# OECD/INFE PROGRESS REPORT ON FINANCIAL EDUCATION

This progress report has been prepared by the OECD Secretariat based on the ongoing work carried out by the OECD/International Network on Financial Education (INFE) which now includes 110 countries and economies.

As called for by G20 Leaders at their last Summit in Saint Petersburg in September 2013, the progress report reviews the progress made by the OECD/INFE on the development of a policy handbook to implement national strategies for financial education (Annex 1), which encompasses finalised OECD/INFE guidelines for private and non-for-profit stakeholders in financial education (in Annex 2). It also includes updates on the progress of the work on core competencies on financial literacy for youth and adults, as well as on the widespread use of tools developed by the OECD/INFE to measure financial literacy welcomed at the last Summit (including the results of the first PISA financial literacy exercise which were released on 9 July 2014).

The progress report has been reviewed and approved by the INFE and circulated at GPFI meetings on 2 September 2014 in Perth.

It is circulated to G20 Ministers of Finance and Central Banks Governors at their meeting in Cairns on 20-21 September for information and approval for transmission to G20 Leaders at their Summit in Brisbane on 15-16 November 2014.

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## BACKGROUND

In 2012, the OECD/International Network on Financial Education (INFE) High-level Principles on National Strategies for Financial Education (herein after called *the Principles*) were endorsed by G20 Leaders. Established in 2008 by the OECD, the INFE now comprises over 240 public institutions with expertise in financial education from 110 countries and economies.

At their 5-6 September 2013 Summit in Saint Petersburg, as a follow up to the 2012 endorsement of the Principles and the recognition of the importance of financial education and literacy for financial inclusion and financial stability, G20 Leaders:

- welcomed Russia's G20 Presidency/OECD Publication "*Advancing National Strategies for Financial Education*" which provides a summary of status of national strategies around the world and in G20 economies, recommendations on ways to move forward, and G20 and invited economies national strategy profiles;

- welcomed and supported the widespread use of *Practical tools to measure financial literacy and evaluate financial education programmes*, developed by the OECD/INFE and the World Bank Group, as well as tools to measure youth financial literacy such as the *OECD PISA Financial Literacy assessment*;

- welcomed the OECD/INFE Report "Women and Financial Education: Evidence, policy responses and guidance", and the OECD/INFE-WB-GPFI Progress Report on Women and Finance;

- welcomed the OECD Progress Report on Youth and Financial education;

- endorsed the OECD/INFE "Policy Guidance on Addressing Women's and Girls' Needs for Financial Awareness and Education";

- at the same time, with a view to strengthening the advances of national strategies on financial education, G20 Leaders looked forward the development by the OECD/INFE of:

  - a Policy Handbook on the Implementation of National Strategies for Financial Education; as well as,

  - International Core Competencies Frameworks for Adults and Youth on financial literacy.

This progress report therefore provides an update on the work completed on these work streams by the OECD/INFE and next steps in the finalisation of this work. This progress report has been reviewed and approved by the INFE and circulated at GPFI meetings on 2 September in Perth. It is transmitted to G20 Ministers of Finance and Central Bank Governors (meeting in Cairns on 20-21 September) for approval for transmission to G20 Leaders at their summit in Brisbane on 15-16 November 2014.

## MAIN OECD/INFE ACHIEVEMENTS IN 2014

### 1) Progress on the policy handbook (see also Annexes 1 and 2)

In order to develop the policy handbook, an in-depth (and ongoing) survey of national strategies for financial education has been carried out in 2013/2014 through the INFE including information on their status, implementation and its main challenges and lessons learnt (and evaluation when relevant).

Comprehensive information from 63 countries (collected though the survey and/or OECD Secretariat desk research) have made possible the development of a detailed outline for the future policy handbook and the identification of relevant country case studies on which main lessons learnt and conclusions will be based.

The detailed outline has been reviewed and discussed by the INFE expert subgroup[1] through which the work on national strategy is being elaborated and OECD/INFE in October 2013 and May 2014. A final version of the detailed outline (its main content is provided in Annex 1) has been approved by the OECD/INFE (Technical Committee) at its last meeting in May 2014 in Turkey.

As agreed on by the OECD/INFE, the policy handbook will have the following structure:

INTRODUCTION – Overview of status of national strategies for financial education

CHAPTER I – Developing a diagnosis to inform the national strategy

CHAPTER II – Establishing institutional and governing arrangements:
The role of stakeholders in the development and implementation of the national strategy

CHAPTER III – Setting objectives and action plans, funding and evaluating the national strategy

CHAPTER IV – Ensuring effective and innovative provision of financial education

CHAPTER V – Lessons learnt and way forward

Annexes:
- OECD/INFE High-level Principles on National Strategies for Financial Education
- OECD/INFE Guidelines for Private and Non-for-Profit Stakeholders in Financial Education

1 The INFE expert subgroup on national strategies for financial education is spearheaded by Portugal and South Africa and is composed of the following member countries: Armenia, Canada, Czech Republic, India, Jamaica, Japan, Mexico, Nigeria, Portugal, South Africa and Turkey.

The ongoing OECD/INFE survey has revealed an important increase in the number of national strategies for financial education even since last year G20/OECD Publication[2] and a deepening of their process. According to the criteria established by the OECD/INFE High-level Principles, as of August 2014, 55 countries are developing a national strategy, implementing one or revising an initial strategy and developing a new one, compared with 26 countries in 2011[3] (more than 200% increase in three years), and 45 in 2013. More importantly, a significant group of countries are now in the process of revising their initial strategy and/or implementing a second national strategy based on their experience and the evaluation of the outcome of the first national strategy: these are Australia, Japan, Netherlands, New Zealand, Singapore, Spain, South Africa, United Kingdom and the United States.

**2) Widespread use of measures of financial literacy for youth and adults**

As recommended in the Principles and G20/OECD publication, a greater number of countries are relying on evidence and the measurement of financial literacy to develop their strategy. A majority of respondents to the OECD/INFE in-depth survey (44) have undertaken assessments with a view to designing their strategy based on evidence of needs and gaps across their population. Among these, most countries have used national financial literacy surveys relying either on available international tools (OECD/INFE (about 30), World Bank (12)) and/or on dedicated national methodologies – and sometimes combining them to adapt them to their national context (see outline and table 2 in annex 1 for more details). A number of countries have also decided to participate in international assessments to measure levels of financial literacy amongst youth through the Programme for International Student Assessment (PISA) exercise (details below). This is also consistent with the Principles' recommendation to introduce financial education as early as possible into individuals' lives and with countries' strategic approaches to target youth as part of their national strategy.

***Measuring youth/students' financial literacy: update on PISA 2012***

Consistent with this, the OECD has developed a new assessment tool within the PISA to measure the levels of financial literacy of 15-year-old students. The first round of data was collected in 2012; another one is scheduled in 2015.

A publication including an international comparative analysis of the first round of results as well as their policy implications and the whole data set were released on 9 July 2014, in the presence of OECD Secretary General Angel Gurría and HM Queen Máxima of the Netherlands.[4] The main findings and the dataset are freely available online. They cover for this first round 18 countries and economies (i.e. Australia, Belgium (Flemish Community), Colombia, Croatia, the Czech Republic, Estonia, France, Israel, Italy, Latvia, New Zealand, Poland, the Russian Federation, Shanghai-China, the Slovak Republic, Slovenia, Spain, and the US) which together represent 40% of world GDP. This first PISA financial literacy exercise is a major step in the global knowledge of youth and students financial literacy, it particularly:

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2 Russia's G20 Presidency and OECD (2013), *Advancing National Strategies for Financial Education*. OECD Publishing, Paris.

3 See 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

4 The sixth volume of PISA 2012 results "Students and Money: Financial Literacy Skills for the 21st Century" was presented on 9 July at the OECD Headquarters. Results are available at: http://www.oecd.org/pisa/keyfindings/pisa-2012-results-volume-vi.htm

- Provides a unique global framework to understand what financial literacy is for 15-year-olds beyond the scope of participating countries and economies.

- Offers a baseline of the financial literacy needs of students in participating countries and economies at a time when the provision of financial education in schools around the globe is still recent and quite uneven[5].

- Reveals important gaps in students' competencies in most countries and room for improvement in all.

- Demonstrates that levels of financial literacy are only partially explained by levels of development within countries and some countries with lower levels of GDP per capita display high level of financial literacy. There is thus room for effective policy action to improve financial literacy in countries with different circumstances.

- Highlights that more research and future PISA exercises will be instrumental in further exploring and gauging countries' practices and policies.

In particular, the PISA data highlight large differences in financial literacy, both within and between countries that call for appropriate policy action; for instance they indicate that:

- Only one in ten students' scores at the highest financial literacy proficiency level in PISA. At the other end of the proficiency spectrum, 15% of students, on average, score below the baseline level of performance. At best, these students can recognise the difference between needs and wants, make very simple decisions about everyday spending.

- On average, financial literacy is higher amongst more socio-economically advantaged students and that specific groups of the population such as immigrants and students living in rural areas display lower levels of financial literacy on average.

- In contrast with findings on the adult populations[6], there are no marked differences by gender on average. Yet, there are fewer top- performing girls than boys and more poorly-performing boys than girls. These results confirm the need to reinforce girls' financial abilities to allow them to reach higher level of financial literacy (and be better prepared to manage their finance in adulthood); and highlight the need for boys at the bottom of the proficiency scale to be supported.

The data also provide useful information on students' financial inclusion including that:

- A large share of students (60%) already have a bank account on average in participating countries. In Slovenia, New Zealand, Estonia, Australia and France at least 80% of students already have a bank account.

5 For more information see also OECD (2014), *Financial Education for Youth: the Role of Schools*. OECD Publishing, Paris. http://www.oecd.org/daf/fin/financial-education/financial-education-for-youth.htm

6 See OECD (2013), *Women and Financial Education: Evidence, Policy Responses and Guidance*. OECD Publishing, Paris. http://www.oecd.org/daf/fin/financial-education/women-and-financial-education-2013.htm

- On average even after accounting for their socio economic background, students with a bank account perform better in financial literacy than those who do not. It should however be noted that PISA does not inform us on the causal direction: on the one hand, students with higher level of financial literacy may be more motivated to become engaged with formal financial services; on the other hand, it might be that using a bank account is one way for students to reinforce their competency.

The second round of PISA financial literacy is scheduled in 2015, with results to be released in 2016/17. Sixteen countries and economies are planning to participate in the assessment of financial literacy in PISA 2015: Australia, the Flemish Community of Belgium, Brazil, Canada, Chile, Italy, Lithuania, the Netherlands, the People's Republic of China, Peru, Poland, the Russian Federation, the Slovak Republic, Spain, England (United Kingdom) and the United States.

***Measuring adults' financial literacy: expansion of the OECD/INFE database***

Following the recognition by G20 Leaders in 2013 of the OECD/INFE toolkit to measure adults' financial literacy and inclusion[7] and the release of the results of a first pilot exercise in 2012,[8] the OECD/INFE has decided to plan a new OECD/INFE survey of levels of financial literacy across the adult population in 2015 across volunteering INFE countries.

The survey will be based on a refined version of the OECD/INFE toolkit elaborated through the INFE. It should cover over 30 countries. The assessment and data collection is planned in 2015 with results to be released in 2015/2016.

**3) Financial literacy core competencies**

To respond to G20 call (abovementioned) and thereby support the development and implementation of national strategies, the OECD/INFE is in the process of developing core competency frameworks for financial literacy first for youth, then for adults through a dedicated INFE subgroup to be established in 2015.

As agreed by the OECD/INFE at its last meeting in May 2014, the development of the work on the youth core competency builds on the in-depth work undertaken to inform the assessment framework for the PISA financial literacy assessment, the learning frameworks identified in the 2014 OECD publication 'Financial Education for Youth'[9] and regular surveys of OECD/INFE members to identify the content of a core competency framework for youth. It also incorporates valuable insights from the PISA data, highlighting the way in which students' progress through the competencies, with certain tasks being identified as much easier for 15-year-olds to master than others. The elaboration and finalisation of a global framework on financial literacy core competencies for youth is expected to be completed in the course of 2015.

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7 See OECD/INFE (2013), Toolkit to measure financial literacy and financial inclusion: Guidance, core questionnaire and supplementary questions. http://www.oecd.org/finance/financial-education/Toolkit-to-measure-fin-lit-2013.pdf

8 See 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. DOI: 10.1787/5k9csfs90fr4-en

9 See OECD (2014), *Financial Education for Youth: the Role of Schools*. OECD Publishing, Paris. http://www.oecd.org/daf/fin/financial-education/financial-education-for-youth.htm

In parallel, work will be carried out to design a set of financial literacy core competencies for adults in 2015/2016. Such work will be based on INFE (subgroup) members' experience, research and the results of the 2nd international OECD/INFE financial literacy measurement of adults, scheduled for 2015.

## MAIN NEXT STEPS AND FUTURE G20 OUTPUTS

The abovementioned 2014 OECD/INFE achievements corresponding to G20 Leaders calls will lead to the completion of a series of outputs in 2015 for the G20 Turkish Presidency, including:

- The OECD/INFE Policy handbook to implement national strategies for financial education
- Core competencies on financial literacy for youth

Follow up work on these calls to the OECD/INFE will include:

- Broad survey of financial literacy based on the OECD/INFE toolkit for adults in 2015 through the OECD/INFE; results to be released in 2015/2016
- Next PISA financial literacy exercise planned in 2015 with results to be released in 2016/2017; and
- Financial Literacy Core competencies for adults to be finalised in 2016

Additional work is being carried out by the OECD/INFE to feed into G20 agenda and the Global partnership for financial inclusion work including:

- Policy Guidance to financially empower vulnerable groups expected to be finalised in 2015/2016
- Work on financial education and migrants including dedicated recommendations to be finalised in 2015/16

## SELECTED REFERENCES


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# ANNEXES

# ANNEX 1:
# DETAILED OUTLINE OF THE POLICY HANDBOOK ON THE IMPLEMENTATION OF NATIONAL STRATEGIES FOR FINANCIAL EDUCATION

## INTRODUCTION

### *Background*

National strategies for financial education are being developed by policy makers worldwide to address the financial literacy needs of their populations. The number of countries with a national strategy has increased rapidly in recent years. Currently 55 countries at diverse stages of development have implemented a first (or a second) national strategy or are actively designing one:

- in 2011, the first OECD/International Network on Financial Education (INFE) survey found that 26 countries were designing or implementing a strategy;
- in 2013, according to the G20/OECD publication, this number had jumped to 45; and,
- as of August 2014, 55 countries report to be following this process

The OECD and its INFE recognised the importance of national strategies early and, in 2010, established an Expert Subgroup to monitor their status, survey available experiences, identify good practices and draw policy conclusions.

- Based on this work, the OECD/INFE developed the **High-level Principles on National Strategies for Financial Education** which were endorsed by G20 Leaders in 2012. They were also supported that same year by APEC Ministers of Finance.
- The OECD also developed in 2013 in co-operation with the G20 Russian Presidency **a publication on Advancing National Strategies on Financial Education** which includes contribution from 21 G20 economies and invited countries. It also contains a summary of progress in the development of national strategies as well as key policy recommendations. This publication was welcomed by G20 Leaders in September 2013.

The importance of national strategies for financial education to complement financial consumer protection measures and the recognition of the work undertaken by the OECD/INFE resulted in G20 Leaders requesting the OECD/INFE to develop a Policy Handbook on the Implementation of National Strategies for Financial Education, in September 2013[10].

[10]. See the 2013 G20 Leaders St. Petersburg official declaration, paragraph 80: http://en.g20russia.ru/load/782795034

**The Policy Handbook: Sources and Objectives**

The development of the Policy Handbook is based on:

- Existing deliverables and notably:
  - the OECD/INFE High-level Principles on National Strategies for Financial Education
  - the OECD/INFE Guidelines for private and not-for-profit stakeholders in financial education just approved by the INFE and OECD Committee on Financial Markets and Insurance and Private Pensions Committee in 2014 (in Annex 2 of the progress report)
- The review of national strategies among G20 members and invited economies conducted for the joint Russia's G20 Presidency – OECD Publication "Advancing National Strategies for Financial Education".
- Comprehensive contributions from 46 INFE members (from 44 countries) as of August 2014 to the survey on the implementation of national strategies for financial education; more contributions are expected to be received in the next few months as more countries are developing national strategies and are progressing in their implementation or revision. This wealth of information and data will form the bulk of the resources on which the final version of the policy handbook will be designed and especially information coming from the group of countries which have evaluated their first strategy and are revising it.
- Secretariat desk research and bilateral contacts with INFE delegates.

The Policy Handbook is aimed at addressing issues that have been identified as challenging by the OECD/INFE and requiring further guidance, as well as illustrative case studies to support policymakers and other relevant stakeholders' decision-making and actions with respect to the development and implementation of national strategies.

The **structure of the policy handbook approved by the OECD/INFE at its last meeting in May 2014** will cover the following content:

- An introduction will provide an updated overview of the status of national strategies for financial education worldwide.
- Chapter I will review and provide guidance on establishing a diagnosis to inform the development and implementation of a national strategy.
- Chapter II will analyse existing practices in establishing an institutional arrangement and governing mechanism (including a mandate for financial education) as well as defining the role of various (public and private) stakeholders to develop and implement the national strategy (including principles and codes of conduct about the involvement of private and not-for-profit stakeholders in financial education).
- Chapter III will address the concrete planning (including the development of an action plan and setting criteria for success and objectives) and funding of national strategies as well as ways to evaluate their impact.

- Chapter IV will address the effective delivery of strategies through selected relevant programmes and innovative initiatives developed under their aegis (this will include quality criteria for financial education where they exist and evaluation of particular programmes).

- Chapter V will provide a summary of lessons learnt and provide guidance on ways to move forward in the implementation of effective national strategies in the four previous chapters.

The four first chapters will comprise sub-sections encompassing the following components:

1. An explanation of the importance and value of the step(s) addressed by the section/chapter in the context of the development and implementation of national strategies.

2. A summary and analysis of practices in the countries surveyed and their pros and cons (whenever relevant) based on existing relevant OECD/INFE policy instruments.

3. Selected illustrative case studies.

4. Lessons learnt.

In addition, the High-level Principles on National Strategies for Financial Education as well as the Guidelines for private and not-for–profit stakeholders in Financial Education now endorsed by the INFE Technical Committee (in May 2014) and the OECD Committee on Financial Markets and the Insurance and Private Pensions Committee (in August 2014) will be presented as an annex to the Handbook (and are offered in Annex 2 of this progress report).

The outline displayed hereinafter provides a short summary of the situation across countries based on the currently available sources (for the introduction and Chapters I, II, III; Chapters IV and V which will be developed in a second stage when more detailed information becomes available).

**Next steps in the development of the policy handbook**

Considering the ongoing development in a number of countries, the OECD/INFE Secretariat will continue collecting responses to the survey and will monitor the situation throughout 2014 and the first half of 2015 to develop and amend the policy handbook as necessary. Based on updates and further responses to the ongoing survey as well as continued monitoring and research by the Secretariat, the policy handbook will be further elaborated and finalised in 2015 through the INFE expert subgroup with a view to transmitting the policy handbook to OECD competent bodies and G20 in 2015.

**TABLE OF CONTENTS OF THE POLICY HANDBOOK**

**POLICY HANDBOOK ON THE IMPLEMENTATION OF NATIONAL STRATEGIES FOR FINANCIAL EDUCATION**

**DETAILED OUTLINE**

***PLEASE NOTE THAT:***

***Paragraphs highlighted in bold italics below are detailing the future content of the concerned chapter and/or subsection(s).***

***Other paragraphs provide a first summary of the main findings across the (63) countries and economies for which information is available (through INFE contributions, 2013 Publication and secretariat desk research)***

## INTRODUCTION – Overview of status of national strategies for financial education

***This introductory section will provide an updated overview of the status of development and implementation of national strategies worldwide, and will analyse and sketch out their main objectives, target audiences as well as timeframes.***

### *a. Status of national strategies*

A growing number of countries are developing national strategies as illustrated in table 1 below. As of August 2014, based on the information received through the OECD/INFE and Secretariat desk research, 55 countries report developing a national strategy, implementing one or revising it and developing a new one. This represents a steady increase when compared with the situation in 2011, when 26 countries reported having developed or implemented a national strategy (more than 200% in three years).

More importantly, a significant group of countries are now in the process of revising their initial strategy and/or implementing a second national strategy based on their experience and the evaluation of the outcome of the first national strategy: these are Australia (2013/14), Japan (2013), Netherlands (2014), New Zealand (2013), Singapore (ongoing), Spain (2012), South Africa (2013), United Kingdom (2013) and the United States (2011)[11].

Their experience and the lessons they learnt when going through this evaluation and revision process are particularly valuable in the elaboration of this policy handbook and in particular lessons learnt sections and chapter.

[11] Between brackets, the year of the revision of the initial national strategy.

**Table 1. Status of National Strategies as of August 2014**

| Map | Status of the national strategy (NS) | Number | Countries |
|---|---|---|---|
| 1 | A NS is being revised or a second NS is being implemented | **9** | Australia, Japan, Netherlands, New Zealand, Singapore, Spain, South Africa, United Kingdom, United States |
| 2 | A (first) NS is being implemented | **19** | Armenia, Brazil, Czech Republic, Denmark, Estonia, Ghana, India, Indonesia, Ireland, Israel, Korea, Latvia, Malaysia, Morocco Nigeria, Portugal, Russian Federation, Slovenia, Turkey |
| 3 | A NS is being actively designed | **27** | Argentina, Canada, Chile, China, Colombia, Costa Rica, Croatia, El Salvador, France, Guatemala, Kenya, Lebanon, Malawi, Mexico, Pakistan, Peru, Poland, Romania, Saudi Arabia, Serbia, Sweden, Tanzania, Thailand, Uganda, Uruguay, Zambia |

***b. Main high-level policy priorities***

Not surprisingly, most of the national strategies are aimed at improving financial literacy with a view to promoting healthier financial behaviours in general.

A significant number of both emerging (most) and developed countries (around half) also seek to improve financial inclusion through their national strategy for financial education. A wide group of countries is also linking the development of their national strategies with other financial regulation measures and in particular the improvement of their financial consumer protection framework.

Other more specific objectives of these national strategies seem to be almost equally strengthening long- term saving and investment and combatting households and individuals over-indebtedness.

Interestingly, these objectives are mostly based either on the results of surveys conducted to identify the population needs and/or on government priorities. These findings certainly further highlight the importance of the policy visibility of financial literacy issues for the development of national strategies as well as the importance of collecting evidence.

***c. Main target audiences***

In most countries with a national strategy, the overall population is expected to benefit from this policy intervention. However the survey also confirms that particular subgroups of the population are in addition particularly targeted. These include in decreasing order of importance based on the information available at this stage: young people (more than half of responding countries), women, low income groups, elderly people, micro-, small- and medium-sized enterprises (MSMEs) and migrants (and for a few countries, people living in rural areas). A relatively large group of countries (about a third of respondents) also mention the use of a life-stage approach to reach the population, and a minority of countries are targeting the population based on their level of financial literacy (for instance South Africa and Turkey).

In most cases, these particular groups were identified through a survey of financial literacy and a broader national policy agenda for this group.

### *d. Timeframes*

In the countries surveyed, national strategies are generally planned for a period of three to seven years (with some exceptions such as Croatia where it is planned over 10 years). On average, national strategies last for five years. A number of countries have also set shorter timeframes to monitor the results (generally on a yearly basis).

## CHAPTER I – Developing a diagnosis to inform the national strategy

***This chapter will address the first steps of the development of national strategies and in particular the assessment of the needs of the population and the mapping of existing initiatives.***

***The chapter will build on the existing international tools developed notably by the OECD/INFE. It will also analyse how the results of these assessments have usefully informed the development (and/or the revision) of the national strategy through relevant case studies.***

***Case studies will detail relevant experiences to map existing resources and stakeholders involved in financial education (including Australia, Canada and the United Kingdom where thorough mapping were conducted and involved the evaluation of existing initiatives). They will also illustrate different ways of assessing the population needs for financial literacy and how this can be used to inform the development of a national strategy. These will include the development of national surveys on financial literacy (short case studies will include the experiences of Australia, New Zealand, the Netherlands, UK and the US where several surveys have already been conducted), the use of international tools and their adaptation, national households survey (case of Spain) as well as the use of other tools such as quality surveys as well as complaints filings to identify population needs.***

### *a. Mapping of existing initiatives and stakeholders*

The majority of respondents with a national strategy (40) have undertaken a mapping of existing resources and initiatives on, and stakeholders already involved in, financial education. The most commonly used tools to do so are, in decreasing order of importance, 1) consultation with stakeholders, 2) desk (and internet) research, and 3) conferences and workshops. A relatively smaller group of countries have sought to evaluate the efficiency of these resources and of programmes developed by various stakeholders (only 14 in total).

This mapping and the evaluation of existing initiatives is often mentioned as one of the bases for selecting trusted partners to design and then implement the national strategy. Other criteria include the public/regulatory nature of the institutions concerned, their proven expertise, commitment and credibility to deal with financial education issues and implement initiatives as well as the absence of conflicts of interest (when private sector is involved).

### *b. Assessment and analysis of the population's needs*

A majority of respondents (44) have undertaken assessments with a view to measuring levels of financial literacy across their population. Among these, most countries have used national financial literacy surveys relying either on available international tools (OECD/INFE (about 30*), World Bank (12*) and/or dedicated national methodologies – and sometimes combining them to adapt them to their national context.

A number of countries have also decided to participate in international assessments to measure levels of financial literacy amongst youth through the PISA exercise (18 economies in 2012 and 16 in 2015). This is consistent with countries' objectives to target youth as part of their national strategy.

A minority of countries rely only on general households surveys for assessing financial behaviours (e.g. in Argentina, Chile, Italy and Spain).

**Table 2. Surveys of financial literacy: tools used**

| | Measurement tool | Number | Countries |
|---|---|---|---|
| International surveys | OECD/ INFE survey*, ** | ***31*** | Albania (2011), Armenia (2010), Bolivia (2013), British Virgin Islands (2010), Colombia (2013), Czech Republic (2010), Ecuador (2013), Estonia (2010), Finland (2014), France (2014), Germany (2010), Hungary (2010), Iceland (2011), Indonesia (2012), Jamaica (2012), Japan (2012 – some questions), Korea (2013), Ireland (2010), Latvia (2014), Lithuania (2012), Malaysia (2010), New Zealand (2013 - knowledge questions), Norway (2010), Peru (2010, 2013), Poland (2010), Saudi Arabia (2014), Serbia (2012), South Africa (2010, 2012), Suriname (planned), Thailand (2013 – some questions), United Kingdom (2010) |
| | WB financial capability survey* | ***12*** | Armenia (2012), Azerbaijan (2009), Bosnia and Herzegovina (2011), Colombia (2012), Lebanon (2012), Mexico (2012-OECD/INFE financial knowledge used), Mongolia (2012), Russian Federation (2008) Tajikistan (2012), Turkey (2012), Uruguay (2012), West Bank and Gaza (2011) |
| | PISA FL 2012/2015* | ***24*** | Australia (2012, 2015), Belgium (Flemish Community) (2012, 2015), Brazil (2015), Canada (some provinces) (2015), Chile (2015), China (Shanghai) (2012), China (2015), Colombia (2012), Croatia (2012), Czech Republic (2012), Estonia (2012), France (2012), Israel (2012), Italy (2012, 2015), Latvia (2012), Lithuania (2015), Netherlands (2015), New Zealand (2012), Peru (2015), Poland (2012, 2015), Russian Federation (2012, 2015), Slovak Republic (2012, 2015), Slovenia (2012), Spain (2012, 2015), United Kingdom (England) (2015), United States (2012, 2015) |
| National survey | Financial literacy surveys | ***13*** | Australia (2003, 2005, 2008, 2011), Brazil (2008), Canada (2009, 2014), China (2013), Indonesia (2013), Israel (2012 – some OECD/INFE questions), Japan (2012), Netherlands (2013), New Zealand (2005, 2009, 2013), Portugal (2010), Singapore (2005, 2013), United Kingdom (2006, 2013), United States (2009, 2012) |
| | Household surveys only | ***4*** | Argentina, Chile, Italy (2008, 2010, 2012), Spain (2002, 2005, 2008) |

* This group includes also countries that did not complete the questionnaire on the policy handbook for the implementation of national strategies.

** The next OECD/INFE survey is scheduled for 2015 with a wider set of countries.

The results of these quantitative assessments generally reflect the low level of financial literacy of the overall population and/or of particular segments.

Countries are also seeking to collect qualitative information on the population's needs for financial literacy to analyse, qualify and understand the reasons behind the quantitative evidence provided by surveys. These are typically gathered through consumer complaints in a small range of countries which in most cases are closely linking the development of their National Strategy with financial consumer protection measures. Various types of research including ethnographic research are also undertaken in countries such as the United Kingdom to better understand families' financial behaviours. In addition, opinion polls and financial markets reports are instrumental in drawing a more distinct picture of consumers' views and attitudes towards financial issues on the one hand, and in identifying the main issues affecting the financial system on the other.

Results from the quantitative and qualitative assessments are particularly valuable to develop and implement national strategies, and in particular to design concrete action plans. They make it possible to identify the groups at risk or requiring particular attention, to establish a baseline and a national benchmark on financial literacy to support the development and evaluation of individual programmes and to set meaningful evidence-based objectives for the national strategy.

Countries which have already implemented a national strategy are also using this information to revise and refine their original strategy.

## CHAPTER II – Establishing institutional and governing arrangements: The role of stakeholders in the development and implementation of the national strategy

***This chapter will review existing mandates on financial education and related institutional and where relevant legal arrangements.***

***It will cover and explore the pros and cons (and rationale) of national strategies where one leading public authority is in charge of the development and/or implementation with a dedicated and special mandate focusing on financial education (e.g. Australia, Indonesia, New Zealand and the United Kingdom) and with a broader mandate (e.g. Canada, Malaysia and the Netherlands); and cases where dedicated governance mechanisms and bodies are developed among several stakeholders (e.g. Brazil and Japan) or where responsibilities are divided among a range of (public) stakeholders (e.g. Spain).***

***The chapter will also look at the differences between the development and implementation phases of the strategy and the relative roles of different stakeholders. Case studies will include examples of countries where a different and dedicated body has been established to handle the implementation phase of the strategy (e.g. Brazil, India and South Africa).***

***The chapter will then feature more detailed case studies concerning legal arrangements and mandates as well as working and decision-making modalities within the existing governance mechanisms/institutional arrangements (multi-layer policy and technical structure like in the United Kingdom) and the establishment of sub-committees and dedicated working groups by project/policy area (e.g. Brazil and Mexico).***

***It will go on to focus on mechanisms developed to appropriately involve private and non-for profit stakeholders in the national strategy (including existing codes of conduct). It will notably build on the OECD/INFE Guidelines for Private and Not-for-Profit Stakeholders in Financial Education (see annex 2) and provide relevant case studies (e.g. the Netherlands, Portugal, South Africa, the United Kingdom).***

### *a. Mandates on financial literacy*

Rather surprisingly, considering the increasing number of national strategies for financial education and the visibility of the issue, only a limited number of countries have assigned a formal mandate to improve financial literacy to a public authority(ies). Where such a mandate exists, it generally belongs to either the Ministry of Finance, a financial regulatory body, the central bank and in one case to the Ministry of Education (Thailand).

### *b. Institutional and governing mechanisms*

#### *Governing mechanisms and leadership*

Various legal, institutional and governance mechanisms involving a range of stakeholders are being set up in countries to develop and implement the national strategy on financial education. These arrangements often evolve between the design and the implementing phases. This flexible and pragmatic approach regarding the sharing of roles and responsibilities between different stakeholders through the life of national strategies is consistent with the evolution of financial literacy issues (from a policy and delivery perspective), the necessity to develop more specific expertise and to involve a range of stakeholders with a view to efficiently reaching out to a potentially wide audience in a context where (financial and in-kind) resources are often limited.

In more than half of the responding countries, a single public authority is responsible for leading the national strategy (both development and implementation phases). These authorities are often supported by a coordinating/consultative mechanism (council, body, commission). In another set of countries, the leadership is devolved to a leading coordinating body encompassing the different relevant public authorities (in most cases these involve the financial regulators and relevant ministries– typically the ministries of finance and education). This is the case in a number of Latin American countries following the initial Brazilian experience, but also in India (the four regulators are involved), Japan and Portugal.

In a few countries, a new institution is set up to implement the national strategy (e.g. in Brazil and India). In both cases, this new institution is supervised by a leading coordinating body (composed of financial regulators and relevant members of the government).

In another small set of countries, relevant public stakeholders (often the ministry of finance, the central bank and the financial regulators as well as the ministry of education) share the responsibility for the development and implementation of the strategy depending on their respective area of expertise and existing mandate (for instance in Slovenia and Spain). In both cases, a dedicated working group has been put in place to set a national plan and coordinate the action of the different stakeholders within this plan.

***Steering and coordinating mechanisms and their operational modalities***

In order to guide, provide advices and supervise the implementation of their strategy, a number of countries have set up or utilised existing steering committees and/or advisory boards (e.g. Australia, Brazil, the Netherlands, Russia, the UK and the US). In addition or as an alternative to high-level bodies, some countries have also (or) created coordination committees/commission between different public bodies with an interest in financial education to develop the national strategy, coordinate and harmonise national intervention (e.g. in Brazil, Colombia, India, Mexico, Portugal, Russia, Spain, Sweden, Thailand, or the US). These bodies are generally composed of a combination of public authorities with a role in financial education, they also sometimes involve private and non for profit partners (see also following section). In some countries where financial inclusion is the main objective assigned to the national strategy for financial education, a dedicated committee/body in charge of the financial education strategy is often created within a structure dedicated to financial inclusion (e.g. in Chile, Colombia, Mexico, Pakistan and Turkey).

These advisory boards and consultation committees meet from once a year (Czech Republic) to every month (e.g. in Argentina) depending on their level (political or more technical), role and responsibilities. Most of the decisions within these bodies and committees are made when a consensus can be reached and in a more limited number of cases through a vote.

A number of countries have also established dedicated subgroups generally in charge of particular projects (e.g. in Latvia, Netherlands, and Portugal), specific target audience (UK), component of the national strategy (e.g. Mexico, South Africa) as well as international advisory council (Russia).

***c. Involvement of private and non-for-profit stakeholders: modalities and guiding rules***

Countries with a national strategy almost always seek to involve private and non-for-profit stakeholders if not in the development at least in the implementation phase of their strategy. However, the involvement of these non-public stakeholders takes various forms. In some countries, it mainly happens through self-regulatory bodies and industry associations (for instance in Brazil, Japan and the Netherlands). In some others, a range of not-for-profit and private institutions have been involved in the development and implementation of the national strategy through the coordinating bodies and committees (e.g. in the Czech Republic, Estonia and Latvia).

In other countries, these not-for-profit and private stakeholders are consulted and participate in (mostly the implementation phase of) the strategy through targeted consultations and informal channels (for instance in Australia, India, Israel and New Zealand).

Not-for-profit stakeholders involved in financial education strategies particularly include consumer associations, media, the academic community and universities as well as teachers associations and various (international) NGOS active in the field. They seem to be primarily involved in the implementation of the strategy.

Dedicated codes of conduct to guide the financial education initiatives of private and non-public stakeholders are still relatively rare (codes already exist in Brazil, Czech Republic, Korea, Portugal, Indonesia, Netherlands and South Africa). These codes are often meant to be applied on a voluntary basis. In a few countries they should be complied with by stakeholders or within initiatives that are part of the national strategy however enforcement rules (such as fines) do not seem to exist yet.

**CHAPTER III – Setting objectives and action plans, funding and evaluating the national strategy**

***This chapter will focus on practical issues related to the implementation of the strategy including the setting of time bound and measurable objectives through action plans, the identification of resources to implement it and its monitoring and evaluation.***

***The section on action plans will identify existing action plans and highlight their relevance, and the ways in which these are discussed, developed and structured. Country case studies will encompass relevant experiences in countries for which detailed information is available such as Australia, Brazil, Estonia and New Zealand.***

***The various ways through which national strategies are so far funded will then be discussed with country case studies focusing on ways to provide sustainable funding to support the national strategy and their pros and cons.***

***Regarding impact assessment, the chapter will devote particular attention to new methods and tools to monitor and assess the overall impact of national strategies for financial education such as the development of indicators and dedicated research, as well as its results and implications. Case studies on overall evaluation and monitoring will include Australia, Japan, New Zealand and South Africa (monitoring and development of indicators) and Australia, New Zealand, Russia, Spain and the United States (qualitative information through programme evaluation, research and consultation with stakeholders).***

***a. From policy to action: roadmap and action plan***

A limited number of actions plans (only in 12 countries) to implement the national strategy have been developed so far consistent with the smaller group of countries which have entered the implementation phase of the strategy.

In most cases, such action plan provides a detailed roadmap of the short, medium and long term actions to be undertaken and also provides some more or less precise targets to be met or expected outcomes of these interventions. They also often identify target audiences and ways to efficiently reach out to them.

***b. The means: Funding the strategy***

The majority of responding countries mentioned that their national strategy is financed by a combination of public and private resources (more than two thirds of respondents). However public sources of funding seem to have a prominent role in most countries.

Public funding either comes from general (annual or multi-annual) government budget or from statutory provision within the public institutions involved in the national strategy depending on the structure of the national strategy. In countries with a strong leading body or institution the budget is generally centralised, whereas in countries were the responsibility of implementing the strategy is shared amongst different stakeholders, the budget is also set independently within each institutions in charge of a particular project or sector.

Private funding is sometimes collected through a statutory levy on financial institutions (Money Advice Service in the UK) or made available from the collection of fines for contraventions to regulation

(South Africa). In addition, in countries such as Indonesia and South Africa, private financial institutions have to develop financial education as a part of their social responsibility strategy. In some others, private institutions provide some voluntary funding for particular public or not-for-profit financial education projects.

It is worthwhile mentioning that countries report that to ensure the sustainability and visibility of the national strategy multi–year budgets (whatever their nature) are important.

On average depending on the size of the country and the importance of the national strategy, it seems that between 1 million US dollars to a maximum of 20 million dollars per year is spent on national strategies in countries where they are implemented. In countries with a considerable budget (such as Russia), the national strategy is also very comprehensive (including several evaluated pilot programmes) and also involve the development of a financial consumer protection regime.

Overall these amounts can be considered a relatively modest compared to countries' GDP (e.g., the Netherlands allocate EUR 2.6 million per year with a GDP of about EUR 700 billion) or to amount spent on other policies (e.g., the Netherlands spend about 5-6% of GDP per year on education).

***c. Monitoring and evaluating the national strategy***

Monitoring and evaluation of the overall national strategy is essential from an accountability perspective, to improve financial education interventions and policies and ensure their sustainability on the longer term. The survey already provides some useful information but more would be needed on the particular tools used, reporting mechanisms and results to develop a more informative and useful section. So far, the survey shows that:

Almost More than two thirds of countries for which information is available are monitoring the implementation of their national strategy.

A smaller group (13) report planning to evaluate or having already evaluated, consistent with the relatively modest (but growing) of countries which have reached the implementation phase of the strategy.

In almost all of these cases, the main instrument used to monitor progress is repeated waves of a financial literacy survey and their refined analysis (or where they do not exist, as in Spain, repeated waves of a household survey). These have been used in the evaluation of their strategy along with consultation with stakeholders.

A few countries have also developed or are starting to develop more regular simple indicators to track progress on financial knowledge and behaviours especially (e.g. Australia, New Zealand South Africa). A wider range of countries are collecting qualitative information through research and programme evaluation to improve the delivery of financial education.

## CHAPTER IV – Ensuring effective and innovative provision of financial education

***This chapter is expected to provide a quick overview of the most common financial education delivery tools and highlight selected and innovative aspects of a national strategy.***

***A first section on guiding rules to ensure quality in the delivery of financial education will point to the few identified existing certification mechanisms and quality standards.***

***The next section on relevant programmes will first summarise the most often used delivery tools and programmes. It will then offer a (non-exhaustive) selection of effective delivery approaches aimed at illustrating both common practices as well as innovative and promising ones depending on the objectives set by the national strategy and its action plan. The chapter will eventually discuss existing national methodologies for the evaluation of specific programmes and their results also building on the instruments developed within by the OECD/INFE. Case studies will focus on innovative programmes/projects which have been evaluated and for which detailed information is available. Each case study will be presented in a dedicated box.***

## CHAPTER V – Lessons learnt and way forward

**(*to be developed based on lessons learnt in the areas covered by the previous Chapters)***

# ANNEX 2:
# OECD/INFE GUIDELINES FOR PRIVATE AND NOT-FOR-PROFIT STAKEHOLDERS IN FINANCIAL EDUCATION

**TABLE OF CONTENTS OF THE GUIDELINES**

## BACKGROUND AND PROCESS

The growing relevance of financial education[1] in recent years has been accompanied by an increasing involvement in financial education of a wide range of actors, including governments, regulators, financial institutions, not-for-profit organisations, and the civil society. The participation of diverse stakeholders with potentially diverging goals, interests, and approaches has highlighted the need to foster coordination in order to avoid duplication of efforts and resources while at the same time ensuring the relevance, quality and consistency of financial education initiatives.

The OECD/INFE started addressing these issues in 2010 by developing policy analysis on national strategies for financial education, which led to the OECD/INFE High-level Principles on National Strategies for Financial Education, endorsed by the G20 in June 2012. The joint Russia's G20 Presidency-OECD publication on *Advancing National Strategies for Financial Education* provides further insights on recent developments in G20 economies and invited countries.

To deepen its work on national strategies, the OECD/INFE considered that further work was needed to address practical implementation issues through the development of a policy handbook on the implementation of national strategies for financial education, and of guidelines on private and not-for-profit stakeholders in financial education. The latter are particularly relevant to ensure that efforts of private and not-for-profit entities are appropriately coordinated, monitored and evaluated, and that conflicts of interest are adequately addressed.

The OECD and its INFE have already addressed issues relating to the involvement of private stakeholders, by clarifying the role of the private sector in particular through various policy instruments, including:

- the OECD Recommendation of the Council on Principles and Good Practices for Financial Education and Awareness (OECD, 2005);
- the OECD/INFE High-Level Principles on National Strategies for Financial Education (OECD/INFE, 2012);
- the INFE Guidelines for Financial Education in Schools and the guidance on learning frameworks on financial education (OECD, 2014).

Starting in 2012, the OECD/INFE pursued a specific stream of work on the involvement of private and not-for-profit entities in financial education by carrying out an international mapping of the involvement of private and not-for-profit stakeholders in financial education and of any related principles or codes of conduct.

Based on this mapping and on previous OECD/INFE policy instruments, the OECD/INFE developed the current Guidelines for Private and Not-for-profit Stakeholders in Financial Education (referred to as the Guidelines in what follows).

The Guidelines are, first, intended for public authorities who want to set a framework and define criteria for the involvement of private and not-for-profit stakeholders in national financial education strategies and programmes. They are also meant to be used by private and not-for-profit stakeholders involved in financial education to develop their own codes of conduct and guide their initiatives.

During the 12th INFE meeting held in Paris, France in October 2013, the Guidelines were approved for public consultation with OECD/INFE affiliates and observers, as well as other interested stakeholders. Sixteen institutions from the public, private and not-for-profit sectors participated in the public consultation from November 2013 to January 2014. This document was revised to address the relevant comments received. The final Guidelines were approved by the OECD/INFE Technical Committee in May 2014 and by the OECD bodies responsible for financial education (i.e., the Committee on Financial Markets and the Insurance and Private Pensions Committee) in August 2014.

The Guidelines for Private and Not-for-profit Stakeholders in Financial Education contain the following parts:

- the scope of the Guidelines, including specifically a definition of the stakeholders addressed and of the modalities of their involvement (Section I);
- the Guidelines that relevant private and not-for-profit stakeholders should be encouraged to follow when involved in financial education policies and initiatives (Section II);
- compliance issues (Section III).

## OECD/INFE GUIDELINES FOR PRIVATE AND NOT-FOR-PROFIT STAKEHOLDERS IN FINANCIAL EDUCATION

### Introduction

The growing relevance of financial education in recent years has been accompanied by an increasing involvement in financial education of a wide range of actors, including financial institutions, not-for-profit organisations and the civil society, alongside governments and regulators. This engagement is particularly important for the implementation of national strategies for financial education and for the sustainability of long-term financial education initiatives.

The involvement of private and not-for-profit stakeholders follows different modalities within and across countries including:

- involvement in the design of the national strategy;
- involvement in the implementation of the national strategy, including through *ad hoc* bodies, public-private partnerships, and/or certification and accreditation systems;
- provision of financial support, though mandatory levies and voluntary contributions, in favour of public financial education bodies, strategies, and/or initiatives; and
- the implementation of financial education activities by financial institutions, financial industry associations, NGOs and other civil society associations with little co-ordination within a national framework.

The involvement of private and not-for-profit stakeholders in financial education is essential but poses a number of challenges:

- The involvement of the **private sector** in financial education can bring a number of benefits including the contribution of financial resources, specialist and up-to-date knowledge on financial issues, and efficient communication. Moreover, some financial sector stakeholders are well positioned to reach a wide audience, to exploit teachable moments related to key financial decisions, and to combine financial education with financial inclusion efforts. However, the involvement of private stakeholders in financial education may bring about potential shortcomings, including un-coordinated initiatives, duplication of efforts, lack of teaching experience and expertise, lack of programme evaluation, and a potentially inefficient use of resources. Moreover, the delivery of financial education as a business activity may lead to the use of financial education for commercial purposes. There is also a risk that private organisations are more prone than public and not-for-profit ones to targeting the most profitable and easy-to-reach clients, and to having a preferential focus on short-term views, initiatives and resources.

- Also the participation of **not-for-profit organisations** can bring a number of benefits. Not-for-profit organisations can be especially well-positioned to address hard-to-reach audiences and can have expertise in specific fields (e.g., pedagogical expertise). However, the involvement of not-for-profit organisations may also involve some shortcomings. Financial education initiatives of not-for-profit stakeholders, especially international ones, may lack coordination with other national initiatives, as well as rigorous evaluation. In addition, not all not-for-profit organisations possess an expertise in financial education and some may be tempted to manifest themselves as financial education providers only as a way to seek funding.

It is therefore important to recognise the nature of financial education as a public good, which benefits both consumers and financial institutions, and the need to develop financial education initiatives that are:

- *Coordinated/integrated* in the national framework. It should be preferably channelled through national strategies, partnerships involving different stakeholders, and/or national/international quality standards, certifications, accreditation systems, charters, and/or codes of conduct (whose use should be monitored).
- *Unbiased, fair, equitable, and of high-quality*, meaning that it should ensure that financial education is conducted in the interest of consumers; that it addresses all relevant segments of the population, especially vulnerable groups; and that its content is accurate and up-to-date.
- *Evaluated*, as a way to monitor whether resources are used efficiently and to ensure that feedback on programme effectiveness is circulated and shared among stakeholders.
- *Sustainable*, recognising that long term commitment is required by implementing bodies and that its results will be seen in the long term.

In this context, the following Guidelines define the scope, modalities, and key criteria for the involvement of private and not-for-profit stakeholders in financial education. As such they complement the OECD/INFE High-level Principles on National Strategies for Financial Education and the INFE Guidelines on Financial Education in Schools, which apply fully to areas of financial education not covered by these Guidelines. They also complement the relevant parts of the G20 High-level Principles on Financial Consumer Protection focusing on financial education, but do not address financial consumer protection issues, which are dealt with by the G20/OECD Task Force on Financial Consumer Protection.

## I – Scope and definitions

The range of private and not-for-profit stakeholders with an interest in financial education is potentially vast and so is the nature of their activities. This section defines the scope of the Guidelines in terms of the stakeholders addressed and of their role in financial education.[2]

### *Definition of stakeholders*

The set of private and not-for-profit stakeholders with an interest in financial education is large and encompasses a wide range of diverse actors, including for-profit and not-for-profit stakeholders from financial and non-financial sectors. These Guidelines are applicable to all private and not-for-profit stakeholders with an interest in financial education, namely comprising:

1. **For-profit institutions providing financial services**: e.g., banks and other financial institutions, including microfinance institutions, credit institutions, insurance companies, pension funds, stock exchanges, individual financial professionals/providers (including fund and asset managers), and other companies with a licence to provide financial services.

2. **For-profit institutions delivering financial education as a business activity**: e.g., private service providers that are contracted out to carry out financial education on behalf of other public, private and not-for-profit institutions. This group also includes consultancy firms.

3. **Non-financial for-profit institutions**: including non-financial companies (e.g. employers providing financial education in the workplace and/or financing financial education initiatives, media companies, etc.), as well as telecommunication companies involved in mobile banking (i.e. telecommunications companies whose network is used by financial institutions to provide financial services).

4. **Not-for-profit organisations with links to the financial sector but no direct commercial interest**: e.g., industry associations (e.g., associations of banks, investment funds, insurance companies, pension funds, etc.) as well as financial institutions' foundations and financial ombudsmen.

5. **Not-for-profit organisations with no direct link to the financial sector and with an interest in financial education**: non-governmental organisations (NGOs), consumers' associations, trade unions, research institutions, teachers' unions, parents' associations, etc.

*Modalities of involvement of private and not-for-profit stakeholders*

The involvement and role of private and not-for-profit stakeholders can take various forms, and can include the following modalities and activities:[3]

- the preparation and/or development of a national strategy framework in co-operation with public authorities;
- the implementation of a national strategy framework or other financial education initiatives, alone or in co-operation with other stakeholders (e.g., from the public, private, and not-for-profit sectors);
- the participation in public-private partnerships (PPPs). PPPs can also take place outside of the scope of / in the absence of a national strategy (where private and not-for-profit stakeholders may have different roles and can be involved to varying degrees, including the definition of objectives, the implementation of initiatives, and the provision of funding);
- the support by the private sector of national and international public and not-for-profit bodies, initiatives, and research through mandatory or voluntary contributions, in the form of financial resources or in kind;
- the preparation of dedicated financial education material and resources, including teaching and training material; and the delivery of training programmes, face-to-face or using a variety of media (television, radio, websites, etc.);
- the organisation of awareness/sensitisation campaigns, conferences, forums, and related events, including contests and annual financial literacy days/weeks; the professional development of teachers delivering financial education in schools, and the training of trainers delivering financial education outside schools; and
- the monitoring and evaluation of financial education programmes, and similar activities that contribute to enhancing the knowledge base of effective financial education initiatives.

## II – Guidelines

Private and not-for-profit stakeholders should be encouraged, in accordance with the regional, national and global context, to reduce to a minimum potential shortcomings related to their participation in financial education activities. These include lack of coordination, duplication of efforts, inefficient use of resources, lack of fairness in the extent of outreach, as well as potential conflicts between commercial and educational activities. In order to ensure that their participation is appropriate, private and not-for-profit stakeholders should adhere to a number of guidelines in the design and implementation of financial education initiatives.

In addressing these potential shortcomings, it should be recognised that some population subgroups are particularly vulnerable to financial abuse and may not be able to fully distinguish commercial from educational purposes, also due to low financial literacy. Depending on national circumstances vulnerable group may include young people, people with special education needs, elderly, women, and/or migrants. Vulnerable groups should be particularly protected in the application of these Guidelines.[4]

### *A) Framework for the involvement of private and not-for-profit stakeholders in financial education policies and initiatives*

### 1. Co-ordination between public, private and not-for-profit stakeholders

In order to maximise the benefit to consumers, to avoid the duplication of efforts, and to ensure fair and adequate outreach, financial education initiatives by private and not-for-profit stakeholders should be mapped and integrated into any existing national strategy for financial education or other coordinated policy framework at the national, state or regional level. If such a framework does not exist yet, private and not-for-profit stakeholders should be encouraged to participate in the design of a national strategy, and/or to co-ordinate among themselves if a national strategy is not planned.[5]

Co-ordination among stakeholders through partnerships, working groups and other fora should preferably be carried by a leading public authority or body, which should also establish from the outset the roles and responsibilities of private and not-for-profit stakeholders.[6]

Whenever private and not-for-profit stakeholders are involved in the design and delivery of financial education in schools, co-ordination with the national school curriculum and/or education policies should also be ensured. [7]

### 2. Managing potential conflicts of interest and other shortcomings

The involvement of private and not-for-profit stakeholders should be designed in such a way to enhance its efficiency and outreach, and to identify and address, to the extent possible, potential conflicts of interest that can arise when institutions with a commercial interest are involved in financial education.

Potential shortcomings can be addressed through the following (non-mutually exclusive) channels:

a. **Support for public strategies and initiatives**. The involvement of private and not-for-profit stakeholders through the financial and in-kind support of national strategies and initiatives should be encouraged and disclosed, but not as a means of direct marketing/advertising.

b. **Indirect involvement of financial institutions**. Whenever possible, the involvement of financial for-profit institutions should preferably be carried out within the framework of the financial education activities of the relevant national industry association or self-regulatory body, which should also be the promoting entity.

c. **Development of and compliance with codes of conduct.** Private and not-for-profit stakeholders should be encouraged to participate in national strategies for financial education and/or other nationally coordinated financial education initiatives through specific codes of conduct or guidelines detailing the scope, modalities, and criteria for the involvement of private and not-for-profit stakeholders. Such codes of conduct should be developed in coordination with the interested private and not-for-profit stakeholders following the key criteria detailed in Section II.B.

d. **Distinction between commercial and educational activities**. Direct involvement of private and not-for-profit stakeholders in financial education initiatives should be designed and developed so as to make sure that educational activities can be clearly distinguished from commercial/marketing activities.[8] Consumers' interests should be given priority, in particular ensuring that:

   i. Financial providers refrain from using educational initiatives to promote their own products and services and/or to criticise the products of their competitors;

   ii. Conflicts of interest of organisations and individuals in carrying out awareness, communication, and financial education activities are disclosed and managed; and,

   iii. Educational resources are distinguished from commercial material.

### *B) Key criteria for the involvement of private and not-for-profit stakeholders in the implementation of financial education initiatives*

The implementation of financial education initiatives by private and not-for-profit stakeholders should follow a number of key criteria. Compliance with these key criteria should be monitored appropriately (see Section III).

#### 1. Objectivity

The content and format of any material and physical environments (e.g. locations dedicated to financial education delivery, such as learning centres, museums, etc.) used for financial education training and awareness initiatives that is developed, promoted or used by private and not-for-profit stakeholders should be balanced, impartial, unbiased, and not linked to their commercial priorities. In particular, materials should not be specific to a given product or provider. Any branding, logo, or reference to a financial institution should be kept to a minimum and within limits agreed in advance and in accordance with national circumstances.

Similarly, staff and representatives of private stakeholders participating in financial education delivery should not carry out marketing activities on behalf of their organisation.

While the objectivity criterion is important for all financial education programmes developed by any stakeholder, it is particularly important that it is followed by financial sector stakeholders, as a means to ensure an appropriate distinction between educational and commercial activities, and to reinforce the credibility of the initiative.

#### 2. Quality of resources and trainers

Financial education materials and programmes should be developed in the interest of consumers and learners and of addressing their needs. They should also make reference to financial consumers' rights and responsibilities as appropriate.

All information, awareness and education **resources**, including those developed, promoted or used by private and not-for-profit stakeholders should be:

1. **tailored** to national and local contexts, including social, economic, cultural and linguistic circumstances;

2. **appropriate** to the target audience's level of literacy, numeracy, financial knowledge, technological ability, learning styles and preferences; they should especially avoid technical jargon unless appropriate to the audience;

3. **fair** in addressing all relevant population segments (for instance in terms of gender, age, social background, culture, ability, and any additional factor depending on national/local circumstances and needs);

4. **accurate**, complete, up-to-date and of high quality; as well as

5. **easily accessible** to individuals.

When staff members of private and not-for-profit stakeholders act as financial literacy **trainers**, they should:

1. be trained and/or qualified in order to have adequate subject knowledge and confidence to teach financial literacy topics;

2. have adequate teaching skills to address the target audience, especially in the case of children and young people (within or outside schools); and

3. conduct any direct intervention in the classroom under the oversight of and in collaboration with the school teaching/management staff.[9]

**3. Monitoring and evaluation[10]**

As for all other financial education programmes, the design of financial education initiatives involving private and not-for-profit stakeholders should preferably include:

- a pilot/trial phase of the financial education programmes and related resources, before they are scaled up to the full audience of interest; and

- rigorous and independent monitoring (process evaluation) and impact evaluation. These should be included in the programme design from the beginning to assess to what extent the programme meets participants' needs and programme objectives.[11] Evaluation results should be shared publicly, or at least among the relevant stakeholders, to allow a wider audience to benefit from feedback on programme effectiveness.

In developing such impact assessments, stakeholders should refer for guidance to the INFE High-level Principles for the Evaluation of Financial Education Programmes and the related practical guides.[12]

### III – Compliance issues

Public authorities responsible for coordinating national financial education strategies and/or other nationally coordinated frameworks should consider, resources permitting and given countries' legal framework, the creation of awards, accreditation, certification, and licensing systems of programmes and providers. These should establish the criteria and the modalities under which private and not-for-profit stakeholders can deliver financial education, based on the guidelines and key criteria detailed in Section II.

More generally, public authorities responsible for coordinating national financial education policies should be encouraged to develop and implement monitoring and compliance mechanisms to ensure that private and not-for-profit stakeholders involved in financial education are accountable and comply with national codes of conduct and/or these international Guidelines.

## REFERENCES

G20, (2011), *High-Level Principles on Financial Consumer Protection*, http://www.oecd.org/daf/fin/financial-markets/48892010.pdf

G20/OECD Task Force on Financial Consumer Protection (2013) *Update report on effective approaches to support the implementation of the High-level Principles and Annex*, http://www.oecd.org/daf/fin/financial-education/G20EffectiveApproachesFCP.pdf

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Russia's G20 Presidency – OECD (2013), *Advancing national strategies for financial education*. http://www.oecd.org/finance/financial-education/advancing-national-strategies-for-financial-education.htm

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[1] Financial education is defined by the OECD as "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, 2005).

[2] These guidelines do not specifically cover the activities of financial services providers, their intermediaries and authorised agents in relation to the provision of financial information and advice to consumers of financial products and services in the course of their commercial activities. These activities are covered by G20 High-level Principles on Financial Consumer Protection (G20, 2011) and by the work of the OECD/G20 Task Force on Financial Consumer Protection on effective approaches to transparency and disclosure, responsible business conduct, and complaint handling and redress (G20/OECD Task Force on Financial Consumer Protection, 2013).

[3] The OECD/INFE High-Level Principles on National Strategies for Financial Education mention the role of various stakeholders in the design and implementation of national strategies for financial education, including that of the private sector and financial service providers, the civil society and other international stakeholders (OECD/INFE, 2012).

[4] See also the OECD/INFE Policy Guidance on Financial Empowerment for Vulnerable Groups (forthcoming).

[5] See the OECD/INFE High-level Principles on National Strategies for Financial Education (OECD/INFE, 2012) about any aspect related to governance mechanisms and the role of main stakeholders in a national strategy not covered in these Guidelines.

[6] The OECD/INFE High-level Principles on National Strategies for Financial Education state that "the national strategy framework should involve cross-sectoral co-ordination at a national level of the various stakeholders known to be competent and interested in financial education". They also recommend that "the national strategy should preferably be initiated, developed and monitored by a widely credible and unbiased leading authority or governing mechanism" (OECD/INFE, 2012).

[7] See the INFE Guidelines on Financial Education in Schools (OECD, 2014) about any aspect related to the involvement of private and not-for-profit stakeholders in the delivery of financial education in schools not covered in these Guidelines.

[8] The OECD/INFE High-level Principles on National Strategies for Financial Education state that "the development of financial education programmes by the private sector should not involve the promotion and/or marketing of specific financial products or services" (OECD/INFE, 2012).

[9] See also the INFE Guidelines on Financial Education in Schools, Box 2 (OECD, 2014).

[10] See the INFE High-level Principles for the Evaluation of Financial Education Programmes (INFE, 2012).

[11] The OECD Recommendation on Principles and Good Practices for Financial Education and Awareness states that "Financial education provided by financial institutions should be regularly assessed to ensure it meets consumer needs. This may be achieved through partnerships with independent, not for profit financial advisory bodies that may have better connection with consumers, particularly those facing disadvantage in their participation in financial markets (OECD, 2005, para 17)".

[12] http://www.oecd.org/daf/fin/financial-education/evaluatingfinancialeducationprogrammes.htm