), and capital market (ANBIMA) institutions, plus the exchange BM&FBOVESPA <i>Responsibilities:</i> in partnership with CONEF it is responsible for conceiving, planning, structuring, developing, implementing and administering national strategy initiatives.</p>
<p>CANADA</p>	<p><u>Leading authority and leader:</u> Financial Literacy Leader (to be appointed) Advised by the FCAC External Stakeholder Advisory Committee <i>Membership:</i> drawn from sectors engaged in financial education <i>Responsibilities:</i> advise the Leader on the implementation plan. Its members will act as champions within the sectors they represent, ensuring a coordinated approach and alignment with the broad objectives.</p>

INDIA	<p><u>Co-ordinating and leading body – development and implementation phase:</u> Financial Stability and Development Council (FSDC) chaired by the Union Finance Minister, Government of India, with heads of all financial sector regulators as members. FSDC Technical Group on Financial Inclusion and Financial Literacy: headed by the Deputy Governor of the Reserve Bank of India (RBI) and includes representatives from all financial sector regulatory authorities and Ministry of Finance, Government of India. This group co-ordinates the efforts of the financial sector regulators in the field of financial education</p> <p><u>Implementation body:</u> National Centre for Financial Education (NCFE): an institute specially created with participation and resources from all financial sector regulators which will report to the FSDC Technical Group. A Core Committee has been constituted for focused and regular interaction with all stakeholders, for faster implementation of the national strategy.</p>
INDONESIA	<p>Co-ordination among Bank Indonesia, the Financial Markets Authority (OJK), the Ministry of Education and Culture and the Ministry of Manpower and Transmigration.</p>
JAPAN	<p><u>Leading and coordinating authorities:</u> Financial Services Authority (JFSA) and Bank of Japan (through the Central Council for Financial Services Information, the CCFSI) <i>Membership of the CCFSI:</i> representatives of financial and economic organisations, media, consumer groups, etc., experts, and the Deputy Governor of the Bank of Japan, with the director-generals of related authorities, including the FSA, and the executive director of the Bank of Japan taking part as advisers (Secretariat of the CCFSI: Public Relations Department, Bank of Japan).</p>
KOREA	<p><u>Leading authority:</u> Financial Service Commission</p> <p><u>Co-ordinating body:</u> Financial Education Council</p> <p><i>Membership:</i> Vice-Chairman of the Financial Services Commission as Chair, public organisations (Financial Supervisory Service, Korea Deposit Insurance Corporation, Credit Counselling & Recovery Service), 7 financial sector groups (Korea Federation of Banks, Korea Financial Investment Association, General Insurance Association of Korea, Korea Life Insurance Association, Credit Finance Association of Korea, Korea Federation of Saving Banks, National Credit Union Federation of Korea), private organisations (Korea Council for Investor Education, Financial Quotient Council, Korea Investors' Protection Foundation).</p> <p><i>Main responsibilities:</i> a non-standing body, will co-ordinate all authorities involved in financial education and co-ordinate basic policy directions for feasible financial education, examine how financial education is provided by each institution and continue to upgrade the Financial Education Activation Plan. It also examines the current status of financial education in Korea and presents policies on how to build the infrastructure by drawing up guidelines necessary for national financial education</p>
MEXICO	<p><u>Leading authority:</u> Ministry of Finance and Public Credit</p> <p><u>Co-ordinating body:</u> The Committee for Financial Education (CEF)</p> <p><i>Membership:</i> chaired by the ministry of finance and composed of financial authorities, development banks, financial public institutions, other public entities and private and social sector institutions.</p> <p><i>Responsibilities:</i> aligning the financial education efforts of public and private institutions</p> <p><i>Sub-committees:</i> Measurement and evaluation, Mapping of financial education, Financial education for financial inclusion</p>

<p style="text-align: center;">THE NETHERLANDS</p>	<p><u>Leading authority :</u> Ministry of Finance</p> <p><u>Co-ordinating body :</u> Money Wise Platform</p> <p><i>Membership:</i> H.M. Queen Maxima of the Netherlands as Honorary Chair. Sub-Committees: Programme Board</p> <p><i>Membership:</i> Ministry of Social Affairs, Education, Authority for Financial Markets, Financial Advisors’ Association, Pension Federation, University of Tilburg, Consumentenbond (non-profit organization which promotes consumer protection), Ministry of Education Culture and Science.</p> <p><i>Responsibilities:</i> provides strategic advice to the Steering Group</p> <p>Steering Group</p> <p><i>Membership:</i> chaired by the Ministry of Finance, Banking Association, Insurers’ Association, Central Bank, National Institute for Family Finance Information (Nibud)</p> <p><i>Responsibilities:</i> Leads the National Strategy</p> <p>Programme Office</p> <p>Part of the Ministry of Finance (Financial Markets Directorate), it executes the National Strategy</p> <p>Expert Groups formed on an ad-hoc basis.</p>
<p style="text-align: center;">RUSSIAN FEDERATION</p>	<p><u>Leading authority:</u> Ministry of Finance</p> <p><u>Supervisory and coordinating body :</u> The Interagency Project Commission (IAPC)</p> <p><i>Membership:</i> created by the Ministry of Finance and chaired by the Deputy Minister of Finance. Members also include the Central Bank, the ministry of Education, the Ministry of Economic Development, the Consumer Protection Agency.</p> <p><i>Responsibilities:</i> it supervises the overall project implementation and provides strategic oversight of the implementation of specific project activities</p> <p>A Working group of the Ministry of Finance provides operational management support.</p> <p>The International Expert Board provides expertise and support to the IAPC.</p>
<p style="text-align: center;">SINGAPORE</p>	<p><u>Leading authority:</u> Financial Education Steering Committee (FESC)</p> <p><i>Membership:</i> Monetary Authority of Singapore (MAS) as Chair, Ministry of Education, Ministry of Health, Ministry of Manpower, Ministry of Social and Family Development, Central Provident Fund Board, National Library Board, People’s Association.</p> <p><i>Responsibilities:</i> Leads the MoneySENSE national financial education programme</p>
<p style="text-align: center;">SPAIN</p>	<p><u>Leading authorities:</u> Bank of Spain, National Commission for Capital Markets (CNMV), Ministry of Economy and Competitiveness</p> <p><u>Co-ordinating body :</u> Working Group</p> <p><i>Membership:</i> Bank of Spain, National Commission for Capital Markets, Ministry of Economy and Competitiveness (through the Directorate General of Insurance and Pensions Funds and the General Secretary of the Treasury and Financial Policy).</p>

SOUTH AFRICA	<p><u>Leading implementing authorities:</u> National Treasury Financial Services Board (FSB), also acts as Secretariat to the NCFEC</p> <p><u>Co-ordinating body:</u> National Consumer Financial Education Committee (NCFEC) <i>Membership:</i> all regulators (National Credit Regulator, South African Reserve Bank, Financial Services Board, National Consumer Commission), Government Departments (Trade and Industry, National Treasury, Ministry of Education, Provincial Consumer Affairs Offices Forum), Consumer representatives, Ombudsmen Offices, Industry Bodies and Associations. <i>Main responsibilities:</i> convened by National Treasury for the purposes of coordinating financial education initiatives and jointly finalising the national policy and crafting national strategy</p>
TURKEY	<p><u>Leading authority:</u> The Capital Markets Board (CMB) <i>Responsibilities:</i> co-ordinates implementation</p> <p><u>Co-ordinating body:</u> Financial Stability Committee <i>Membership:</i> Deputy Prime Minister for Economic and Financial Affairs as Chair, Undersecretary of Treasury, Governor of Central Bank of The Republic of Turkey, Chairman of Banking Regulation and Supervision Agency, Chairman of Capital Markets Board of Turkey, Chairman of Savings Deposit Insurance Fund <i>Responsibilities:</i> Supervises the strategy on financial education, which is implemented under the co-ordination of the Capital Markets Board of Turkey, and the strategy on financial consumer protection implemented by the Banking Regulation and Supervision Agency.</p>
UNITED KINGDOM	<p><u>Leading authority:</u> Money Advice Service (MAS) An independent body created by the UK Government. <i>Responsibilities:</i> to enhance the nation’s financial capability and provide generic and unbiased financial advice.</p>
UNITED STATES	<p><u>Co-ordinating body :</u> Financial Literacy and Education Commission (FLEC) <i>Membership:</i> Secretary of the Treasury as Chair, Director of the Consumer Financial Protection Bureau as Vice-Chair. The White House, Department of Treasury, Department of Education (ED), Department of Agriculture (USDA), Department of Health and Human Services (HHS), Department of Housing and Urban Development (HUD), Department of Labor (DOL), Department of Defense (DoD), Consumer Financial Protection Bureau (CFPB), Board of Governors of the Federal Reserve System (FRB), Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), Federal Trade Commission (FTC), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Veterans Affairs (VA), General Services Administration (GSA), Small Business Administration (SBA), Social Security Administration (SSA), Office of Personnel Management (OPM), Federal Emergency Management Agency (FEMA). <i>Responsibilities:</i> develop the national strategy and co-ordinate resources and activities among the Commission’s member agencies. <i>Sub-committees:</i> Children and Youth Committee, Post-secondary Education Committee, Early Career/Planning for Retirement Committee, Research and Evaluation Subcommittee.</p>

Private and civil sectors: partners in the development of national strategies

Private and other stakeholders have an important role to play in financial education, and their involvement in the development and especially the implementation phase is considered in most existing national strategies. The private sector in particular often contributes to specific aspects of the strategy, either by providing in-kind resources and advice or dedicated financial support, or by becoming an implementing partner.

The analysis conducted by the OECD/INFE identified five modalities of involvement of the private sector in the activities carried out by public authorities in financial education, notably in the context of national strategies. These are:

- **Mandatory provision of financial education:** the private sector, *e.g.* private financial institutions, must spend a defined amount of resources on financial education programmes for their clients or the community. In South Africa, the recently approved Financial Sector Code mandates that financial institutions should spend a share of their after-tax profits on consumer education initiatives (0.25% in 2012, 0.3% in 2013 and 0.4% from 2014 onwards).
- **Levies on the financial industry:** statutory levies on the financial services sector can be applied by the national regulator or supervisory authority. This is the case in the United Kingdom, where the Money Advice Service is funded by a statutory levy raised by the UK Financial Conduct Authority (FCA).
- **Certification and accreditation systems:** a public authority can give quality marks or formally accredit a not-public institution for its financial education activities.
- **Collaboration in the development and implementation of financial education policies and programmes:** stakeholders from the private sector are involved directly in the design and implementation of the national strategy framework or of specific programmes. In Brazil, financial industry associations participated in the national strategy design and are responsible for its implementation under the monitoring of public authorities (through the National Association for Financial Education (ABEF) constituted *ad hoc*). In the Netherlands, the national strategy is spearheaded by the Ministry of Finance but is developed and implemented by the broader platform Money Wise, involving the private sector and civil society. Finally, in Singapore the national strategy is spearheaded by public authorities and is implemented in close co-operation with financial industry associations.
- **Voluntary private-sector support:** industry associations, specific financial institutions or resourceful NGOs can decide to sponsor the national strategy or specific projects.

Alongside these co-ordinated initiatives, the private and the not-for-profit sectors also often implement financial education initiatives following non-co-ordinated approaches. In a majority of countries, financial institutions and the private sector still develop their own financial education activities with little co-ordination with the national framework.

The involvement of the private sector in the provision of financial education can give rise to possible conflicts of interest with their commercial activities. Countries have started addressing these issues through various means. Some countries have invited all private-sector institutions to create an

association of public interest in charge of implementing the strategy under the aegis of a public co-ordinating committee (such as in Brazil). Others have developed strategic partnerships with private-sector associations (banking industry/insurance/capital markets association) in order to dilute the interests of each individual financial institution (*e.g.* Korea, Singapore, South Africa and Turkey). A few countries have also developed codes of conduct on the involvement of the private sector in financial education³ (for example, South Africa developed Charter Implementation Guidelines for the activities that the mandatory financial education activities conducted by the financial sector).

Tailored roadmaps to effectively implement national strategies

The roadmap of a national strategy is often the result of the co-operation between the government and interested stakeholders. It sets policy priorities as well as related short- and long-term objectives, identifies target audiences and establishes methods for the overall impact assessment of the strategy. Roadmaps also highlight the vision behind the national strategy and its guiding principles. Finally, they can also identify appropriate resources for the national strategy.

Objectives and policy priorities

Countries define the objectives of their national strategies in different ways, and some use a combination of these approaches:

- Most countries point to policy areas and/or target groups they would like to reach out to in particular, according to the financial education needs of the country (see above “More refined and cross-comparable evidence”). In this case, the roadmap might focus on retirement planning, credit, savings and household debt, or identify priority groups such as youth (in school), the unemployed, the underserved population or retirees.
- Others mention agreed methods for the identification of future priorities: from risk-based approaches where objectives are defined based on the analysis of household debt savings and investment ratios (*e.g.*, in South Africa), to life cycle approaches that seek to address the financial literacy needs of individuals and households in critical moments of their financial life.
- A last group focuses on operational goals or guiding principles. These can emphasise the need to create a platform where different stakeholders can effectively work together to achieve common objectives or to effectively establish an administrative system for the implementation of financial education public policies.

Target groups

Most governments target the entire population through their national strategies but also identify key priority audiences. Youth is a priority for an overwhelming majority of existing national strategies. A range of other vulnerable groups is also often identified depending on national circumstances.

³ Given the importance of these issues for governments worldwide, the OECD/INFE is currently developing International Guidelines for the Involvement of Private and Other Non-public Stakeholders in Financial Education, to be finalised in 2014.

These include women (*e.g.* in Brazil, India, Indonesia, Saudi Arabia and Turkey), migrants (*e.g.* in Canada, Indonesia and Mexico), entrepreneurs (*e.g.* in Brazil, India, Indonesia, the Netherlands, Saudi Arabia and Spain), workers, low-income citizens and the elderly (*e.g.* Brazil, Canada, China, Korea, Turkey and the United States).

The definition of target groups can be very specific, with age-defined groups, such as the adult population, subdivided among categories chosen on the basis of the employment or family status or chosen because they display special needs. For instance, the Indian strategy specifically mentions disabled groups and the Mexican one, immigrants to the United States; China also plans to focus on the rural population; and Brazil and Mexico also target welfare recipients.

Countries can also use a life-stages approach, by which individuals and households are targeted at defining moments of their financial life, in order to address a specific financial education need. These stages can cover saving for university, getting married, buying a house, divorcing, having children, or becoming unemployed. This approach informs the actions of the national strategy in many countries, and is or will be explicitly adopted in Korea, the Netherlands and the United Kingdom.

Countries have identified specific segments of the population in a number of ways. Vulnerable or high-priority groups can be selected on the basis of the results of national financial literacy surveys. They might also be identified on the basis of other relevant political initiatives (such as financial inclusion or financial consumer protection, if these public policies have already defined priority groups).

National strategies' assessments are still limited but progressing

Governments implementing national strategies for financial education must understand the overall impact of the strategy. This is essential to identify and address potential shortcomings in the delivery of programmes, to understand which target audiences have benefitted most and which need increased resources, and to fine-tune the content and if needed the roadmap of the strategy. The importance of this process is increasingly being recognised in national strategies' official roadmaps (for example in the Netherlands, Spain, South Africa, Turkey and the United States) with, in some cases, the elaboration of comprehensive processes for monitoring and evaluating progress and results, as in the Netherlands.

Seven countries covered in this publication are reviewing their national strategies for financial education using a combination of qualitative and quantitative methods. These are Australia, Japan, the Netherlands, Singapore, South Africa, the United Kingdom and the United States.

The quantitative component is usually undertaken through repeated national surveys of financial literacy. Thanks to the longevity of some national strategies (over 10 years), a group of countries has already been able to measure progress against a baseline created with the first national measurement of financial literacy (Australia, Japan, the Netherlands, the United Kingdom and the United States). In some cases, governments indicate within roadmaps that nationally representative surveys are to be repeated at regular intervals (three to seven years on average).

Some governments are also moving to the development of additional qualitative measures, such as financial attitudes/behaviour and knowledge indexes (*e.g.* Netherlands, South Africa and the United Kingdom). This is made possible by the increasing volume of data available to the institutions implementing national strategies and by the analysis that the OECD/INFE and the World Bank conduct at the international level.

Qualitative assessment can include consultation with implementing partners, as well as the evaluation of the resources used in key programmes (such as pedagogic material) and of the impact assessment of specific programmes. This information can be used to understand behavioural change among defined target audiences. Important qualitative information can also be gathered by analysing consumers' complaints, and by seeking participants' feedback on specific outputs of the strategy such as events and programmes.

A mixture of public and private resources

National strategies are the result of collaborative efforts on the part of several institutions within each economy. As such, the budget dedicated to these policies is often a combination of the general, financial education, or communication budget of the institutions involved. At least in the early phase of the national strategy, budgetary and human resources come primarily from the public authorities.

Given the potential benefits of financial education, as well as shrinking public budgets, the contribution of the private sector is increasingly being sought. In some cases, funding can come from levies on the financial services sector (South Africa, the United Kingdom), either in the form of a fixed percentage of after-tax profits, or through the collection of parts of the fines imposed on the financial services industry by supervisory authorities and market conduct regulators. The private sector can also provide voluntary contribution to support the implantation of part or all of the national strategy and in some cases provide in-kind contributions (see also above "The private and civil sector: partner in design and implementation" above).

A variety of delivery channels to address different target groups' preferences

The implementation components of national strategies for financial education vary according to the general objectives, the specific policy priorities, the target groups and the funding available. The number of programmes and their target audiences are identified on the basis of the measurement results as well as of qualitative information coming from focus groups, through the use of a life-stage approach or according to government priorities (notably in the case of major public policy reforms).

The most commonly used delivery tools are the following:

- **One of the major components of almost all national strategies is the introduction of financial education in schools.** This is attributable to the advantages of this type of provision: outreach to an entire generation before adulthood in a context conducive to learning and changing habits, the potential positive spill-over effects on parents as well as the community, and cost-effectiveness. Almost all countries covered in this publication have introduced some form of financial education in schools (see also OECD, 2013 forthcoming).
- **Most countries implementing a national strategy have developed dedicated public websites to disseminate information and provide educational resources to the general population.** Australia, the Netherlands, Singapore, Spain and the United Kingdom have developed over time national strategy websites that have become the reference in their countries. Most of these websites are interactive and adapted to various target audiences. Some of them also provide detailed financial directions adapted to users' needs.
- **A very wide range of other channels have been increasingly used.** These include, for instance:

- wide awareness campaigns on financial matters in general (or specific issues *e.g.* pension reforms) using a variety of media (*e.g.* television, radio, the press, billboards);
 - special events and contests, annual financial awareness and literacy (or saving) days or weeks as well as the establishment of dedicated museums;
 - workplace programmes for adults; and
 - training the trainers’ programmes deployed for their multiplier effects across different groups of the population.
- **Stakeholders are also seeking to harness available technologies** such as mobile phones and the Internet using apps and social media to reach target groups. Various forms of edu-tainment (including the introduction of a financial component in TV shows) are also used in a number of countries.

Limited but growing evidence of what works

The evaluation of financial education programmes is crucial to understanding which programmes are effective, to identifying areas for improvement and to supporting the efficient use of resources. Evaluation evidence is particularly relevant for national strategies, as it can help policy makers both identify the most efficient programmes during mapping exercises and support future funding decisions. Furthermore, when robust evaluation evidence can be generalised to a wider population, it becomes possible to predict the overall impact of a programme on a much larger scale. Evaluation can thus provide sound evidence to better define future policy targets and delivery tools.

Evaluation of programmes is still limited, but is steadily increasing. Thanks notably to the instruments developed in the context of the Russian Trust Fund for Financial Literacy and Education (OECD/INFE, 2013c; World Bank, 2013a), more national strategies now include evaluation of programmes as an essential component of roadmap and programme design. It has also been possible to gather encouraging evidence on the positive effects of well-designed financial education programmes in a variety of settings and on different target audiences (as in Brazil, Italy and Spain for the pilot programme in schools).

Suggested priority areas for further action

This publication, as well as the ongoing work developed by the OECD and INFE, confirms the importance that G20 and non-G20 economies attach to the development of national strategies to ensure co-ordinated, tailored and efficient provision of financial education to the population and in particular to vulnerable groups. It also highlights a series of challenges related to the implementation and evaluation of strategies and programmes as well as to the sharing of responsibilities between various public and private stakeholders. More generally, it points to the need to integrate these strategies consistently in the global financial reform agenda.

No country or institution has all the answers, and much depends on the needs of the population and countries’ circumstances. However, G20 economies, the OECD and its INFE membership, as well as other relevant international organisations, can have a role to play in addressing some of the identified challenges. This can include, where deemed relevant, to:

➤ **Strengthen the efficiency and sustainability of financial education policies and strategies by:**

- Continuing to develop evidence on financial literacy levels and efficient financial education provision using available international tools already supported by G20 governments (*i.e.* tools developed by the OECD/INFE [2013b, 2013c], and World Bank [2013a, 2013b] and PISA Financial literacy [OECD, 2013]). This could include:
 - Development of baseline (where relevant) and regular national surveys of population’s financial literacy (including identification of the needs of more vulnerable groups *e.g.* youth, women, migrants, entrepreneurs, the elderly) integrating international methodologies to allow international comparison;
 - Development of an international database on financial literacy for youth and adults based on PISA and countries’ data collection by the OECD/INFE; and
 - Systematic evaluation of relevant, innovative financial education initiatives and reporting of results nationally and to international organisations such as the OECD/INFE to improve the national and global knowledge on most effective financial education provision.
- Harnessing the role of stakeholders and earmarking long-term resources to successfully implement national strategies. This could include:
 - Establishing clearer financial education mandates, objectives and resources for relevant public bodies and/or governing mechanisms in countries;
 - Strengthening the involvement of education systems and ministries of education in financial education through national consultation, dedicated partnership and international dialogue (including through the OECD/INFE); and
 - Clarifying the role and involvement of private and civil (NGOs) stakeholders through the development of international and national guidelines by the OECD/INFE.
- Strengthening the quality of financial education delivery through the development of international/national:
 - Core competencies on financial literacy for adults and youth to better define financial education objectives; and
 - Quality standards for financial education provision (possibly including awards and contests).
- Developing a policy handbook to facilitate the implementation of national strategies through the OECD/INFE.
- Reinforcing international and regional dialogue on financial education (including through peer review process) through the OECD/INFE membership and regional platforms as well

developing dialogue with private, civil and academic communities to identify further effective and innovative implementation solutions.

➤ **Further integrate financial education, consumer protection and inclusion policies nationally and internationally to bolster their overall impact by:**

- Encouraging closer co-operation at the national level between regulators and other stakeholders in charge of financial access, financial consumer protection policies and financial education;
- Supporting international co-operation and dialogue between these three areas through the Global Partnership for Financial Inclusion, as well as relevant international organisations and forums (*i.e.* OECD/INFE, World Bank Group, Alliance for Financial Inclusion, G20/OECD Task Force on Financial Consumer Protection); and
- Harnessing research into behavioural aspects (including available research in health behaviour and marketing studies) and the impact of different (and innovative) delivery tools to refine financial consumer protection and financial access approaches, as well as the design of financial education initiatives, and tailor them to target audiences' needs, abilities and preferences.

REFERENCES

- Ardic, O. P., G. Chen, and A. Latortue (2012) *Financial Access 2011. An Overview of the Supply-Side Data Landscape*. CGAP and International Finance Corporation, Washington, DC
- Atkinson, A. and F. Messy (2012), "Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study", OECD Working Papers on Finance, Insurance and Private Pensions, No. 15, OECD Publishing. [dx.doi.org/10.1787/5k9csfs90fr4-en](https://doi.org/10.1787/5k9csfs90fr4-en)
- FINRA (2013), *Financial Capability in the United States : Report of Findings from the 2012 National Financial Capability Study*,
www.usfinancialcapability.org/downloads/NFCS_2012_Report_Natl_Findings.pdf
- FINRA (2009), *Financial Capability in the United States, Initial Report of Research Findings from the 2009 National Survey*,
www.usfinancialcapability.org/downloads/NFCS_2009_Natl_Full_Report.pdf
- García, N., A. Grifoni, J. López and D. Mejía (2013), "Financial Education in Latin America and the Caribbean: Rationale, Overview and Way Forward", OECD Working Papers on Finance, Insurance and Private Pensions
- Grifoni, A. and F. Messy (2012), "Current Status of National Strategies for Financial Education: A Comparative Analysis and Relevant Practices", OECD Working Papers on Finance, Insurance and Private Pensions, No. 16, OECD Publishing.
doi: [10.1787/5k9bcwct7xmn-en](https://doi.org/10.1787/5k9bcwct7xmn-en)
- Messy, F. and C. Monticone (2012), "The Status of Financial Education in Africa", OECD Working Papers on Finance, Insurance and Private Pensions, No. 25, OECD Publishing.
doi: [0.1787/5k94cqqx90wl-en](https://doi.org/10.1787/5k94cqqx90wl-en)
- OECD (2005), *Improving Financial Literacy: Analysis of Issues and Policies*, OECD Publishing.
doi: [10.1787/9789264012578-en](https://doi.org/10.1787/9789264012578-en)
- OECD/INFE (2009), *Financial Education and the Crisis*, www.oecd.org/finance/financial-education/50264221.pdf
- OECD/INFE (2012), *High-level Principles on National Strategy for Financial Education*,
www.oecd.org/finance/financial-education/OECD_INFE_High_Level_Principles_National_Strategies_Financial_Education_APEC.pdf

OECD (2013), "Financial Literacy Framework", in OECD, PISA 2012 Assessment and Analytical Framework: Mathematics, Reading, Science, Problem Solving and Financial Literacy, OECD Publishing.
doi: [10.1787/9789264190511-7-en](https://doi.org/10.1787/9789264190511-7-en)

OECD (2013a, forthcoming), Women and Financial Education: Evidence, policy responses and guidance. OECD Publishing, Paris. Forthcoming

OECD (2013b, forthcoming), Financial Education for Youth and in Schools: OECD/INFE Policy Guidance, Challenges and Case Studies. OECD Publishing, Paris. Forthcoming

OECD/INFE (2013a), Financial Literacy and Inclusion: Results of the OECD/INFE Survey across Countries and by Gender.

OECD/INFE (2013b), Toolkit to measure financial literacy and inclusion: Guidance, Core questionnaire and Supplementary Questions.

OECD/INFE (2013c), Set of Criteria, Principles, Guidelines and Policy Guidance to Improve Financial Education Part 3: Measurement and Evaluation Tools

World Bank (2013a), Toolkit for the Evaluation of Financial Capability Programs in Low- and Middle-income Countries – Summary, <http://www.finlitedu.org/team-downloads/evaluation/toolkit-for-the-evaluation-of-financial-capability-programs-in-low-and-middle-income-countries-summary.pdf>

World Bank (2013b), Measuring Financial Capability: a New Instrument and Results from Low- and Middle-Income Countries, <http://www.finlitedu.org/team-downloads/measurement/measuring-financial-capability-a-new-instrument-and-results-from-low-and-middle-income-countries-summary.pdf>

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

SUMMARY

Advancing National Strategies for **Financial Education**

**A Joint Publication by Russia's
G20 Presidency and the OECD**

www.oecd.org/finance

