

EDUFIN PROJECT

*Developing participative processes for the
generation of a financial education curriculum
addressed to young adults at risk*

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Financial education for young people at risk

**A comparative study of financial education programmes
in the EDU-FIN project**

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INTRODUCTION

BACKGROUND

This report presents the findings of a comparative analysis of six reports produced as part of an Erasmus+ strategic partnership project. The project, *Developing participative processes for the generation of a financial education curriculum addressed to young adults at risk* (referred to as EDU-FIN¹) focuses on financial education for young people aged 18-34, who are at risk, especially those who are low-skilled with little education, in Spain, Italy, Bulgaria, Austria and the UK.

The partners in the project are:

- EDA Verneda-Associació Àgora, Spain - Co-ordinator
- FACEPA, Spain
- Danube University Krems University for Continuing Education, Austria
- Amalipe Center for Interethnic Dialogue and Tolerance, Bulgaria
- Centro Studie Formazione Villa Montesca, Italy
- University of Warwick, UK
- European Association for the Education of Adults, Belgium

A sixth partner, the European Association for the Education of Adults (EAEA), has provided a European and international perspective. Although the EAEA report is cross-national in scope, for convenience the six reports are referred to collectively as “the national reports”, and these are attached in the Appendix.

EDU-FIN's main aim is the development of a needs-based financial education curriculum through the involvement of young people identified as being “at-risk”. Specifically the project plans to:

1. develop a process whereby at-risk young adults already engaged with educational organisations will be engaged and involved in the development of a financial education curriculum
2. develop a methodology for organisations to use in the future based on processes that worked during this project
3. produce a comparative study of financial education programmes across the partners' countries
4. hold national and transnational seminars for disseminating the methodology and the curriculum among young adults, organisations that work with young people and public officials

¹ <http://www.eaea.org/en/projects/partner-projects/edu-fin.html>

5. hold meetings with young people's organisations and public officials to ensure the sustainable implementation and ongoing use of the methodology and the curriculum.²

This report fulfils objective 3. above (the “comparative report”). Its findings, conclusions and recommendations are intended to influence the other four objectives and strengthen the project's ultimate outcomes. The report was commissioned by the University of Warwick, the partner that undertook to co-ordinate the research stage of the EDU-FIN project.

STRUCTURE OF THE REPORT

This comparative report is structured to mirror the structure of the national reports. The sections are as follows:

- **Section 1: Comparing the national contexts**

This section provides an overview of the countries in the partnership. It examines ways in which the policy contexts differ across the partner countries, and how these mirror, or otherwise, European policy approaches. It then compares need, in terms of numbers of young people in need of financial education, and any specific minority groups in the partner countries.

- **Section 2: Findings from the literature reviews**

This section, rather than presenting an overarching review of the literature referred to by partners, examines firstly the range of definitions and concepts that are adopted in the countries and in Europe. It then discusses the different drivers that appear to have moulded, and continue to drive, financial education work in the countries.

- **Section 3: Comparing approaches to programmes**

The national reports present individual programmes in some detail, and some offer “best practice” examples, based on formal or informal evaluations where these exist. This section examines key issues that appear relevant to the design, delivery and evaluation of programmes across the countries. These issues include issues of strategic co-ordination, funding, and impact evaluation. It also includes an example from each of the six national reports.

² these objectives are paraphrased from the original project application



- **Section 4: Recommendations**

This section presents recommendations on the basis of the comparisons and discussions in sections 1 to 3. It does this in relation to the objectives of the EDU-FIN project.

- **Section 5: Summary**

This section is a brief summary of the comparative report.

- **Appendix: National reports.**

The appendix contains the six national reports.



SECTION 1: Comparing the national contexts

The term “policy” encompasses policy documents and statements, strategies, action plans and initiatives, where these are produced and published by national and local government, including independent bodies, with a view to effecting change at strategic level. It also includes framework documents such as competency frameworks, curriculum frameworks (including syllabuses) or standards that underpin qualifications.

1.1 Statistical profiles of the partner countries

Statistics in this section are drawn from the European Commission’s website³ and its dedicated statistical website, eurostat⁴.

The five countries in the partnership are all members of the European Union: Austria, Bulgaria, Italy, Spain and the United Kingdom (UK). The UK partner’s report focuses on policy and practice in England only (because education and many other policies are devolved from Westminster to the other countries of the UK).

Population size

The countries in the partner represent a broad range of population size, with three large populations and two at the smaller end of the scale. At 2014 the respective partner countries’ population sizes were as follows (in order of highest to lowest, to one decimal place):

UK	64.3 million ⁵
Italy	60.8 million
Spain	46.5 million
Austria	8.5 million
Bulgaria	7.2 million

Currency

Of the countries, Austria, Italy and Spain are in the Euro Zone. Bulgaria and the UK have their own separate currencies.

³ <http://europa.eu/about-eu/countries/member-countries/>

⁴ <http://ec.europa.eu/eurostat/web/main/home>

⁵ (England has a population of 53.9 million, representing approximately 84% of the UK’s overall population: The UK government’s [Office for National Statistics](http://www.ons.gov.uk/ons/guide-method/compendiums/compendium-of-uk-statistics/population-and-migration/index.html) (<http://www.ons.gov.uk/ons/guide-method/compendiums/compendium-of-uk-statistics/population-and-migration/index.html>))

Unemployment rates and ratios

Unemployment rates at May* or July 2015, against an EU average of 9.5%, were (ordered highest to lowest):

Spain	22.2%
Italy	12%
Bulgaria	9.4%
Austria	5.8%
UK	5.6%*

The following youth unemployment data for 2014 show unemployment rates among 15-to-24-year-olds as both a rate and a ratio. Eurostat explains that:

High youth unemployment data do reflect the difficulties faced by young people in finding jobs. However, this does not necessarily mean that the group of unemployed persons aged between 15 and 24 is large, as many young people are studying full-time and are therefore neither working nor looking for a job (so they are not part of the labour force which is used as the denominator for calculating the unemployment rate). For this reason, youth unemployment ratios are also calculated, according to a somewhat different concept: the unemployment ratio calculates the share of unemployed for the whole population.⁶

The following data are presented highest to lowest by rate, rather than by ratio. The data are marked as “falling” or “rising” in relation to the previous year (2013).

	<u>rate</u>	<u>ratio</u>
EU average	22.2% (falling)	9.1% (falling)
Spain	53.2 (falling)	19% (falling)
Italy	42.7 (rising)	11.6% (rising)
Bulgaria	23.8 (falling)	6.5% (falling)
UK	16.9 (falling)	9.8% (falling)
Austria	10.3 (rising)	6% (rising)

⁶

http://ec.europa.eu/eurostat/statisticsexplained/index.php/Unemployment_statistics#A_detailled_look_at_2014

Discussion

It is interesting to note that the youth unemployment rates and ratios are highest in two of the Euro Zone countries. It would be interesting to look more broadly across Europe and the Euro Zone to identify whether there are key issues of financial exclusion, inclusion and education for members of the common currency. These figures further justify the partnership's objectives of examining the specific financial education needs among young people at risk, considering what exactly they would benefit from in terms of (a) maximising social security money and (b) learning and/or maintaining skills that will enable them to enter the job market.

1.2 Financial education and financial inclusion policy and strategy

At international level, the OECD⁷-led International Network on Financial Education (INFE) asserts that there is great value in the development and implementation of national financial education strategies. In 2012 the INFE offered principles⁸ for the design of such strategies and in 2014 it published a status report⁹ on countries' progress in setting up national strategies.

The Bulgarian report makes plain that financial education is not yet reflected adequately in Bulgarian national policy. In spite of this, financial educational activity is taking place, mainly in vocational schools and universities. Financial education tends to be embedded in business and economics subjects, but "the emphasis is very low and teachers are not qualified to teach [financial education]".

The Spanish report describes a strategy that has emerged from the financial sector, namely the Financial Education Plan (2008 – 2012) that was drawn up by the Bank of Spain and the stock market regulator. Financial education programmes developed and delivered by financial services organisations are produced using this plan as their basis. There is concern in some parts of the education sector that new education legislation, that will embed financial education in primary and secondary education, is too closely linked to the plan; some believe that the plan is too focused on the competencies required to score highly in the PISA tests, rather than on developing more holistic financial literacy among learners.

The Italian report identifies that although financial education is broadly present across public policies, and in the activity of banks and insurers, there is no "national

⁷ Organisation for Economic Co-operation and Development (www.oecd.org)

⁸ *High level principles on national strategies for financial education:*

<http://www.oecd.org/finance/financial-education/nationalstrategiesforfinancialeducation.htm>

⁹ Policy handbook on the implementation of national strategies for financial education:

<http://www.oecd.org/finance/financial-education/nationalstrategiesforfinancialeducation.htm>

governance or legal framework". It sets out the opportunities that such a co-ordinated policy framework could offer. It describes work that is taking place, led by the Bank of Italy and the government's education ministry, to incorporate financial education into all levels of schooling in Italy (in a number of subjects). The Bank of Italy has also undertaken monitoring and evaluation of another widespread schools programme.

The Austrian report makes reference to the lack of a national strategy for financial education, despite a wide recognition of the importance of financial education, and points to the fact that many of the providers of financial education are from the private banking sector, similar to the situation in Spain. It states that activity has taken place, to different extents, in school-age education since the 18th Century. Where it takes place in schools now it is embedded in other subjects such as geography and economics, though there is a recognition that neither the curricula, nor the learning and teaching resources, nor the teachers themselves, are well equipped to teach financial education. Education about finance and the financial system (rather than financial education in the sense of financial literacy) takes place in vocational "commercial" colleges, in subjects such as business mathematics and accounting. The Austrian report makes mention of the country's attempts to improve literacy and numeracy among the adult population, though it states that financial education is not included explicitly in this work.

The UK report, while making mention of developments in school curricula in England, focuses more on the education for the age group relevant to the EDU-FIN project. It makes the point that adult literacy and numeracy learning is key to financial education and demonstrated the place of financial education in the adult literacy and numeracy core curricula. The report references strategic work to develop broader financial capability among the population, including through the Adult Financial Capability Framework. In spite of these two important vehicles and drivers of financial education, England and the UK still lack a coherent policy dedicated to financial education at any age.

Discussion

Much activity is taking place across the partner countries. It appears largely to be reactive to need, or possibly driven by the corporate social responsibility interests of private funders. All the partners share the view that national strategies would be beneficial, in line with international guidance. This leads to the 1st recommendation, which is that:

*The EDU-FIN partners should consider a clear recommendation in their final report, such that: **policymakers should prioritise the development of***

national strategies for financial education to make any real, strategic impact.

1.3 Likely extent of young people and specific groups in need of financial education

Where data is available the reports set out figures for the numbers of citizens, including young people, deemed to be in need of financial education. The EAEA report describes the INFE's survey to measure financial "knowledge, behaviour and attitude by social-demographics" in 2010 and 2011. The results showed a significant lack of knowledge, positive behaviours and attitude in relation to financial education among the surveyed populations. The only one of the EDU-FIN partner countries to take part was the UK. A second measurement exercise will take place during 2015, to report in 2016. Although there are data available over and above those identified in the national reports, the comparisons in this section are based on the information provided in the national reports themselves.

The Austrian report presents the most detailed data indicating directly, or indirectly, needs for financial education among different groups, including young people who are the subject of the EDU-FIN project (though the age bands of the EDU-FIN target group are not matched by any research). It examines data relating to income inequality, personal bankruptcy, indebtedness and unbanked status (not having a bank account). It also identifies the extent of poverty across the population, including child poverty. It identifies how many young people are "at risk" by being not in education, employment or training, or by having dropped out of school early.

The Bulgarian report presents data relating to the country from the World Bank's 2010 study into financial literacy¹⁰. This data suggests there are significant gaps in financial skills and knowledge, with most issues among 16-to-17-year-olds, those living outside the capital city, those lacking higher education and those who are unemployed, in low-income, non-professional jobs, and in the Roma community. In addition, the Bulgarian report refers the sizeable (possibly 10% of the population) minority ethnic Roma group in the country and the specific social exclusion likely to be found in this group, including higher-than-average unemployment and low skills resulting from a lack of education.

The Italian report references research into financial literacy and pension planning in Italy. It identifies that, along with the usual Italian north-centre/south divide (where the south of the country is prone to more social exclusion and poverty), women and those people with low education are most likely to have low knowledge and poor planning around pensions and savings.

¹⁰ <https://openknowledge.worldbank.org/handle/10986/12876>

In addition to making reference to Spain's school-age children performing poorly in the PISA report on financial literacy, the Spanish report refers to two local surveys. The first, published in 2013, measured the financial knowledge and understanding of Spanish consumers (not necessarily all young people), finding that while citizens deemed financial education to be important for protecting oneself against perceived malign intentions of the banks, respondents often over-estimated the extent of their knowledge. The second focused on those young people leaving university in the Aragon region, and asked questions about financial knowledge, understanding and behaviour (including entrepreneurial behaviours), though the results of this survey are less relevant to the EDU-FIN project, as this group of young people are highly-educated.

The UK report examines a range of research findings relating to financial competences, studied as part of wider financial capability research, and also to individuals' numeracy and literacy capabilities. It links poor numeracy to poor employment prospects and low earnings.

Discussion

Between them, the measures identified in the reports are wide-ranging, from measuring individuals' banked statuses and basic knowledge of financial products, to entrepreneurial ambitions. To undertake a statistical comparison between the countries seems very difficult given the current spread of data parameters. This leads to the 2nd recommendation:

*The EDU-FIN partners should recommend to policymakers at European level that: **standard measures of financial education competence should be developed, that can be used to provide a reliable picture of need across European countries.** Further, the partners should monitor the results of the INFE's 2015/2016 survey and adjust the results of this partnership project if necessary.*

SECTION 2: Findings from the literature reviews

2.1 Comparing the countries' conceptions of financial education and its purpose

The EAEA report provides European and international perspectives on conceptions of financial education, providing the OECD's definition of financial education, that it is

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.¹¹

(OECD, 2005)

This definition is echoed throughout the national reports.

Financial education in Austria appears often to be identified with economic education, and even business education, though the Austrian report draws on literature to assert that learning about economic and business theory and practices is distinct from “financial education [that] starts with money”. The implication is perhaps that basic financial education (relating to handling money) is at one end of a sliding scale, at the other end of which is higher-level study of economics. The Austrian report states that the two commonly used terms in Austria (and in Germany) are translated as “financial education” and “financial literacy”. It describes some of the knowledge, skills, understandings and behaviours that have been identified in Austria as comprising what it is to be financially literate. In its approach to financial education the Austrian National Bank has adopted elements of the UK's Adult Financial Capability Framework, which places emphasis not only on knowledge and skills but on making informed choices and critical decisions, and on where to get help and advice. Overall there appears to be a conceptualisation of financial education as being necessary for active participation in financial and consumer markets.

The Italian national report demonstrates a similar conception of financial education as being important for economic participation. From the literature review in the report, Italy appears to have aligned its understandings of financial education with those proposed by international institutions and initiatives, specifically the OECD and the Programme for International Student Assessment (PISA). The OECD definition makes reference to “consumers” and “investors” and but also places emphasis on risk, advice and information and “financial well-being and protection”. The PISA

¹¹ <http://www.oecd.org/finance/financial-education/35108560.pdf>

definition, while largely similar, places less emphasis on advice, and culminates in the enablement of “participation in economic life”. While distinguishing elements of “consumer education” from “financial education” the Italian report does assert that “financial education facilitates enhanced consumer protection”. A draft law currently being pending in the Italian parliament, which has potential to lead to co-ordinated national financial education initiatives, and which is informed by work of the OECD, appears to be very closely aligned with enabling consumers to understand and access financial products and services.

As in Italy, the Spanish report finds resonance between the financial education situation in Spain and the definition provided by the OECD. The definition is adopted in the Financial Education Plan produced by the Bank of Spain and CNMW (the organisation that supervises and regulates the Spanish stock market). The Spanish report suggests possible extensions to the OECD definition, drawing on other European-level financial education guidance and on research literature.

The Bulgarian report explains that, in Bulgaria, the term financial education is interchangeable with terms describing economic education and entrepreneurship. It sets out the likely content of more economically-focused learning programmes and states that financial education, in contrast, seeks “to address the practical needs of individual citizens” and that, as the Austrian report suggests, “financial education starts with money”. The term “financial literacy” is synonymous with “financial education”.

The UK report does not seek to reflect particular definitions of financial education but instead focuses on the capabilities (including behavioural and attitudinal) that should be developed by financial educational activity (including literacy and numeracy) to enable the individual to use money effectively in society. It reflects the preference in the UK (and in all four countries, not just England) for the term “financial capability” over and above “financial education” and “financial literacy”; the term capability implies to an extent that the skills, knowledge, understanding and attitudes can be acquired not only through formal learning but through non-formal and informal learning as well.

Discussion

European and national economic policy has clearly had an influence, to differing degrees, on conceptions of financial education in the partner countries. All of the countries, to some extent, place emphasis on the role of financial education in enabling citizens to consume financial goods and services and to be economically active.



The EDU-FIN project aims specifically to develop financial education recommendations for young people at risk, with little education (including basic literacy and numeracy), but in the majority of the national reports' literature reviews there is little or no reference to the needs of this group. It is possible that this is due to a lack of strategic policy or research focused on the financial education needs of these groups, and our recognition that the issues do exist appears to be based on anecdote and informal observation.

Furthermore, there is very little reference in the literature reviews to financial education as a means or tool of social justice, of reducing inequality or fighting poverty; the Bulgarian report does draw attention to the link between financial education and social policy; the UK report makes reference to wider issues of financial inclusion; and the Italian report talks about the importance of financial inclusion through, for example, basic bank accounts. The need to address poverty and empower disadvantaged individuals and communities — and indeed proactive attempts to combat inequality — is, however, evident in many of the programmes in the partner countries. This disparity leads to the 3rd recommendation in this report, that:

The EDU-FIN partners should consider undertaking further work at national level to identify evidence relating to financial education as a contributor towards social inclusion, or to highlight gaps in such evidence.



SECTION 3: Comparing approaches to programmes

The national reports present individual programmes in some detail, and some offer “best practice” examples, based on formal or informal evaluations if these exist. This section examines key issues that appear relevant to the design, delivery and evaluation of programmes across the countries. Finally, at 3.5, it offers an example of a programme from each country along with a note to explain the reasons the respective national reports have given for choosing these as examples of best practice.

3.1 Strategic co-ordination and targeting of programmes

In Spain, financial education programmes have become more standardised following the publication of the Financial Education Plan. The Plan is not, though, a means for co-ordinating and targeting programmes strategically.

Financial education programmes in Bulgaria appear to take place without national co-ordination, at least through organised curricula, though programmes do take place to meet the needs of certain groups, though not targeted specifically at (or designed for) the most excluded or at-risk groups, such as the Roma community or young unemployed people.

Austria lacks a national strategy on financial education but has the third highest number of programmes in Europe, according to the EU Survey on Financial Literacy (Habschick et al, 2007). There does not appear to be a co-ordinated approach to managing and targeting these programmes. As the national report notes, most of the programmes are aimed at children of school age, with very few programmes targeting young people, post-school, who are at risk.

There is a suggestion that the UK has suffered from an overkill of well-intended but unco-ordinated funded programmes, where private organisations try to reach the same client groups with very similar, overlapping, programmes of educational activity. On a positive note, many at-risk groups are catered for across the plethora of programmes. A new financial capability strategy for the whole of the UK has been consulted on and will be launched later in 2015. This strategy will seek to better co-ordinate financial education initiatives, especially those from funded and delivered by the financial sector.

Similarly, a draft law pending in Italy’s parliament seeks to establish a committee to organise and co-ordinate financial education initiatives nationally.

At European and international levels, guidance has been produced around the design and delivery of programmes, though neither the EU nor the OECD would take a co-ordinating role in relation to programmes running in individual countries.

Discussion

There appears to be little existing strategic co-ordination of financial education programmes, even in countries with well developed work in this area. Where co-ordination does exist it appears to be focused on single sectors such as the schools sector. There are, however, signs of intentions and willingness to better co-ordinate programmes, in part to maximise the impact of resources and to ensure those groups most in need are targeted effectively.

It is reassuring to note that in spite of a general absence of co-ordination both at strategic and deliver levels, numerous programmes have been well funded and energetically run. More effective co-ordination should also ensure increased evaluation of programmes' impacts, which in turn should ensure the channelling resources to where they are most needed and can make most difference. A need for better co-ordination leads to the 4th recommendation, that:

*The EDU-FIN partners should make a strong recommendation to government and senior representatives of education and the financial sector that: **the central, strategic co-ordination of financial education programmes can maximise resources, ensure at-risk groups are reached and that curricula meet their needs.***

3.2 Funding

It is important to understand the means by which financial education programmes are currently funded. If there is to be more coherent co-ordination of programmes then funding sources and mechanisms need to be understood and evaluated for effectiveness. It will also be useful in future to understand, where possible, the targets different funding bodies prefer. For example, particular banks might be interested in funding work on key groups in society, and gaps could arise where certain groups are not attracting key funders.

At European level the European Commission has funded development work (including collation of information and evaluations), and directorates of the European Commission have pooled resources with member states and civil society organisations (including the EAEA) to develop an online learning tool for financial education.

The focus on funding in Italy so far has been on schools, where, as the Italian report suggests, organisations believe most impact can be made, though banks have individually or as part of a consortium, undertaken work to promote banking to financially excluded people. Since 2007, the Bank of Italy and Italy's Ministry of Education, University and Research have co-funded financial education programmes in schools. The Italian report asserts that this was the first programme not to have been funded with private money, for "marketing purposes". Other banks have funded activity in schools, such as the "Earn your future" programme. One example aimed at migrant adults has been co-funded by the World Bank and the local government in the city of Turin.

Italy's draft law has encouraged consideration of possible funding sources for a planned range of financial education programmes targeted at different groups, with the following options on the table:

- Public funding, from the national government and from the European Union.
- Funding from financial institutions on a voluntary basis, though with the funding managed by a third party to avoid conflicts of interest and ensure evenly-targeted programmes.
- Funding from financial institutions on a compulsory basis, through a sector tax, which would ensure longer-term stability and sustainability of the funding.

The Spanish report features programmes arising out of the country's financial services-organised Financial Education Plan, where materials funded by the financial sector were disseminated using funding from the Bank of Spain and the national stock market regulator. It contrasts this activity with the EDUFINET programme, funded by the National Consumer Institute, which it suggests takes a different "point of view" and, rather than educating people about products and services available in the financial system, teaches them instead how to "defend themselves from financial services".

The UK report states that many of the numerous financial education programmes in the UK are run under the broad banner of financial capability and often offer advice, guidance and information on top of education. This activity is funded with a combination of public money (from government or from charitable donations through trusts) and private money. The private-funded programmes will either be run by another organisation (for example a charity might be funded by a bank, as part of a corporate social responsibility programme, to deliver its work) or by the private organisation itself. As stated in 3.1 above, there is a suggestion that the UK suffers from an overkill of well-meant but unco-ordinated funded programmes, where private organisations try to reach the same client groups with very similar, overlapping, programmes of educational activity.

The Austrian report identifies a range of public and private institutions delivering financial education programmes, though it warns of a “heterogeneous” landscape of provision, with financial institutions offering much of the work. Funding appears to be provided by individual organisations (private or third sector) or by government (including local government).

In Bulgaria financial education activity under the Junior Achievement programme has reached children in schools as well as students and young adults up to the age of 25. Junior Achievement is a non-profit international organisation that is funded by donors from a wide range of industry (including banking, car manufacturing and IT). A non-governmental organisation (NGO) called the Financial Literacy Initiative Foundation funds a range of activity, often in partnership with different banks.

Discussion

It seems logical that emerging strategies and plans to co-ordinate programmes should place funding at the heart of the plans. This leads to the 5th recommendation, which is that:

*the EDU-FIN partnership should recommend to policymakers that **financial education strategies should make specific reference to the importance of identifying and managing funding so that it is targeted at need.***

3.3 Impact evaluation

It is hoped that efforts to co-ordinate programmes more effectively might lead to more effective evaluation of programmes, to ensure that impacts are being made and maximised and that programmes are targeting those who need them.

The national reports were required to offer “best practice” examples of financial education programmes taking place in their countries. It is difficult to understand in all cases that the examples provided do indeed represent “best practice”, given inconsistencies in measuring what constitutes a “best practice” programme (though the INFE has produced high-level guidance on evaluating financial education programmes). Section 3.5 below contains examples of programmes that the national reports have presented as “best practice”.

This leads to the 6th recommendation, which is that:

*the EDU-FIN partnership should recommend that **the quality framework should be central to the strategic co-ordination and planning of financial education programmes and also to their evaluation. And that the quality criteria that the partners have used to identify best practice in their***

countries should be standardised and formalised as part of this quality framework.

3.4 Focues of curricula in the partner countries

This section identifies the range of curricular focuses in the partner countries. It uncovers common topics that are offered as part of the main learning programmes taking place. This section provides content for the sythesis report which will be used to encourage young people to take part in the development of new curricula in the next stage of the EDUFIN project.

There are recurring curriculum focuses across all the partners, though with slightly different focuses within curriculum areas. The author has analysed the topics across the projects identified in the partners' reports and collated these into a new framework of curriculum areas (see the table below). In the second column, these curriculum areas are broken down into topics that appear in the reports. The contents of this table could be used to support young people to identify their own interests. It is important to note that not every topic is available in every reported programme.

Curriculum Area	Topics
Handling Money	Using coins and notes. Using ATMs. Using debit and credit cards. Day-to-day household budgeting. Understanding and paying bills.
Consumer Rights	Understanding consumer rights. Sales contracts. Product safety. Comparing prices.
Work and Welfare	Salaries. Deductions. Pay slips. Welfare rights (benefits). Pensions.
Banking	Banking system. Ethical banking. Current accounts. Savings accounts. Payment systems. Insurance.

Borrowing	Credit and debt. Overdrafts. Loans and sources of loans (including student loans). Mortgages.
Behaviour and attitudes	Personal choices (needs versus wants). Ethics relating to money. Fundraising. Sustainable consumption.
Business and enterprise	Money in business and enterprise. Business transactions. Accounting. Money and the law.

There appear to be two gaps in the reported curricular focuses. The first is around ways of **fundraising**, including fundraising from public and private sources, and through social systems such as crowdfunding and “kickstarter” fundraising. The second is around **safety and security with money**. This could be around keeping cash safe or protecting your bank account details.

It would be very useful to present “fundraising and crowdfunding” and “money safety” as potential curriculum topics for the young people who are the target of the EDUFIN project.

3.5 Examples of programmes from the partner countries

The following examples have been drawn from the national reports and represent a range of financial educational approaches. They include face-to-face seminars and events, face-to-face training, multi-channel programmes, resources including web-based tools and a graphic novel, and programmes that lead to certification for learners. Where the programmes do not exclusively target young people, aged 18 to 34, who are at risk, they can certainly all be used with this group.

Example 1: "Say No to the Debt, Say Yes to the Money" — Bulgaria

This is a national programme that started in April 2014. It is run by the Financial Literacy Initiative Foundation and Easy Credit, Bulgaria’s leading non-banking loans company.

The programme involves free one-day seminars that are open to anyone who wants to improve his or her personal finance knowledge. The seminars cover: personal budget, credit, investments, savings and insurance. The content is presented in an



informative but entertaining way. It aims to reach at least 300 citizens from 11 cities in each year.

The programme can be identified as “best practice” as it is free, educational, open to anyone who wants to learn and is delivered by the trusted, not-for-profit NGO, the Financial Literacy Initiative Foundation. The Foundation was formed in 2012 and states its belief that “if a person has a good level of financial knowledge and a rational, informed and responsible decision-making approach to managing personal finances, he can provide a stable and secure life for himself and his family”.

Example 2: "Economiascuola" - by the PattiChiari Consortium

This programme, run by a consortium of 58 private banks, is Italy-wide, with regional adaptations where particular themes are relevant. The programme consists of multiple strands with different focuses and different target audiences, including children but also young people and adults.

In its first five years the programme has included the delivery of learning sessions for adults in association with consumer bodies in 50 cities, focused on enabling adults to understand financial products and how to make decisions about them; the development of web-based resources aimed at the public and at people who work with groups in communities; and "financial education week", which involves financial services professional delivering sessions in schools.

The programme can be called best practice as it has emerged from a collaboration between several organisations, takes account of the needs of different groups in society, and the different regions of Italy. It is also informed by the findings of the Bank of Italy's two-yearly research into financial education levels in the country.

Example 3: Finanzas para todos (Finances for all) and Gepeese - Spain

This programme is organised by the Comisión Nacional de Mercados y Valores (National Commission for Markets and Values) and the Bank of Spain, funded by financial institutions and the Spanish Ministry of Education, Culture and Sports.

The programmes are presented as open online platforms for hosting educational resources and information for individuals and organisations. Finanzas para todos is aimed at adults and Gepeese is aimed at school-age learners.

On both websites there are documents, videos, games, and links to blogs or other sites of interest. There is also a programme that can be delivered in schools by teachers to their students.





This is one of the programmes that the Spanish partner has identified as best practice, given praise from the Spanish Ministry of Education, Culture and Sport, and, by the European Economic and Social Commission.

Example 4: Finanzführerschein — the Financial Driving Licence: a preventive programme

This programme is co-ordinated by the Upper Austria Debt Counselling Agency and the Austrian Chamber of Labour, in cooperation with public bodies.

It is aimed at the general public, but particularly young people.

It aims to provide basic learning of both financial knowledge and skills and other consumer rights. Participants must pass a number of modules on financial matters (in the Upper Austria federal region the programme consists of ten sessions in five different modules). The modules cover topics such as: building money management skills, on-line purchasing, knowledge of a range of financial products (for example credit, loans and insurance), the ability to compare products offered by different banks, household budgets, and training for household financial planning. The learning is practical and seeks to prevent specific problems such as excessive mobile phone bills, bank overdrafts or financing purchases by credit card at exorbitant rates of interest. The content is adjusted according to the participants' age. The award of a licence confirms a person's ability to "drive their financial life" with a sense of judgment and responsibility.

The Austrian partner suggests that this programme constitutes best practice on the basis of "the continuity, comprehensiveness of the programme, number of people reached, and the impact". The programme has been referred to as a best practice example in Austria in a number of research reports.

Example 5: *Skint!* — UK

Skint! is a graphic novel aimed at developing financial literacy in young people up to the age of 25/26. It was originally developed by the Scottish Book Trust with funding from the Scottish Government. Since then it has been redeveloped for an English audience by GroundWork and Quaker Social Action, funded by Standard Life. It features two storylines set in the same working class community. It uses colloquial language and has strong characters for young people to identify with. It involves the characters finding themselves faced with the need to make financial decisions. Readers can choose a particular ending to the stories. There are lesson plans and learning resources associated with the resource that are available online. The





resource has been well evaluated as a best practice piece of work in an independent evaluation.

Example 6: Developing Online Consumer Education Tools for Adults (Dolceta)

Dolceta was a European Union-wide project run by consumer protection agencies in association with the European University Continuing Education Network (EUCEN) with a team in each of the 27 Member States. It began in 2003 and lasted until January 2012 when it was taken over by new contractors. It was funded by the EU's Directorate-General for Health and Consumers (DG SANCO).

The objectives of the project were to: assist in raising the level of awareness and understanding of European consumer rights in the Member States and to develop interactive web-based tools for consumer education.

The project sought to produce online learning material, provide useful information, develop various skills, and make people aware of their rights and responsibilities as citizens and consumers.

It targeted primarily school teachers, professors, trainers and adult educators in educational institutions, government bodies with consumer responsibilities, consumer associations, as well as individual consumers. The issues highlighted in the Dolceta modules mainly strive to improve the situation of vulnerable consumers.

The programme involved 8 modules on different topics in 27 different country versions. These modules covered:

- Consumer rights.
- Financial services.
- Products safety.
- Teachers' corner.
- Sustainable consumption.
- Services of General Interest.
- Financial Literacy.
- Food safety.

The programme could be called “best practice” because of the collaborative nature of its development. It is available in all official languages of the 27 Member States, was created by experts in consumer protection law and regulation at European and national level for each topic, and by experts in teaching and learning (including online learning). It was also tested with mixed groups of around 10 learners and/or





teachers in each Member State, drawn from the target groups. In addition it was reviewed and evaluated by international experts.

Discussion

The identification of what constitutes “best practice” is not yet standardised, but there are interesting and credible features that occur and recur in these examples. These are:

- the programme is free at the point of use
- it supports the learning and development of knowledge, skills, understanding and attitudes that can be used immediately in relevant and practical life situations
- it has been designed, developed, delivered and tested/reviewed/evaluated collaboratively by experts in financial education
- it takes account of individuals’ and groups’ differing needs and can be adapted to meet those differing needs
- an independent impact evaluation/research has identified its strengths
- it is consistent in quality and comprehensive in content
- it has a sustained lifespan, with constant interest and take-up over a number of months/years



SECTION 4: Recommendations for the EDU-FIN project

The following recommendations are made on the basis of the discussions following the comparative analyses in sections 1, 2 and 3 above. The EDU-FIN partners should:

1. Consider a clear recommendation in their final report, such that: policymakers should prioritise the development of national strategies for financial education to make any real, strategic impact.
2. Recommend to policymakers at European level that: standard measures of financial education competence should be developed, that can be used to provide a reliable picture of need across European countries. Further, the partners should monitor the results of the INFE's 2015/2016 survey and adjust the results of this partnership project if necessary.
3. Consider undertaking further work at national level to identify evidence relating to financial education as a contributor towards social inclusion, or to highlight gaps in such evidence.
4. Make a strong recommendation to government and senior representatives of education and the financial sector that: the central, strategic co-ordination of financial education programmes can maximise resources, ensure at-risk groups are reached and that curricula meet their needs.
5. Recommend to policymakers that financial education strategies should make specific reference to the importance of identifying and managing funding so that it is targeted at need.
6. Recommend that the quality framework should be central to the strategic co-ordination and planning of financial education programmes and also to their evaluation. And the quality criteria that the partners have used to identify best practice in their countries should be standardised and formalised as part of this quality framework.

SECTION 5: Summary

This summary condenses the findings of a comparison of six reports written by the partners in the EDU-FIN Erasmus+ project.

The EDU-FIN project focuses on financial education for young people aged 18-34, who are at risk, especially those who are low-skilled with little education, in Spain, Italy, Bulgaria, Austria and the UK¹². A sixth partner, the European Association for the Education of Adults (EAEA), has provided a European and international perspective.

On the basis of the comparison, European and national economic policy has clearly had an influence on financial education taking place, to differing degrees, and on conceptions of what financial education involves and its purpose. All of the countries, to some extent, place emphasis on the role of financial education in enabling citizens to consume financial goods and services and to be economically active. There is less emphasis placed on financial education as a means towards social justice. The need to address poverty and empower disadvantaged individuals and communities — and indeed proactive attempts to combat inequality — is, however, evident in many of the programmes in the partner countries.

There is a good deal financial education activity is taking place across the partner countries. It appears largely to be reactive to need, or driven by the corporate social responsibility interests of private funders. All the partners share the view that co-ordinated national strategies would be beneficial, in line with international guidance.

There appears to be little existing strategic co-ordination of financial education programmes, even in countries with well developed work in this area. Where co-ordination does exist it appears to be focused on single sectors such as schools sector. There are, however, signs of intentions and willingness to better co-ordinate programmes, in part to maximise the impact of resources and to ensure those groups most in need are targeted effectively. It is reassuring to note that in spite of a general absence of co-ordination both at strategic and deliver levels, numerous programmes have been well funded and energetically run. More effective co-ordination should also ensure increased evaluation of programmes' impacts, which in turn should ensure the channelling resources to where they are most needed and can make most difference.

¹² The partners in the project are Danube University Krems University for Continuing Education, Austria; Amalipe Center for Interethnic Dialogue and Tolerance, Bulgaria; Centro Studie Formazione Villa Montesca, Italy; University of Warwick, UK; European Association for the Education of Adults, Belgium; EDA Verneda-Associació Àgora, Spain

The identification of what constitutes “best practice” in financial education programmes is not yet standardised, but there are interesting and credible features that occur and recur in the choice of programmes in the reports. These are:

- The programme is free at the point of use
- It supports the learning and development of knowledge, skills, understanding and attitudes that can be used immediately in relevant and practical life situations
- It has been designed, developed, delivered and tested/reviewed/evaluated collaboratively by experts in financial education
- It takes account of individuals’ and groups’ differing needs and can be adapted to meet those differing needs
- An independent impact evaluation/research has identified its strengths
- It is consistent in quality and comprehensive in content
- It has a sustained lifespan, with constant interest and take-up over a number of months/years.

The report makes recommendations for both the EDU-FIN partnership and for policymakers on the themes of:

- The importance of national strategies for ensuring impact
- The importance of financial education competencies being identified more measuring need in countries
- The need to evidence financial education’s contribution to social justice
- The need for better co-ordination of programmes to maximise resources and impact
- The need to identify and secure funding as part of strategic co-ordination, and
- The need for quality criteria to be standardised for assessing best practice in financial education programmes.

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APPENDIX: National reports





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EDUFIN PROJECT

*Developing participative processes for the
generation of a financial education curriculum
addressed to young adults at risk*
(Project number 2014-1-ES01-KA204-004748)



NATIONAL REPORT (ACTIVITY CODE01) ENGLAND

THE UNIVERSITY OF WARWICK, UNITED KINGDOM





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INTRODUCTION

(a) Background

This report presents the findings of research into financial education policy and practice relating to young people in England. It focuses on young people aged 18-34, especially those with low literacy and numeracy skills. The report makes recommendations that will inform the outcomes of the Erasmus+ strategic partnership project, *Developing participative processes for the generation of a financial education curriculum addressed to young adults at risk*, known as EDU-FIN¹. Parallel reports are being produced in each country participating in the project and the collective findings and recommendations of these reports will be analysed to produce overarching conclusions and recommendations that can strengthen the ultimate outcomes of the EDU-FIN project.

EDU-FIN's main aim is the development of a needs-based financial education curriculum through the involvement of young people identified as being at-risk. Specifically the project will involve:

- developing a process whereby at-risk young adults already engaged with educational organisations will be engaged and involved in the development of a financial education curriculum
- developing a methodology for organisations to use in the future based on processes that worked during this project
- producing a comparative study of financial education programmes across the partners' countries
- national and transnational seminars for disseminating the methodology and the curriculum among young adults, organisations that work with young people and public officials
- meetings with young people's organisations and public officials to ensure the sustainable implementation and ongoing use of the methodology and the curriculum.²

This report was commissioned by the University of Warwick, the institution that has undertaken to co-ordinate the two-stage research project for the whole partnership.

(b) National context: England within the United Kingdom and Europe

The United Kingdom (UK) consists of four nations: England, Scotland, Wales and Northern Ireland (in descending order of population size). The government is located in London and is referred to as the UK Government, or Westminster (its base). Scotland has a separate parliament; Wales and Northern Ireland have assemblies (with fewer devolved powers than Scotland). England does not have its own parliament or assembly.

Particular policies are devolved to the governments of Scotland, Northern Ireland and Wales (for example, education is devolved entirely to Scotland). There can be implementation difficulties as a result of overlaps or tensions between devolved and reserved policy areas.

¹ <http://www.eaea.org/en/projects/partner-projects/edu-fin.html>

² these objectives are paraphrased from the original project application



The University of Warwick is a UK partner in this Erasmus+ project, but for the sake of clarity, this report identifies those policies and programmes which have influence and relevance for England. Discrete policies or programmes taking place solely within, for example, Scotland, do not feature in this report.

The United Kingdom as a single entity is a member state of the European Union.

(c) Terminology used in the report

(i) “financial education”

There are several similar terms used to describe aspects or approaches to education about money, each with a different nuance. For the purposes of this report we will use the term “financial education” to refer to the learning about money that takes place for any client group, to any degree of formality, whether driven by learners’ intrinsic motivations or by external factors (such as external syllabuses).

Financial education requires an appropriate application of literacy and numeracy skills, knowledge and understanding — capabilities which might be in place already or which might be developed during the financial education programme or session itself. Literacy and numeracy are only some of the capabilities required for successful learning within financial education, alongside other important capabilities such as problem solving, the use of digital technologies, and behaviours and attitudes relating to money.

In addition, we are clear that money is a useful and meaningful context for the learning, practising and applying literacy and numeracy skills in itself.

(ii) “Adult literacy and numeracy”

“Adult literacy and numeracy” for the purposes of this report are the reading, writing and mathematics skills, knowledge and understanding adults require to take an active part in society, at work, in local communities and in family life. They are levelled against the Qualification and Credit Framework (see (d) below) up to Level 2. These skills can be diversely referred to in policies, strategies and daily practice as: “functional skills”, “basic skills”, “adult basic education”, or “English and maths”.

(d) Understanding qualifications standards and credit

England’s Qualifications and Credit Framework³ (which is also current in Northern Ireland and Wales, though not in or Scotland) contains qualifications grouped from levels 1 to 8.

This table⁴ is adapted from the *Qualifications can Cross Boundaries* guidance. It shows how QCF levels can be understood against the levels in the European Qualifications Framework (EQF).

³ <http://www.accreditedqualifications.org.uk/qualifications-and-credit-framework-qcf.html>



QCF (England (and Northern Ireland))	EQF (Europe)
8	8
7	7
6	6
5/4	5
3	4
2	3
1	2
Entry 3	1
Entry 2	
Entry 1	

Where this report refers to the qualifications/credit level of a programme or qualification, it will include the QCF level and the EQF equivalent.

⁴ <http://scqf.org.uk/search/qualifications+can+cross+boundaries> (2014) multiple organisations



SECTION 1: OUTLINE OF THE NATIONAL CONTEXT

1.1 Policy

For the purposes of this report the term “policy” is used to encompass policy documents and statements, strategies, action plans and initiatives, where these are produced and published by national and/or local government, including independent bodies (such as the Money Advice Service).

It is also used in this report to cover framework documents such as competency frameworks, curriculum frameworks (including syllabuses) or standards that underpin qualifications.

1.2 Adult literacy and numeracy

The UK Government launched its adult literacy and numeracy strategy for England, Wales and Northern Ireland (UK Government, 2001b), following the publication of the Claus Moser report (UK Government, 1999).

The Skills for Life strategy saw millions of pounds put into provision for adult literacy and numeracy. The main providers of learning were further education colleges, including college outreach centres, voluntary organisations and private training providers.

Core curricula were produced and launched in 2001 (UK Government, 2001a and 2001c), with an emphasis on group work (to move away from older models of delivery where tutors often worked with learners one-to-one and even in people’s homes), on professional development, and on learners achieving national ‘key skills’ qualifications. The curricula were mapped against five levels, Entry levels 1 to 3 and then levels 1 and 2 (up to EQF level 3 equivalent), and competencies were identified at each level in a number of topic areas.

Funding was largely tied to learners’ attendance at classes and achievement of qualifications.

Neither the Moser report that kick-started the Skills for Life strategy, nor the Skills for Life strategy that followed it, mention financial education or financial literacy specifically, however the adult literacy⁵ and numeracy⁶ Core Curricula (which guide learning, teaching and assessment in England, Wales and Northern Ireland), both place emphasis on financial contexts for the application of literacy and numeracy skills. The core curricula make reference to money as a context for learning and applying literacy and numeracy skills. The numeracy curriculum contains explicit competences relating to money, including at its lower levels learning outcomes such as:

- Recognise and select coins and notes (QCF Entry level 1 — pre-EQF level 1), and

⁵ <http://rwp.excellencegateway.org.uk/resource/Adult+literacy+core+curriculum/pdf/>

⁶ http://www.counton.org/resources/adultcc/pdfs/resource_130.pdf



- Calculate the cost of more than one item and the change from a transaction, in pence or in whole pounds (QCF Entry level 2 — pre-EQF level 1)

and at its higher levels:

- Add, subtract, multiply and divide sums of money and record (QCF level 1 — EQF level 2), and
- Calculate with sums of money and convert between currencies (QCF level 2 — EQF level 3)

In 2014 the UK Government published a cross-party report, the *Business, Innovation and Skills Committee - Fifth Report: Adult Literacy and Numeracy*. A cross-party group of Members of Parliament (MPs) took evidence and made recommendations for the future of a UK (excluding Scotland) strategy to build adults' literacy and numeracy skills. The UK Government made a response in 2015, placing emphasis on ways in which the development of literacy and numeracy skills can enable people to enter the job market, though there is no explicit reference to financial education in either the report or the response.

Financial education can be identified in, or inferred from, 'pockets' of policy across government. For example, in the *Quality, Choice and Aspiration: a strategy for young people's information, advice and guidance* (UK Government, 2009) where there is a reference to the importance of personal finance education for young people about to leave school.

1.3 Financial capability policy

The Money Advice Service, which took on responsibility for financial capability in the UK in 2013 following the dissolution of the Financial Services Authority, will publish a new financial capability strategy for the whole UK in September 2015, linking where necessary with devolved nations' own strategies. This followed an independent review of the Money Advice Service undertaken by Christine Farnish in 2015 (UK Government, 2015b). The Farnish review included a recommendation that the Money Advice Service 'should work on behalf of consumers to strengthen the supply of good, accessible consumer financial information and guidance'.

The Money Advice Service has published a report on the consultation about this strategy (Money Advice Service, 2015). Alongside this it has created an online 'evidence hub', identifying research evidence to demonstrate how particular interventions make an impact. Evaluation and evidencing impact will be an important theme in the strategy, with clear guidance on planning for and measuring impact. Education will be a theme throughout.

In 2003, an alliance of organisations known as the Adult Financial Literacy Advisory Group produced the Adult Financial Capability Framework (AFCaF) (Basic Skills Agency, 2006). The AFCaF covers three areas:

- Financial knowledge and understanding
- Financial skills and competence, and
- Financial responsibility.



Each area contains competences at three levels, though these levels are not mapped to any other framework or set of standards.

The National Institute of Adult Continuing Education (NIACE), which in 2007 merged with the Basic Skills Agency, linked the AFCaF to the Adult Literacy and Numeracy Core Curricula. This work involved mapping the competencies in the AFCaF to the competencies in the core curricula, so that adult literacy and numeracy tutors could embed financial capability into their teaching of the national qualifications in literacy and numeracy (to which funding was linked).

In 2007 further work was undertaken on the AFCaF by the Financial Services Authority (FSA)⁷. This work involved producing guidance papers for financial capability practitioners on how to use the framework with, for example, older people or for workplace learning.

1.4 Welfare policy: 'Universal Credit'

In policy terms, the clearest place financial education currently has in England is in the implementation of the Universal Credit system for delivering welfare. Universal Credit⁸, a key development in welfare reform, involves collating an individual's benefits into a single payment that will be paid into a bank account once a month. In the past individuals received multiple payments (for example, a carer's allowance, housing benefit, and income support) and could receive these in cash more than once a month. This change will involve people having to budget across a whole month, in abstract terms, using a bank account rather than receiving and handling 'real' cash. The Department for Work and Pensions, which has policy responsibility across all four countries of the UK, has made grants available for organisations to support individuals who might struggle to handle money under the new system.

1.5 Policy in schools

Since 2014, state-funded secondary schools in England have taught financial education as part of the national curriculum. Financial education sits within the subjects of Mathematics and Citizenship. In Mathematics financial education forms a context for learning, practising and applying skills, rather than being a learning outcome in its own right.

⁷ The FSA no longer existed after 2013. Until then the body had regulatory responsibility for the UK's financial services industry as well as the UK lead for financial capability (which included financial education). After 2013 the FSA's financial capability function was moved into the specially-created, independent, the Money Advice Service (www.moneyadviceservice.org.uk)

⁸ <https://www.gov.uk/universal-credit>



SECTION 2: LITERATURE REVIEW

We know from research the extent of need for improved skills among England's adult population. We know what appears to motivate learners to return to improve their basic skills and some of the barriers that they face. We also know some of what appears to work in terms of engagement, persistence and achievement. In many cases our knowledge applies to learners of all ages, and not only in England, but we can make certain assertions. The following facts are drawn from literature in relation, specifically, to numeracy learning and financial education.

2.1 Numbers of people in need of improving their numeracy capabilities

We know that as many as 80% of adults in England are likely to have numeracy skills at QCF level 1 (EQF level 2) or below (National Numeracy, 2015) and, between 2003 and 2011 skills appear to have declined, while the population's literacy skills have improved (UK Government, 2012). We also know that people with numeracy difficulties are often unaware of their own problems with numeracy and can incorrectly consider their numeracy capabilities as fit for purpose (Bynner and Parsons, 2006).

"The Skills for Life survey (DfES, 2003) measured the numeracy levels of the working age (16–65) population of England, finding that:

- 5% of the population (1.7 million adults) had very poor numeracy skills ('Entry level 1 or below')
- A further 16% of the population (just over 5 million) had poor numeracy ('Entry level 2')
- 25% of the population (just over 8 million) had numeracy skills that could be classified as fair or functional ('Entry 3')
- 53% (just under 17 million) had good numeracy ('Level 1' or above)."

(Carpentieri et al, 2010)

2.2 The link between numeracy and financial capability

Research by the Money Advice Service (MAS, 2013) suggests that sections of the adult population struggle with straightforward tasks involving money. For example, 16% of people under 55 cannot find the available balance on a bank statement and 10% of under 55s cannot work out whether one financial deal might be better than another.

Findings from the British Cohort Study (1970) suggested that 34-year-olds with low numeracy faced more barriers in their lives, and more social exclusion, than 34-year-olds with low literacy (Bynner and Parsons, 2006).

The same study showed that numeracy skills had an impact on employment and earnings, as summarised by Carpentieri et al, 2010:

Among adults born in 1970, compared to those with good numeracy:



- Men and women with poor numeracy were more than twice as likely to be unemployed
- Men and women with poor numeracy were far less likely to receive work-related training, get a promotion or receive a raise.

2.3 Motivation and barriers relating to numeracy learning

Research into adult numeracy suggests that younger people (aged 16 – 19) tend to be more motivated by a need to gain a qualification to improve their numeracy skills than older learners. Older learners are more likely to be motivated by a need to prove to themselves and others by the desire to show they can achieve a maths qualification, or so that they can help their children with their own education. (Carpentieri et al, 2010.)

While people returning to learn literacy have had to overcome social stigma relating to their difficulties with reading and writing, those with numeracy difficulties often display issues of “maths anxiety”, even of phobia. This can be linked to common negative experiences of maths learning at school. (Carpentieri et al, 2010.)

The UK’s Money Advice Service has also published research (TNS, BMRB, 2015) on attitudes to financial capability and financial wellbeing, with conclusions relating to the importance of ‘mindset’ and social ‘norms’ in changing people’s behaviour. There are implications here for the promotion of learning opportunities, although the sample of people in this research did not include people with ‘significant’ barriers such as literacy and numeracy difficulties.

Research by Citizens Advice in England has identified a link between an individuals’ financial capability and their digital competency (Citizens Advice Impact Team, 2013). There are general financial disadvantages in a person being ‘digitally excluded’: they cannot take advantage of online discounts, for example. There are particular implications for this ‘double disadvantage’ in the UK in coming months, as the UK government introduces its Universal Credit system of welfare distribution, requiring mandatory use of computers and the internet by all claimants.

2.4 What contributes to success in engagement

Scottish research (Scottish Government, 2007) into financial education projects for adults and young people⁹ found that learners were most likely to be engaged in learning, and to learn most effectively, where:

- (1) learning was tailored to the life stage they were at, or the life transition they were experiencing, such as:
 - losing a job
 - getting out of jail
 - leaving the army
 - having a child
 - getting married, or
 - getting divorced.

⁹ *Sharing a Wealth of Experience* (<http://www.aloscotland.com/alo/sitesearchresults.htm>), Scottish Government, 2008,



(2) learners were already engaged in:

- adult basic education or other adult learning, or
- community groups or youth groups.

This second factor appeared to be due to the perceived sensitive nature of financial education: if learners knew each other and trusted their tutor they were more ready to discuss money and to be receptive to visiting speakers.

2.5 Further evidence for effective financial education interventions

The Money Advice Service has created an online ‘evidence hub’¹⁰, called ‘Understanding What Works’, to summarise and allow searches of international research evidence relating to financial capability. The evidence hub will grow as more research is added. It requires users to register (free of charge) in order to access its contents.

The OECD’s International Gateway for Financial Education¹¹ provides ‘access to a comprehensive range of information, data, resources, research and news on financial education issues and programmes around the globe’. It provides links to the research *Advancing National Strategies for Financial Education*¹² (OECD, 2013), which includes information about the status of financial education for populations around the globe.

At European level, the European Commission passed a resolution¹³ on a renewed European Agenda for Adult Learning. One of the resolution’s five priority areas for 2012 to 2014 was: ‘promoting equity, social cohesion and active citizenship through adult learning’. Within this priority it identified the importance of ‘providing opportunities for adults to develop the basic skills and forms of literacy needed for participating actively in modern society (such as economic and financial literacy, civic, cultural, political and environmental awareness, learning for healthy living, consumer and media awareness).’

¹⁰ http://www.fincap.org.uk/understanding_what_works

¹¹ <http://www.oecd.org/finance/financial-education/>

¹² Joint Publication by Russia’s G20 Presidency and the OECD
<http://www.oecd.org/finance/financial-education/advancing-national-strategies-for-financial-education.htm>

¹³ [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32011G1220\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32011G1220(01))



SECTION 3: IDENTIFICATION OF PROGRAMMES

There are numerous financial capability programmes and resources being funded and delivered in England, many of which run in other parts of the UK as well. These programmes usually contain a strong element of financial education alongside information, advice and guidance.

The programmes and resources detailed below are funded by a combination of public (government), private (usually the financial sector) and charitable donations. Some privately-funded activity will be delivered by a third-sector organisations, while other privately-funded activity is run by the private institution itself and is clearly branded (such as the Barclays Life Skills programme).

Many of the programmes provide interactive tools such as lifestyle quizzes, loan calculators and budgeting spreadsheets. Other programmes involve direct delivery, either directly to clients, or to practitioners (whether money and debt advisors or adult basic education tutors).

The programmes and resources are detailed below in two tables. The first provides information about programmes and resources that are specifically (or largely) targeted at young people (including those in this project's 18-34 bracket). The second provides information about other programmes and resources that are not specifically targeted at young people but which can be used with them, or adapted, given circumstances and contexts.



Table 1: Financial education programmes and resources aimed specifically or principally at young people

Name	Target audience	Funding body/organisation	Content	Available resources	Other
Money for Life programme ¹⁴	Young people and adults in further education colleges, community learning and workplaces	Lloyds Banking Group, with delivery partners.	<p>Strand 1: Money for Life training and qualifications for people in tutoring or other education roles (on how to teaching financial capability to their clients)</p> <p>There are three qualifications available through training courses:</p> <ul style="list-style-type: none"> • an online course for those who tutor or mentor young people and adults, to teach them about financial capability • a two-day 'how to teach' course for money and debt advice workers, showing them how to plan, deliver and assess learning in groups, and • a peer mentoring course for anyone who want to be able to advice and support one-to-one. <p>Strand 2: Money for Life Challenge, aimed at young people (16 – 24), where groups of young people receive</p>	<p>Information about individual Money for Life Challenge projects is available here¹⁵.</p> <p>Case studies, videos and images are available in the project website's media centre¹⁶.</p>	The programme is UK-wide, with delivery partners in each of the four countries.

¹⁴ <https://www.moneyforlifeprogramme.org.uk>

¹⁵ <https://www.moneyforlifechallenge.org.uk/showcase>

¹⁶ <https://www.moneyforlifeprogramme.org.uk/media-centre/>



			a small grant to develop peer education projects in their college or community.		
Money Works ¹⁷	Young adults above to move into independent living	MyBnk ¹⁸ – a financial education charity (focused on people aged 11 – 25) with multiple funders ¹⁹	<p>This programme involves four sessions with young people covering:</p> <ul style="list-style-type: none"> • Budgeting & Habits: attitudes towards money, needs & wants, cutting back, budgeting, sources of income • Being Independent: wage slips, tax and National Insurance, benefits, universal credit, steps after move in, reading bills, household costs • Banking: how banks work, savings and current accounts, interest, forms of payment, choosing an account • Borrowing & Beyond Today: Forms of borrowing, credit history, debt consequences and prioritisation, looking forward, setting goals. 		<p>MyBnk offer a range of programmes²⁰ including those aimed at school age children, or young people leaving school.</p> <p>MyBnk also offer lesson plans and links²¹ that educators might find useful for delivering financial education programmes.</p>
National	Students (not	National	NASMA works with colleges and universities to co-	The website,	NASMA sees itself as the

¹⁷ <http://mybnk.org/programmes/financial-education-money-works/>

¹⁸ <http://mybnk.org>

¹⁹ <http://mybnk.org/about/funders/>

²⁰ <http://mybnk.org/mybnk-programmes/>

²¹ <http://mybnk.org/financial-educationfree-resources/>



Student Money Week²² and Student Money Matters²³ magazine	necessary but mostly young) in further and higher education	Association of Student Money Advisers ²⁴ (known as NASMA), funded by Big Lottery and others (including private donations)	<p>ordinate events for National Student Money Week, which aims to raise students' awareness of financial issues and to offer advice and money-saving tips to help with day-to-day budgeting.</p> <p><i>Student Money Matters</i> magazine is for students and provides clear guidance about all aspects of money, from paying bills to managing loans and renting accommodation.</p>	<p>www.nasma.org.uk, gives information and guidance to both money advisers and to students.</p> <p>The site also provides links for help and advice (for example, about illegal money lenders) and links to a pdf of its magazine.</p>	<p>leading authority on money matters for students in post-compulsory education. It supports a network of professional advisers and carries out lobbying with policy and decision makers. The organisation works is UK-wide.</p> <p>It also offers training²⁵ for those who support students with money and funding issues.</p>
Young People and Money Toolkit²⁶	Young people in youth groups (including those of school age).	Money Advice Service	This toolkit was developed for use by youth workers to develop young people's money skills, knowledge, understanding and attitudes and behaviours.	It features games, quizzes, information and activities to develop financial literacy.	
Skint!²⁷	Young people	Groundwork	<i>Skint!</i> is a graphic novel which features two storylines,	The website contains	

²² <http://www.nasma.org.uk/Events/>

²³ <http://www.nasma.org.uk/Student-Money-Matters/>

²⁴ <http://www.nasma.org.uk/About-us/Introduction-to-Nasma/>

²⁵ <http://www.nasma.org.uk/Training-Events/>

²⁶ <https://www.moneyadviceservice.org.uk/en/corporate/young-people-and-money-toolkit-yphub>

²⁷ <http://www.groundwork.org.uk/Sites/skint>



	in any context.	and Quaker Social Action, based on an original publication from the Scottish Book Trust, this version funded by Standard Life Charitable Trust.	set in a community somewhere in England. It uses colloquial language and has strong characters for young people to identify with. It features the characters finding themselves faced with the need to make financial decisions. Readers can choose a particular ending to the stories. 60,600 copies have been distributed.	information, guidance and links to training events for practitioners.	
'WE Care' briefing sheets ²⁸	Young adult carers aged 16 to 25	National Institute of Adult Continuing Education	The 'WE Care! Improving Work and Education for Young Adult Carers: Financial Capability Resources' are aimed at young carers and are about how to handle money.	NIACE offer a selection of free-to-download teaching and learning resources on its website ²⁹ .	

²⁸ <http://shop.niace.org.uk/we-care-financial-capability-resources.html>

²⁹ <http://shop.niace.org.uk/catalogsearch/advanced/result/?subject=312>



Table 2: Financial education programmes and resources which have been or could be used with young people

Name	Target audience	Funding body/organisation	Content	Available resources	Other
Money Health Check ³⁰	Unspecified but content appears relevant to UK citizens aged 16 upwards	Money Advice Service ³¹ (UK wide)	<p>The Money Health Check is a free online tool that gives immediate feedback about a person's financial 'health' based on responses to a series of questions. Over 500,000 people in the UK have used the tool so far.</p> <p>Although it is designed to be undertaken by an individual, tutors could introduce the tool into a financial education session for learners to practise their computer and reading skills and to make decisions about what financial literacy skills they need to development (such as budgeting).</p>	<p>The Health Check <u>online tool</u>³².</p> <p>The Money Advice Service offers a range of online advice, guidance and tools (such as mortgage calculators) on its <u>website</u>³³.</p>	It also offers free and impartial one-to-one telephone and web-chat advice to people wanting to become better at managing their money.
Money Force ³⁴	Members of the armed forces	Standard Life Charitable Trust	<p>This programme consists of information, guidance and interactive tools that armed services staff can use to help them manage their money more effectively. Some of its interactive tools include:</p> <p>The site also contains links for personal help and advice.</p>	<p>Includes a number of online interactive tools, such as:</p> <ul style="list-style-type: none"> the <u>Moneyfit Challenge</u>³⁵, to assess your 	In addition offers links to helplines and other support for issues including homelessness and gambling.

³⁰ <https://www.moneyadviceservice.org.uk/en/tools/health-check>

³¹ <https://www.moneyadviceservice.org.uk/en/corporate/about-us>

³² <https://www.moneyadviceservice.org.uk/en/tools/health-check>

³³ <https://www.moneyadviceservice.org.uk/en/categories/tools-and-calculators>

³⁴ <http://www.moneyforce.org.uk>

³⁵ <http://www.moneyforce.org.uk/Tools/MoneyFit-Challenge>



Name	Target audience	Funding body/organisation	Content	Available resources	Other
				financial 'fitness' <ul style="list-style-type: none"> the <u>Car Costs Calculator</u>³⁶, to help you decide if you can afford a car the <u>Homefinder</u>³⁷, to help you think about buying or renting property the <u>Credit Card Calculator</u>³⁸, to help you examine your debt and think about repayments 	
Improving Financial Confidence programme ³⁹	Social housing tenants — particular	Big Lottery project ⁴⁰	This is an England-only funding programme whereby 37 projects are funded, sometimes over several years. Grants are between £500,000 and £1 million.	Project information is available on the <u>programme's website</u> ⁴¹ .	Project evaluations are uploaded to a portal which can be accessed through the website

³⁶ <http://www.moneyforce.org.uk/Tools/Car-Costs-Calculator>

³⁷ <http://www.moneyforce.org.uk/Tools/HomeFinder>

³⁸ <http://www.moneyforce.org.uk/Tools/Credit-Card-Calculator>

³⁹ <http://www.improvingfinancialconfidence.org>

⁴⁰ <https://www.biglotteryfund.org.uk/global-content/programmes/england/improving-financial-confidence#>

⁴¹ <http://www.improvingfinancialconfidence.org/about-ifc-2/the-projects/>



Name	Target audience	Funding body/organisation	Content	Available resources	Other
	focus on young and new tenants		Each project is delivered by a partnership including voluntary sector organisations, the local authority and social housing providers.	Resources arising from the projects are available through a portal which can be accessed through the website using a login.	using a login.
To Your Credit ⁴²	Church community members of all ages (including of school age)	Church of England	<p>To Your Credit is the Archbishop of Canterbury's initiative on credit, examining what works at community level in relation to credit and savings. It aspires to 'create a fairer financial system focused on serving the whole community, where everyone has access to responsible credit and savings and other essential financial services'⁴³.</p> <p>Its programmes include:</p> <ul style="list-style-type: none"> the Church Credit Champions Network⁴⁴, focused on learning about money advice and debt counselling for church communities courses⁴⁵ that practitioners can run in churches that teach about money management in a faith-based context 	'Act' resources ⁴⁶ are available including guidance for people wanting to set up money education programmes in churches.	Mini case studies, or 'stories', about project successes are available on the <u>programme's website</u> ⁴⁷ .

⁴² <http://www.toyourcredit.org.uk/about/#to-your-credit>

⁴³ <http://www.toyourcredit.org.uk/about/#to-your-credit>

⁴⁴ <http://www.toyourcredit.org.uk/credit-champions/>

⁴⁵ <http://www.toyourcredit.org.uk/act/money-skills>

⁴⁶ <http://www.toyourcredit.org.uk/act/>



Name	Target audience	Funding body/organisation	Content	Available resources	Other
Money Matters to Me ⁴⁸	Young people and adult learners.	National Institute of Adult Continuing Education (NIACE), part-funded by Prudential	This learning website was designed as a companion site to the AFCaF (see Section 1 above), and was mapped to the framework. It contains extensive information and guidance around money issues, with interactive tools and opportunities for learners to reflect on their own situations.	All resources are available on <u>the website</u> .	It has not been updated since 2010.
Life Skills ⁴⁹	Young people in schools (up to age 18)	Barclays Bank	This online resource includes pages about money, with information and guidance and interactive tools including a money quiz. It is designed for young people in schools but the resources have relevance for young adults, and young people learning outside school as well.	All resources are available on <u>the website</u> .	
Credit Resources ⁵⁰	Tailored to specific groups, including students and	Experian credit reference agency	Experian, a credit reference agency, provides resources and guidance on credit.	All resources are available on <u>the website</u> .	

⁴⁷ <http://www.toyourcredit.org.uk/stories/>

⁴⁸ <http://www.moneymatterstome.co.uk>

⁴⁹ <https://www.barclayslifeskills.com/how-do-i-manage-my-money-now-and-in-the-future/>

⁵⁰ <http://www.experian.co.uk/consumer/resources.html#tabs-4?url=www.google.co.uk>



Name	Target audience	Funding body/organisation	Content	Available resources	Other
	young people ⁵¹				
Tax Matters ⁵²		HMRC (UK Government)	The 'Tax Matters' site is designed for 11 to 19 year-olds, but could be used with older learners as well. It provides financial education around tax and National Insurance.	All resources are available on <u>the site</u> .	
BBC Skillswise ⁵³	Young people and adults with low literacy and numeracy	British Broadcasting Corporation	The BBC's online resources for use in adult basic education. Within the 'Measurement' section of 'Numeracy' are interactive <u>resources for learning about money</u> ⁵⁴ , from QCF levels E1 to L2 (up to EQF level 3).	All resources are online, interactive and downloadable.	

Learner qualifications

In addition to the programmes and resources detailed above, a number of qualifications are available for learners to undertake. The Personal Finance Education Group (PFEG – now merged with Young Enterprise) provides a list of personal finance qualifications available to learners on the QCF, from a range of awarding bodies in England. It can be downloaded from PFEG's website⁵⁵.

The National Open College Network (NOCN) – a learner led, federated group of learning centres runs courses for learners. Their courses/qualifications are mapped to the Adult Core Curricula for Literacy and Numeracy.⁵⁶

⁵¹ <http://www.experian.co.uk/consumer/resources.html#tabs-4?url=www.google.co.uk>

⁵² <http://www.taxmatters.hmrc.gov.uk>

⁵³ <http://www.bbc.co.uk/skillswise/0/>

⁵⁴ <http://www.bbc.co.uk/skillswise/topic/money>

⁵⁵ <http://www.pfeg.org/personal-finance-qualifications>



The Open University have produced a credit-bearing 'Handbook of Personal Finance' with the Child Poverty Action Group⁵⁷ as part of its economics learning provision. This has been undertaken by 30,000 people.

The Institute of Finance (now called the Financial Services University College) have a level QCF level 2 'Certificate in Personal Finance'⁵⁸ (this was developed with NIACE to link with the Money Matters to Me website (see Table 2 above)

⁵⁶

http://www.nocn.org.uk/qualifications_and_units/search?search%5Bkeyword%5D=money&search%5Bsector%5D=&search%5Bsearch_type%5D=0&search%5Bage%5D=&search%5Blevel%5D=&search%5Bcredit%5D

⁵⁷ <http://new.cpag.org.uk/shop/PFH3>

⁵⁸ <http://www.ifslearning.ac.uk/financial-capability/Qualifications/CPF2.aspx>



SECTION 4: RECOMMENDATIONS FOR POLICY AND PRACTICE

The following recommendations are made on the basis of the data collected and presented above.

It was difficult during the data collection to identify “best practice” in national programmes. While some individual programmes have been evaluated internally within organisations (and others have won, for example, sector-specific awards) there appears to be a lack of independent evaluation of the success of individual programmes; and there is no overarching evaluation that provides a ranking of success among the programmes using common measures. Therefore the first four recommendations concern possible means for the future assessment of best practice in financial education delivery. The final recommendation proposes an analysis of this and sister reports being produced by the other partners in the EDU-FIN project in order to identify best practice in financial education for young people more in the European context.

Recommendation 1

The UK partner should consider requesting unpublished evaluations of programmes and resources that have been produced by not-for-profit and private organisations. It is unlikely that all organisations, especially in the private sector, will be willing to share their reports, but those evaluations that are provided could offer: information on numbers of participants in programmes; numbers of educational and money/debt advice organisations engaged through programmes; and case studies indicating success stories within programmes.

Recommendation 2

The UK partner could consider consulting (through electronic surveys, telephone or face-to-face interviews) the co-ordinators of national programmes and resources in order to identify lessons they have learned about what works in the delivery of programmes and resources; and to understand the ways in which their work is helped or hindered by policy, and what policy changes would assist them in the effective delivery of financial education programmes.

Recommendation 3

All partners could consider creating an “assessment framework” to measure the effectiveness of any given policy, programme or resource. It should be applicable to existing policies, programmes and resources, in order to identify those which abide by mutually-agreed “best practice”, and be able to be used in the development of new policies, programmes and resources.

Recommendation 4

Evaluation of effectiveness and impact should be built into the design and deliver of all policies, programmes and resources in order to ensure that activities best meet the needs of learners, communities, organisations, society and the wider economy.

Recommendation 5

The partners’ country reports should be compared and analysed and reported on in order to identify effective policies, programmes and resources. Further recommendations should be made following this analysis.



SUMMARY

Introduction

This report describes policy and practice activity in financial education for young people in England.

It outlines England's place in the wider United Kingdom, its policy relationships to the smaller countries in the Union as they impact on financial education, and how its qualification standards relate to the European Qualification Framework.

It identifies the key national policy drivers that relate to financial education as:

- the Skills for Life adult literacy and numeracy strategy and the national “core curricula” that relate to the strategy, in particular the numeracy core curriculum that includes learning outcomes featuring the use of money in various contexts;
- financial capability strategies, particularly the forthcoming revised strategy being led by the independent Money Advice Service, and the Adult Financial Capability Framework that continues to be used by educators;
- the Universal Credit policy reform that relates to welfare and that has implications for those people who have not handled money on a monthly, non-cash basis before; and
- policy developments in schools relating to financial education as a context for learning mathematics and citizenship.

It does not identify a specific financial education policy that targets young people aged 18 to 34.

The report identifies and describes a number of national programmes. Between them the programmes provide information, advice and guidance, face-to-face or telephone support, learning programmes, and online resources (such as loan calculators), aimed at increasing individuals' financial knowledge, skills and understanding. These are set out in two tables:

The first table presents national programmes and resources that directly or largely target young adults. The programmes include the Lloyds Banking Group-funded Money for Life programme that targets young people in further education, community learning and workplaces, and My Bnk's Money Works programme that focuses on financial skills needed by young people moving into independent living.

The second table describes programmes that do not directly target young people but which young people can benefit from, and which can be tailored and used by tutors working with young people. It includes the Money Advice Service's Money Health Check, an online tool to help people work out the “health” of their financial situation, attitudes and behaviours. It also details the Standard Life-funded Money Force website for members or ex-members of the armed forces, which offers advice and information as well as interactive online tools.

The report then provides information about qualifications that learners can undertake to accredit their financial learning.

The report makes the following recommendations on the basis of the data collected in it:



Recommendation 1

The UK partner should request unpublished evaluations of programmes and resources that have been produced by not-for-profit and private organisations to gather data about successful impact.

Recommendation 2

The UK partner should consider interviewing co-ordinators of national programmes and resources in order to identify lessons they have learned about what works in the deliver of programmes and resources.

Recommendation 3

All partners could consider creating an “assessment framework” to measure the effectiveness of any given policy, programme or resource.

Recommendation 4

Evaluation of effectiveness and impact should be built into the design and delivery of all policies, programmes and resources.

Recommendation 5

The partners’ country reports should be compared and analysed and reported on in order to identify effective policies, programmes and resources.

Finally, a references section details sources used and an appendix provides live links to online documents, websites and other resources referred to throughout the report.



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APPENDIX 1

Links to online documents and resources

This Appendix provides links to:

- key strategic documents (including frameworks) relating to literacy and numeracy and financial education
- national programmes relating to financial education, and
- learning and teaching resources for financial education development.

Strategic policy documents

A Fresh Start: Improving Literacy and Numeracy⁵⁹ (1999)

Skills for Life: The national strategy for improving adult literacy and numeracy skills⁶⁰ (2001)

Report on the consultation for a new UK financial capability strategy⁶¹ (2015)

Frameworks

Adult Literacy Core Curriculum⁶² (2001) – Basic Skills Agency

Adult Numeracy Core Curriculum⁶³ (2001) – Basic Skills Agency

Adult Financial Capability Framework⁶⁴ (2004) – Basic Skills Agency and Financial Services Authority (FSA)

Qualifications and Credit Framework⁶⁵

National programmes

Money for Life Programme⁶⁶, funded by Lloyds Banking Group.

⁵⁹ http://www.nrdc.org.uk/anr_details.asp?ID=135

⁶⁰ <http://rwp.excellencegateway.org.uk/Archive/Policy.%20strategy%20and%20archive%20resources/>

⁶¹ [https://prismic-io.s3.amazonaws.com/fincap-two%2F7ac2f4a9-bf30-4da2-b191-3859eea9396c_uk_financial_capability_strategy_consultation_response_march2015_online.p](https://prismic-io.s3.amazonaws.com/fincap-two%2F7ac2f4a9-bf30-4da2-b191-3859eea9396c_uk_financial_capability_strategy_consultation_response_march2015_online.pdf)

⁶² <http://rwp.excellencegateway.org.uk/resource/Adult+literacy+core+curriculum/pdf/>

⁶³ <http://rwp.excellencegateway.org.uk/resource/Adult+numeracy+core+curriculum/pdf/>

⁶⁴ <http://shop.niace.org.uk/adult-financial-capability-download.html>

⁶⁵ http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039017

⁶⁶ <https://www.moneyforlifeprogramme.org.uk>



Money Health Check⁶⁷ from the Money Advice Service, for anyone who wants to get an understanding of their financial situation.

MyBnk's programmes⁶⁸, aimed at young people aged 11 to 25.

Money Force⁶⁹, aimed at people who are in, or who have left, the armed services.

Improving Financial Confidence⁷⁰, funded by the Big Lottery and targeted at social housing tenants [especially young people].

National Association of Student Money Advisers⁷¹, [HE only?]

To your Credit⁷², led by the Church of England, focused on education about credit options.

Resources

- <http://www.moneymatterstome.co.uk> - NIACE website
- Skint! – England version⁷³
- Life Skills⁷⁴ – Barclays Bank
- Credit resources⁷⁵ – Experian
- Tax Matters⁷⁶ – HMRC
- 'We Care' briefing sheets for young carers⁷⁷ – NIACE
- BBC Skillswise⁷⁸ – numeracy and money pages
- Young People and Money Toolkit⁷⁹ – Money Advice Service

⁶⁷ <https://www.moneyadvice.service.org.uk/en/tools/health-check>

⁶⁸ <http://mybnk.org/mybnk-programmes/>

⁶⁹ <https://www.moneyforce.org.uk>

⁷⁰ <https://www.biglotteryfund.org.uk/global-content/programmes/england/improving-financial-confidence#>

⁷¹ <http://www.nasma.org.uk/About-us/Introduction-to-Nasma/>

⁷² <http://www.toyourcredit.org.uk/about/#to-your-credit>

⁷³ <http://www.groundwork.org.uk/Sites/skint>

⁷⁴ <https://www.barclayslifeskills.com/how-do-i-manage-my-money-now-and-in-the-future/>

⁷⁵ <http://www.experian.co.uk/consumer/resources.html#tabs-4?url=www.google.co.uk>

⁷⁶ <http://www.taxmatters.hmrc.gov.uk>

⁷⁷ <http://shop.niace.org.uk/we-care-financial-capability-resources.html>

⁷⁸ <http://www.bbc.co.uk/skillswise/topic/money>

⁷⁹ <https://www.moneyadvice.service.org.uk/en/corporate/young-people-and-money-toolkit-yphub>



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EDUFIN PROJECT

*Developing participative processes for the
generation of a financial education curriculum
addressed to young adults at risk*
(Project number 2014-1-ES01-KA204-004748)



NATIONAL REPORT (ACTIVITY CODE 01) ITALY

CSFVM – CENTRO STUDI E FORMAZIONE VILLA MONTESCA





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1. INTRODUCTION

The Financial literacy and competence among young adults seems to be defined today around the world as one of the most debated topics for its importance and urgency. In their transition to adulthood, young adults face increasingly complex financial transactions such as managing credit card debt, obtaining and paying car loans, obtaining and beginning to repay student loans, managing health care and insurance costs, and savings. Growing numbers of young adults are struggling with such transactions, as indicated by the increasing numbers of young adults who report rising financial debt and bankruptcy filing.

Research on the financial practices and credit card behavior of college students suggests that although most students manage their personal finances responsibly, the number of students who get into financial difficulties because of poor personal financial management skills is increasing.

The development of financial independence among young adults is often associated with acquisition of financial skills and resources, including obtaining post-secondary education and employment, establishing and maintaining checking and saving accounts, and acquiring assets. These skills facilitate financial literacy and competence as young adults obtain earned income and incur financial obligations that are traditionally associated with adulthood such as paying rent and other bills. Young adults themselves appear to recognize the importance of financial self-sufficiency and cite this as one of the top three criteria for becoming an adult.

In recent years, developed and emerging countries and economies have become increasingly concerned about the level of financial literacy of their citizens. This has stemmed in particular from shrinking public and private support systems, shifting demographic profiles including the ageing of the population, and wide-ranging developments in the financial marketplace.

Concern was also heightened by the challenging economic and financial context with the recognition that lack of financial literacy was one of the factors contributing to ill-informed financial decisions and that these decisions could, in turn, have tremendous negative spill-overs. As a result, financial literacy is now globally acknowledged as an important element of economic and financial stability and development; this is reflected in the recent **G20 endorsement of the OECD/INFE (International Network on Financial Education) High-level Principles on National Strategies for Financial Education**.

A series of tangible trends underpin the rising global interest in financial literacy as a key life skill. These are summarized below:



Risk shift

There has been a widespread transfer of risk from both governments and employers to individuals. Many governments are reducing or have reduced state-supported pensions, and some are reducing healthcare benefits. Defined-contribution pension plans are quickly replacing defined-benefit pension plans, shifting onto workers the responsibility to save for their own financial security after retirement. Traditional pay-as-you-go (PAYG) pension schemes are supplemented by new schemes in which the individual is subject to both revenue and investment risk. Most surveys show that a majority of workers are unaware of the risks they now have to face, and do not have sufficient knowledge or skill to manage such risks adequately, even if they are aware of them (OECD, 2008). Furthermore, the array of risks with financial implications is increasing: for example, individuals face the risks associated with longevity, credit, financial markets, and out-of-pocket healthcare.

Increased individual responsibility

The number of financial decisions that individuals have to make is increasing as a consequence of changes in the market and the economy. For instance, longer life expectancy means individuals need to ensure that they accumulate savings to cover much longer periods of retirement. People also need to assume more responsibility for funding personal or family health care needs. Moreover, increasing education costs make it important for parents to plan and invest adequately for their children's education. Even when individuals use the services of financial intermediaries and advisors, they need to understand what is being offered or advised. The individual is responsible for the financial product he or she decides to purchase, and the individual will face all the consequences of the choice. Individuals everywhere need to be financially literate to make informed and responsible decisions.

Increased supply of a wide range of financial products and services

In addition, in all countries, growing numbers of consumers have access to a wide range of financial products and services from a variety of providers and delivered through various channels. Improved levels of financial inclusion in emerging economies, developments in technology and deregulation have resulted in widening access to all kinds of financial products, from current accounts and remittances products to revolving credit and equity portfolios. The products available are also becoming more complex, and individuals are required to make comparisons across a number of factors such as the fees charged, interest rates paid or received, length of contract and exposure to risk. They must also identify appropriate



providers and delivery channels from the vast array of possibilities, including community groups, traditional financial institutions, online banks and mobile phone companies.

Increased demand for financial products and services

Economic and technological developments have brought greater global connectedness and massive changes in communications and financial transactions, as well as in social interactions and consumer behaviour. Such changes have made it more important that individuals be able to interact with financial providers. In particular, consumers often need access to financial services (including banks and other providers such as post offices) in order to make and receive electronic payments like income, remittances and online transactions, as well as to conduct face-to-face transactions in societies where cash and cheques are no longer favoured. Those who cannot access such services often pay more for cash transactions, using informal financial services such as moneylenders or cheque cashers.

All of these trends have transferred the responsibility of major financial decisions to individuals. At the same time, they have both enlarged the options for the majority of the population (including new financial consumers) and increased the level of complexity they face. Against this backdrop, individuals are expected to be sufficiently financially literate to take the necessary steps to protect themselves and their relatives and ensure their financial well-being.

1.1. An outline of the National Context

“..... investing in financial education is an important means to perform our institutional duties: protecting savings, ensuring stability and promoting competition.”

Governor of the Bank of Italy, Ignazio Visco

The Italian Supervisory authorities consider financial education an important element in the wider context of their responsibilities, although a national governance and a legal framework are still missing. The need to strengthen banking, financial and insurance consumer protection in the face of more diversified and complex financial products, and to rebuild the trust in a better regulated financial system after the financial turmoil are the main drivers of the development of a national strategy on financial education in Italy. The gradual shrinkage of public welfare resources, the launch of the supplementary private pension system, and the transformation of the few outstanding defined-benefit schemes to the defined-contribution regimes, all contribute to transfer financial responsibility away from the State towards individuals and



households, thus requiring strengthened financial capabilities among the public at large. In this new context, a commitment by public bodies to improve awareness and planning skills for retirement has become essential, in particular for the young.

More recently, successive anti-tax evasion measures aiming at promoting the use of cash-alternative payment services, including a cap on cash payment of amounts equal to or above € 1000,00, will add to the case for diffused financial education, as it is likely to further boost bankarisation among the less educated layers of the population. In this context, a national strategy would be important to help build a nation-wide commitment to raise financial education to the highest level in the national agenda, and support the design of policies to push it forward.

The development of a national strategy, based on national regulation, would allow relevant public institutions to strengthen co-operation, considering an adequate involvement of the private sector, and a rationalization of the existing activities with the intent of reducing the overall costs and raise their efficiency. For the time being, the Italian supervisory authorities, though on a different scale, undertake distinct financial education projects on a regular basis.

The Bank of Italy considers financial education as part of its responsibilities in the wider context of ensuring financial stability and consumer protection. Consumer protection is an integral and dedicated part of the actions of the Bank and is a very important aspect of banking supervision. A consumer protection system includes competition, transparency regulation, alternative dispute resolution (ADR) and, last but not least, financial education. Without proper financial education, even good rules on transparency may not ensure effective consumer protection.

Financial education helps investors monitor intermediaries. Educated households, better acquainted with the notions of risk and return, compound interest and inflation, can better identify abuse and fraud as well as understand the real terms of what they are being offered. Financial education can complement the supervisory action of the authorities in fostering competition. Financially literate households are less likely to believe that they have been cheated.

Thus, financial education helps sustain confidence in the financial system and can have a beneficial effect on the stability of intermediaries. Indeed, the financial industry is likely to benefit from having more literate customers. **The Italian Insurance Supervisory Authority (IVASS)** – whose President is the Director General of the Bank of Italy – considers policyholder education as a relevant and important activity of its mandate,



as it is intended to complement the IVASS' key objectives of policyholder protection and prudential supervision.

Education in the insurance sector presents specific challenges. Insurance business can be complex due to several factors, including the increasing variety and sophistication of insurance products, the peculiarity of insurance business, and the increasing heterogeneity of providers, ranging from conventional intermediaries (brokers, agents, direct selling) to non-traditional distributors (e.g. car dealers) and new selling channels (phone, cell, internet). Despite the efforts made by IVASS to ensure clear pre-contractual and contractual documents, in some cases the parameters and actual coverage provided by insurance policies cannot be easily understood by non-professional customers (contracts' conditions, ceilings, deductibles, exclusion, trigger for coverage, etc.).

Little experience of some of the long-term products offered, difficulties in understanding the policies' features, lack of willingness to subscribe long-term coverage or coverage for relatively infrequent risks, lack of trust and confidence in insurance market players, are the main factors to be considered in setting up insurance education plans.

The Bank of Italy conducts a regular **SURVEY ON HOUSEHOLD INCOME AND WEALTH (SHIW)** on a two-year basis to gather information on income, savings, wealth and other socio-economic indicators of Italian families. Over the years, **the scope of the survey has widened and now includes also some aspects of households' economic and financial behaviour such as, for example, what payment methods are used.**

The findings of the last two surveys show that, in Italy, the level of financial literacy is still low. Specifically, based on the 2008 survey, about one third of the population is unable to read a bank statement, calculate changes in purchasing power, distinguish between different types of mortgage and evaluate the associated interest rate risk. More than half of Italian households do not understand the importance of investment diversification, and two thirds do not know the difference between shares and bonds in terms of risk. Less than one household out of three knows the main features of supplementary pension schemes. Two years later (2010) just over half of the respondents appeared to understand the advisability of investment diversification; 58.6 per cent could distinguish between different types of mortgage and thus evaluate the associated interest rate risk, 70 per cent even correctly calculated changes in buying power. Educational background has the closest correlation with financial skills. Individuals with no educational qualification had a correct response rate of only 26 per cent.



The Supervisory Commission of Italian Pension Funds (COVIP) conducted two sample surveys, in 2008 and in 2012 respectively, **to check the knowledge and the awareness of pension matters among Italian workers.** The results show that Italian workers are indeed aware that pension benefits ensured by the public, first pillar to the current workforce, will be significantly lower than those enjoyed so far by retirees. However, there is a low awareness of the potential long-term stability of the public pension system as per recent reforms, and still a low awareness of the fiscal incentives that should facilitate the participation in the supplementary pension plans. With reference to the insurance market, IVASS uses consumer complaints data to assess the priorities in consumer protection, including insurance education needs. IVASS holds monthly meetings with consumers associations' representatives. They submit the main issues or consumers trends, including their analyses on insurance education needs or their own education initiatives.

In addition, in order to provide a front-line assistance to insurance service consumers, in 2012 IVASS established a free toll number for consumers assistance (Contact Center), which allows IVASS to get a first notice of recent developments in insurance business and emerging consumer protection issues.

However a comprehensive national survey on the financial literacy of the population, which the **OECD/INFE HIGH-LEVEL PRINCIPLES ON NATIONAL STRATEGIES FOR FINANCIAL EDUCATION** identify as the best way to assess financial education needs and key policy priorities, has not yet been carried out.

In Italy, financial education activities have been gradually increasing over the years and have been organised by both public and private institutions. All the institutions involved in consumer protection activities have carried out basic educational programmes that explain the core competencies of their institutional activity. **The private sector is also very active on this front: banks, foundations, trade associations, and consortia, all have implemented an educational activity of some sort.**

Financial education is an important tool for the financial inclusion of the most disadvantaged social groups, such as the unemployed, low-income families, immigrants. In line with a recent EU Recommendation, the Italian Government has introduced rules requiring all banks to supply a basic bank account, with a number of basic services (including a debit card) and a transparent cost structure. The account is offered to consumers with basic financial needs at zero fees. **The Italian supervisory authorities** carry out initiatives for the general public through their websites.

As to the information provided to the general public the Bank of Italy's website features a financial education section aimed at persons interested in developing their economic and financial knowledge and at those who, as savers and users of banking services, wish to enhance their financial culture. The section



provides information on the main banking issues and discusses banking, economic and financial matters in simple language. There is information on current accounts, mortgage lending, inflation and price stability, consumer credit, payment cards and also a basic financial glossary. In the website consumers can also find news, read about important events, and find a link to the main financial education projects of the European Central Bank.

In addition to this, the Bank of Italy publishes **PRACTICAL GUIDES ON TO BASIC BANKING PRODUCTS**. A Guide to current accounts and one to mortgage lending are already available, on the web site also. A Guide to consumer credit will be published shortly. The guides describe, with a clear and simple language, the main features of these popular products. As they have a practical approach, they respond to both transparency and financial education purposes. The Bank of Italy wants to use the potential of the web as much as possible, in particular to reach new target groups (i.e. the disadvantaged): **for the hearing impaired people the Bank of Italy is currently working on video educational material with subtitles and sign language translation; for the visually impaired we are preparing an audio book, while for the short-sighted the Bank of Italy is developing a special video presentation.**

The COVIP's website also contains a Guide directed to the general public, focused on supplementary pensions. The Guide is periodically updated, and the publication of a Q&A section is also envisaged. COVIP is also considering how to **use the social networks (Facebook, Twitter) in order to disseminate information on pension matters specially designed for the young**. On its website, IVASS provides information to the general public about consumer protection and insurance education. A specific section provides information on registered undertakings and intermediaries, new laws and press releases, frequently asked questions, a guide on how to file a complaint, the list of the complaints-handling functions and their contact details, a list of tips to help consumers to buy insurance contracts via internet.

IVASS is currently updating the interactive insurance education section on its website in order to:

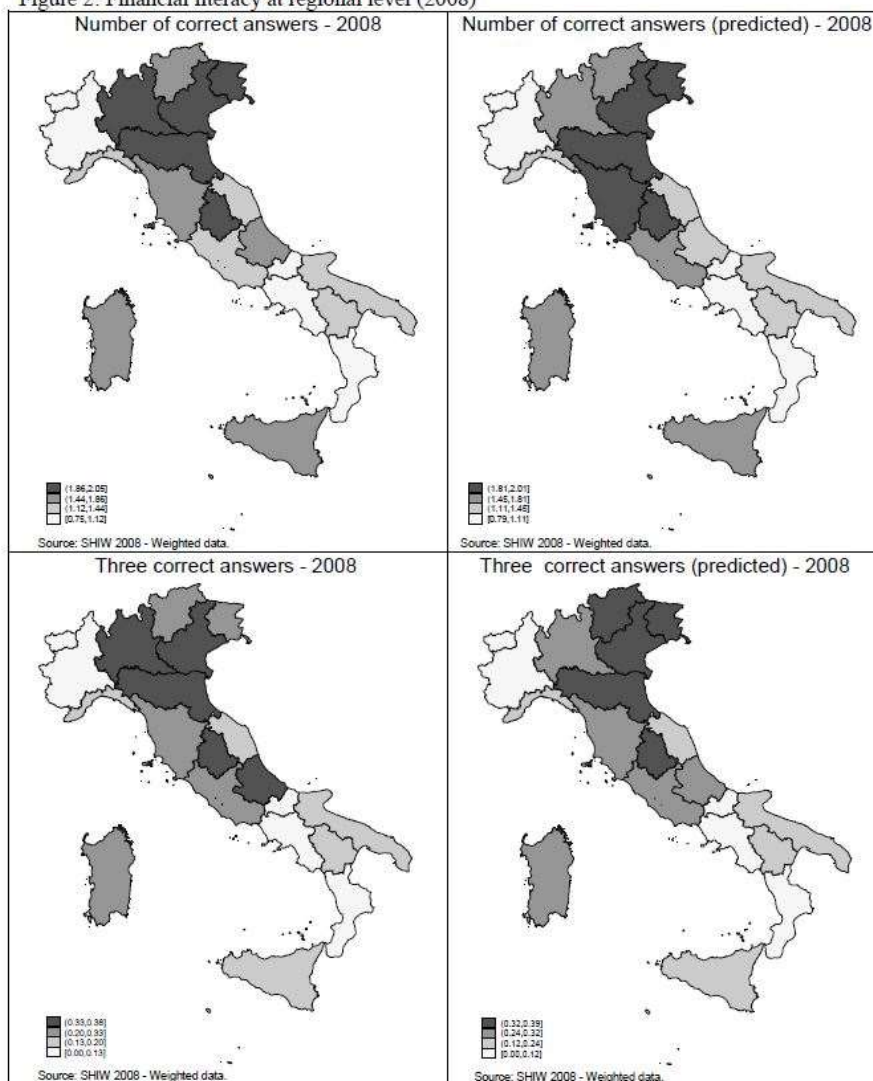
- ☞ develop understanding on insurance by providing consumers with information on the main topics in a simple language, carefully tailored to the knowledge and the needs of the targeted audience;
- ☞ raise the level of awareness among consumers about the potential risks they are exposed to and enhance the ability of choosing the best insurance product adhering to their needs;
- ☞ improve the level of understanding of the basic mechanisms of insurance, the characteristics of the most popular products, as well as encourage consumers to understand the most complex or innovative products;
- ☞ provide guidance on the availability of information, advice and help when needed.



Using the Bank of Italy's Survey on Household Income and Wealth, another research "**FINANCIAL LITERACY AND PENSION PLAN PARTICIPATION IN ITALY**" by **Elsa Fornero and Chiara Monticone** develops an empirical analysis that measures the current level and the distribution of financial literacy among the Italian population, investigates its determinants and its effects on retirement planning behaviour. Specifically, the research examines whether financial literacy matters in the decision to join a pension plan. The results show that most individuals lack knowledge of basic financial concepts, and that they seem more familiar with inflation and stocks than with interest compounding.

The distribution of financial literacy among the population presents features similar to other countries' records, **with women and individuals with low education having the worst performance**. A specific Italian feature is **the regional divide between the North-Center and the South**, which is confirmed in relation to financial literacy. The Figure below shows **the financial literacy distribution across Italian regions** according to the 2008 tests. Figure in the left panel report the 'raw' distribution of category of households not paying a mortgage at the time of interview includes both those who already repaid in the past and those who never took out a mortgage. This may bias the results, reducing the difference in financial literacy between owners with and without a mortgage; thus the effect of mortgages is likely to be even larger. The financial literacy (number of correct answers and proportion of three correct answers) as measured by the SHIW. The four categories represent quartiles of each variable. As expected, the usual North-South disparity emerges: broadly speaking, households living in southern regions (and isles, i.e. Sicily and Sardinia) tend to perform worse in all questions than those living in the Centre and in the North-east. However, there is some variation across regions beyond the simple north-south divide: for instance, in 2008 north-western regions fall in the lowest literacy quartile for both measures. Figure on the right panel, instead, show the level of financial literacy that is predicted by an econometric model with demographics and regional dummies as explanatory variables. These figure suggests that the **regional gap** is not simply explained by a different population composition; even after controlling for socio-demographic characteristics (including household income), southern regions have lower financial literacy.

Figure 2: Financial literacy at regional level (2008)



As for the effects, financial literacy has a positive and significant impact on the propensity to save for retirement through a private pension plan. Robustness checks corroborate this result. First, financial literacy increases the probability of participating to a pension fund even after controlling for financial literacy endogeneity. Second, when looking at employees' response to the **2007 reform**, financial literacy increases workers' probability of transferring their TFR "*Trattamento di fine rapporto*" flows to a pension fund (at least for those who do so willingly). These findings confirm and reinforce previous results about the positive impact of financial literacy on financial behaviour (on planning, saving, wealth diversification etc.), and provide a further rationale for public intervention to improve the level of financial literacy in the Italian population.



At the same time, results indicate that some population sub-groups face higher risks of not possessing sufficient financial knowledge and skills to adequately face the challenges posed by the reformed pension system. While an improved level of financial knowledge would be beneficial in general, **public policies on financial education should primarily be directed at these groups.**

2. LITERATURE REVIEW

2.1. The conceptual review of financial education on the financial literacy.

Italy shares the definition of financial education proposed by the **Organisation for Economic Co-operation and Development (OECD)** in 2005 in its report on Improving Financial Literacy, and, specifically, deems that *“financial education provides policymakers with another tool for promoting economic growth, confidence, and stability”*. Specifically, financial education is defined **by the OECD and its International Network for Financial Education (INFE)** as *“the process by which consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become 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 and protection”*.

This definition is implicitly recognised in the European Commission's Communication on Financial Education adopted in December 2007. Within the definition above, information involves providing consumers with facts, data and specific knowledge to make them aware of financial opportunities, choices and consequences and instruction involves ensuring that individuals acquire the skills and ability to understand financial terms and concepts, through the provision of training and guidance.

Two definitions of financial literacy are used by the **OECD** and its **INFE**, one for adult populations and the other for populations of (15 year olds) young people. The one for adult populations was developed for the OECD INFE financial literacy measurement pilot and is: *“A combination of awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve individual financial wellbeing”*. The definition of financial literacy for populations of young people (youth and pupils and students at school – aged 15) is the current working definition of “financial literacy” developed for the OECD's **PISA (Programme for International Student Assessment) 2012** Financial Literacy Framework (the



first large-scale international study to assess the financial literacy of young people), which is the following:

“Financial literacy is knowledge and understanding of financial concepts and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society and to enable participation in economic life”

Financial education needs to be distinguished from consumer protection, although there is some overlap between the two. The provision of information on financial issues is common in both. However, financial education supplements this information with the provision of instruction while consumer protection emphasises regulation and supervision designed to enforce minimum standards, require financial institutions to provide clients with appropriate information, strengthen the legal protection of consumers when something goes wrong, and provide for systems of redress. Financial education facilitates enhanced consumer protection.

A draft law, presently pending in the Italian Parliament, acknowledges the role of financial education as an important tool for enabling consumers to match their needs with adequate financial products and services, such as loans, savings instruments, retirement plans, and insurance products. The draft law contemplates the establishment of a specialised Committee for the design and coordination of financial education initiatives at the national level. The Committee includes the **Ministry of Economy**, the **Ministry of Education**, representatives of **Supervisory Authorities** dealing with consumer protection in the various sectors of the financial system, and also representatives of academia and consumers associations. The draft law confers upon the Committee the responsibility of developing a national strategy and bringing future and present initiatives in the area of financial education under a coherent framework.

The Committee will be in charge of coordinating the relevant private and public stakeholders, promote initiatives and projects on financial education, periodically assess their effectiveness and annually report to the Parliament on implementation progress. In line with the priority that present initiatives assign to formal education, the draft law confers upon the Minister of Education the power to integrate financial education into the curricula of primary and secondary schools.

The **OECD/INFE work on National Strategies of Financial Education** has provided and will provide extremely relevant and precious inputs and guidance in the drafting of the law and the strategy.

The participation of a number of qualified institutions, while essential, requires coordination so as to avoid potential duplications and achieve maximum efficiency. The current institutional debate is revolving



around two possible options to achieve such coordination: a model of single handed guidance, under which one institution takes charge of promoting, connecting and coordinating the actions of the other bodies, constantly monitoring the evolution of the project so as to detect any potential flaw and timely adopt corrective actions; in alternative a joint supervisory body (steering group, committee, working group), whose members are influential and reliable, could be entrusted with the project's governance; it could direct the actions of the participating institutions and guarantee, in the face of public opinion, the quality of the initiatives.

The educational initiatives aiming at increasing the level of citizens' financial education should supply them with adequate competencies to make appropriate economic and financial decisions. The underlying idea is that information and education can, together, induce a more careful and aware behaviour among consumers. This, of course, requires a plurality of interventions taking into account both the characteristics and the needs of the different groups of consumers, which have to be carried out in the longer run.

There are different target groups: **children** (i.e. first savings account), **teenagers** (savings account, first mobile), **Youth** (savings account; first credit card; first job; first car), **adults** (first house, pension savings, investments, vacations), **seniors** (mortgage loan, hobbies, vacations, pension savings).

Whoever decides to undertake financial education projects must take into account the challenges in reaching the targeted audience. This dictates the need to not only use the same language of the addressees, but also to understand when and where they are more receptive to the message (i.e. initiatives about personal pensions are more effective if conducted in the work place; initiatives on family planning should be offered to new parents when they are still in the hospital). This is, of course, a resource-intensive strategy (i.e. it requires the presence of the experts on the premises) that could only involve a small part of the consumers belonging to the intended group (unless such initiatives can be promoted in every work place, every hospital, et cetera).

A viable alternative, which could guarantee a wider diffusion of the message, might be to provide consumers with informative material (i.e. through a website that is publicly known for its certified high-quality information).

A very important aspect to be taken into account is **how to identify the funding sources**. All the institutions that might benefit from more informed and financially aware citizens could be asked to fund the various initiatives. Potential alternatives are:



- **Government:** given the positive spillovers of improved financial literacy, the State (Government) could bear a part or all the costs. This option would ensure a stable and substantial amount of resources and signal the Government's commitment. The public support option, in addition, is appropriate given that the generated benefits are dispersed and already existing infrastructures (e.g. schools, mathematics teachers) can be efficiently exploited. Considering its nature of global and regional public good and the highly integrated European market, financial education should partly be funded through supranational resources (e.g. European Union).
- **Firms/Intermediaries:** on a voluntary basis. The strong point of this solution is its acceptability by market players as well as the large availability of expertise and resources of financial institutions, which can partially internalise the benefits through reputational returns and the enlargement of the set of potential clients. However, the private sector contribution to financial education needs to be overseen and guided to prevent and manage potential conflicts of interests. In addition the funding flow would not be steady and would depend on the number of intermediaries involved in the project.
- **Firms/Intermediaries:** on a compulsory basis. Technically, this could be presented as a fixed tax that is a levy derived from the negative externalities produced by the markets. Up against this option there might be some resistance on the part of the market; the benefit of this solution rests with the stability of a high funding flow. Compulsory contribution also requires deciding the contributory rate that is coherent with the intervention needs.

3. PROGRAMS AND TEACHING APPROACHES AT NATIONAL, REGIONAL AND LOCAL LEVELS: ITALIAN BEST PRACTICES

3.1 Financial education as integral part of the educational curricula.

There is general consensus that the gap between the skills needed to take appropriate financial decisions and those actually possessed by the population is so significant that it undermines the freedom of choice of individuals, and thus the efficiency of the market. As a result, several initiatives have been targeted towards the reduction of this gap, starting with the introduction of economics and finance subjects in school curricula. **Italy considers schools as the most effective channel to deliver financial education.**



In 2007, based on a Memorandum of Understanding, the **Bank of Italy** and the **Ministry of Education, University and Research (MIUR)** started co-operating to run an experimental programme **aimed at incorporating financial education into school curricula for all school levels**, as a part of various subjects. The programme, **inspired by OECD recommendations, is the first of its kind to be sponsored and conducted by public bodies and to be devoid of any marketing purposes**. Participation in the programme, which involves all schools nationwide, **is voluntary**. In particular teachers received training from central bank officials that they then passed along in the classroom.

The programme's main topic is ***"money and transactions"***, an important matter that plays a major role in the market and that young people do deal with but know little about. As an aid for teachers and all the other payment methods" for the three different school levels (all available on the web site). In the school year 2012-2013 the **Bank of Italy** carried out the programme for the fifth time. The programme is continuing to expand, and the number of pupils is rising together with the number of classes: the pilot exercise involved 650 pupils (2008-2009); in the fourth edition about 23.000 students were involved and in 2012-2013 the estimate is about 50.000 students.

A plus of the programme is the evaluation design, as in other programme implemented by **UnicreditBank** named ***"Earn your future"***. In accordance with international recommendations, the Bank of Italy included a systematic assessment of the programme since the beginning: individual multiple choice tests were administered to pupils before and after classroom teaching on financial education. The knowledge acquisition was defined as the gain in scores or the difference in the percentage of correct answers between the post-classroom teaching testing session and the pre-classroom teaching testing session. The tests were differentiated by school level for both effort and duration.

From the beginning, the test results have supported the hypothesis that the financial education programme is effective: at all school levels there was a significant increase in the percentage of correct answers in the post testing session. Since the programme has been running for years, some classes repeated the tests a number of times, making it possible to gauge knowledge retention, and to discover that notions acquired were retained, at least partly, over time. Finally, the empirical findings showed the existence of a gender gap in financial knowledge, which financial education programmes might be able to close. After the first 5 waves, the empirical evidence acquired via tests has been considered adequate and from the 2012-13 school year the tests have been suspended; on the other hand, teachers' survey was enhanced.

Overall, the programme has succeeded in increasing students' financial knowledge, even if the recipients are too young to make their own financial decisions. The evidence gathered is more than sufficient to



demonstrate that **classroom instruction is an effective channel for spreading financial knowledge among students.**

Name of project	<i>“Educazione finanziaria: Conoscere per decidere”</i> BUILDING FINANCIAL CAPABILITY
Organisation and type of organisation (eg public /private)	The Bank of Italy and the Ministry of Education, University and Research (MIUR) (Public Authorities)
Where it is located	At national level: In the Public Italian Schools Elementary, Junior High and High Schools are all involved.
Aims and objectives	The purpose of the program goes beyond providing pupils with basic notions and aims at making financial education an integral part of the educational curricula.
Length of programme	The program started on a pilot basis in the 2008-09 school year and involved Elementary, Junior High and High School and is still in force. In subsequent years the program was broadened nationwide thanks to the active contribution of the regional branches of the Bank
How it is funded	The Programme is funded by the Ministry of Education, University and Research (MIUR) The Ministry of Education provides teaching skills The Bank provides expertise in banking and finance
The type of young people the programme is aimed at and how many?	Elementary, Junior High and High Schools are all involved. The program is addressed to students in the last two years of each school level: <ul style="list-style-type: none"> – age 9-10 in Elementary School – age 12-13 in Junior High – age 17-18 in High School The program recorded an involvement of over 1.150 classes, the majority of which were in High School. The number of pupils has risen together with the number of classes: <ul style="list-style-type: none"> → The pilot exercise involved 650 pupils → The edition of the 2011-12 school year involved about 23.000 students

Participants		
	Classes	Pupils
2008-09	32	631
2009-10	458	8.901
2010-11	774	15.200
2011-12	1.152	22.867
2012-13

Type of teaching and learning approaches used

Teachers deliver financial education in the context of the curricular subjects in specialized lessons.

Average number of teaching hours ranges from 6 to 12.

- A plus of the program is the evaluation design that involves both teachers and pupils
- In accordance with international recommendations, the Bank and MIUR have included a systematic assessment of the program since the beginning.
- The effectiveness of the program is measured through tests and questionnaires.

The program is designed to increase pupil's financial knowledge, so measuring individual learning can give us empirical proof of its effectiveness.

Pupils took both a pre-and a post-program survey:

Background questionnaire

- Socio-demographic information
- Self-perception of school performance
- Attitudes towards money

Knowledge test

- Multiple choice questions

The tests were developed based on the international best practices and with the assistance of the National Institute for the Evaluation of the Italian School System (INVALSI).

They were mostly based on money and transactions, the core subject of the program

•The questions had four possible answers:

- 1 correct
- 2 distractors
- 1 "I don't know"

Tests were administered to pupils before and after classroom teaching on financial education

he knowledge acquisition was defined as the gain in scores or the difference in the percentage of correct answers between the post-classroom teaching testing session(post-tests)and the pre-classroom teaching testing session(pre-test).

The following table shows the percentages of correct answers on money and transactions for pupils attending both testing sessions in the 2011-12 school year

Test results				
	N. obs.	Pre-test score	Post-test score	Gain
Primary School	3.865	38,2	63,5	25,2
Junior High School	4.530	43,0	57,5	14,5
High School	7.885	39,4	54,6	15,2

The comparison between the pre-test and post-test scores showed that the training caused and increase in the levels of financial literacy at every school level: all the gains were positive and significantly different from zero at high levels of confidence.

Furthermore:

The sample allowed to split the participant students into two subsamples:

- Those who had covered some of the topics of the program during the previous school year
- Those involved in their first year of financial training

The pre-test results of the students involved in the second year of training showed significantly higher levels of financial knowledge than their peers on money and transactions

The tests were different from those that had been used the year before, so it can be affirmed that some of the information learned the year before had been retained **attesting the effectiveness of the program.**



	<p>Gender analysis</p> <p>The empirical evidence showed that, before any training, boys had significantly higher levels of financial knowledge than girls at all school levels, but after classroom teaching the gender gap was annulled or reversed.</p>
<p>Outcomes and goals</p>	<p>The increase in participants was broadly demand-driven</p> <ul style="list-style-type: none"> ☞ Many schools were eager to have more classes involved than initially planned ☞ Word of mouth among teachers favoured the extension of the program to settings not initially involved <p>The results of the programme support the importance of starting financial Education in Elementary School as the gender gap is already rooted in quite young children, and financial Education programs might help reduce the differences.</p> <p>and so....</p> <ul style="list-style-type: none"> – Schools are an effective channel to spread financial knowledge to pupils – Financial subjects should be integrated on a continuous basis in the compulsory education curricula – Providing stimulating resources and training for all participants is essential – It is crucial to develop common strategies among all the players from policy makers to private institutions



Name of project	"GUADAGNIAMO IL FUTURO" <i>Earn your future</i>
Organisation and type of organisation (eg)	UniCredit Bank in cooperation with Consumer Associations (Private Organizations)
Where it is located	Until today six Regions are been involved in the project: Lombardia, Emilia Romagna, Lazio, Campania, Puglia and Sicilia
Aims and objectives	Earn Your Future is a financial education initiative that is centered on two goals: helping develop critical financial skills and providing educators with the resources and training to teach those skills.
Length of programme	40 hours during the school year
How it is funded	by Unicredit Bank of Italy
The type of young people the programme is aimed at and how many?	The initiative involved a number of 70 classes of the Italian High Schools (age 17) spread across six Regions of the Italian High Schools (Lombardia, Emilia Romagna, Lazio, Campania, Puglia e Sicilia), in order to promote the responsible use of money and consumption among young people (from the starting of the project about 1800 students are been involved).
Type of teaching and learning approaches used	Earn Your Future aims to further youth education and financial literacy in Italy through ready-to-use financial literacy modules and teacher training opportunities. Educational methodology: <ul style="list-style-type: none"> - Lectures in classroom with an expert - Simulation game - Multimedial kit named "Open your mind", a simulator of the money management that tests young people and adults through a simulation play



Outcomes and goals

The purpose of the "lessons" is to **promote among the younger generations the responsible use of the money in terms of sustainability, increasing knowledge and awareness about the products and basic banking services.**

The courses are lectures made by managers of the UniCredit Bank , on a free and voluntary base, that manage banking and financial education initiatives in the communities in which they operate, by teachers of the schools involved that have an active role in the initiative and by experts from consumer associations.

During the meetings are given a chance to young people to acquire the basic knowledge of banking and finance that would enable them to understand and consciously use the instruments and the financial services in the field of credit, investment, savings and payment services and recognizing any potential risks.

Before and at the end of the course of the banking and financial education it will be give to the classroom a monitoring questionnaire aimed at detecting the UniCredit financial literacy index (which measures the effectiveness of the educational initiative in terms of increased knowledge of learners first and after the delivery of the financial education).

Due an intensive contact with schools, organization of the training sessions and management of school visits allowed the dissemination of information on the whole Italian territory.

3.2 Financial education for the social inclusion : the Ethical Banks.

In Italy, another important issues was the use of the financial education in order to foster the financial inclusion of the young people as well as poor people and other disadvantages groups (i.e. atypical workers, the tertiary and nonprofit sectors, low-income families, micro-enterprises operating in poorer areas of the country and immigrants). Of course, it is known that the concept of the financial inclusion enters, fully, into a wider concept of **social inclusion**. In fact, the main objective is to facilitate the integration or reintegration of outcast persons.

Financial inclusion is the set of measures to promote **the improving and the full financial integration of people excluded from the financial sector because they are in a situation of economic and social difficulties**. Acting on the marginality and supporting the integration, it is possible to satisfy those requirements that allow a person to accede to the financial system.

The appropriate access to financial services, is essential for many aspects of economic and social life (i.e. for consumption, saving, economic development, etc.). In fact, well-functioning financial systems are useful for a vital purpose, offering saving, credit, payment, and risk management products to people with a wide



range of needs. **Inclusive financial systems** - allowing a broad access to financial services - are particularly reliable on the benefit of **poor people and of other disadvantaged groups**. Without any inclusive financial systems, there are problems for poor people and Small and Medium Enterprises (SMEs). Poor people must rely on their own limited savings to invest in their education or to become entrepreneurs; SMEs must rely on their limited earnings to pursue promising growth opportunities. **This, can contribute for a persistent income inequality and for a slower economic growth.**

Indeed, financial inclusion can bring very significant benefits. It is such a stimulus to the poverty and to the inequality reduction, to encourage the social and economic growth of the less well-off. Particularly, financial inclusion contributes for the poverty reduction for two main reasons:

- the availability of appropriate and promising financial services has a direct positive impact on the welfare of the poor;
- the improving of the financial system functioning stimulates the economic growth and, indirectly, reduces the levels of poverty and inequality.

In addition, financial inclusion provides a contribution to stability and restores confidence in the banking and financial systems damaged by the global crisis.

An active role is played by political authorities, actors of the financial system, non-profit organizations and microfinance institutions. Political authorities play a significant role in the promotion of interventions to promote appropriate social conditions for financial inclusion, as: the support of the innovation and competition in the financial services market; the development of adequate infrastructures; the guarantee of an adequate protection for the users; the support of financial education initiatives. Actors of the financial system play an active role in the programs of financial inclusion, which represent an important sign of awareness of the banking world towards social problems and ethical values. They distinguish themselves in:

- traditional lenders, whose activity is devoted, only in part, to ethical finance;
- credit institutions, whose activity is devoted, completely, to ethical finance (such as development banks and ethical banks).

In this framework, the role of **Banca Popolare Etica in Italy** is to work for the common good and ensure the right to receive credit through a bank activity consisting in raising funds and reallocating them in the form of credits for cultural, social and environmental projects. Through their activity, **ethical banks promote social inclusion, sustainable development, development of social economy and social entrepreneurship.**



Ethical banks also have a role to raise public awareness on the role of money and the failure of the economy based on short-term and profit as the only objective.

The purpose of an ethical bank's credit activity is to have at the same time a positive impact at a social, environmental and economical level. For this reason an ethical bank addresses its collection/saving of money to socioeconomic activities aimed at social, environmental and cultural profit.

This objective is achieved through the support – in particular through not-for profit organizations – to activities for human, social and economical promotion, also dedicated to the weaker sections of the population and to the most deprived areas, **favoring social integration and employment.**

Name of project	"SCUOLA POPOLARE DI ECONOMIA" <i>"Popular School of Economics"</i>
Organisation and type of organisation (eg)	BANCA POPOLARE ETICA Italian Etichs Bank (private organisation)
Where it is	Milano and hinterland, Genova, Firenze, Arezzo, La Spezia
Aims and objectives	<p>The project aims to raise awareness about the importance of Financial Education and also to foster activities for human, social and economical promotion, also dedicated to the weaker sections of the population and to the most deprived areas, favoring social integration and employment.</p> <p>The main organizational challenges Banca Popolare Etica is facing are:</p> <ul style="list-style-type: none"> – to actually implement ethical practices, not just to talk about ethics; – to be competitive in a non-ethical global arena; – to meet the expectations of shareholders and clients by actively supporting nonprofit projects with high social value; – to promote social change; – to educate people to a more responsible use of money; – to find innovative and rewarding ways to invest peoples' savings that are beneficial to their region; – to define guidelines and operational tools to assess the social value of investments:
Length of programme	Four meetings of four hours (about 20 people)
How it is funded	By Banca Popolare Etica



The type of young people the program is aimed at and how many?	<ul style="list-style-type: none"> – Low-income people – Unemployed and long-term unemployed over 45 – University students – Retired people – Prisoners – Childrens (9-14 age)
Type of teaching and learning approaches used	<p>Financial education laboratories that include 4 meetings with about 20 people:</p> <ol style="list-style-type: none"> 1. kept accounts and family budget, as you read a financial statement, 2. a budget scheme : a booklet to write down the accounting income and fixed costs, and extra variables and how make a monthly and yearly budget 3. relations with banks, mortgages, loans and credit cards 4. last meeting: preparation of a business plan to start a small business <p>For the children it is foreseen a Money Show to explain to the children the importance of managing the money wisely.</p> <p>For the students it is foreseen a simulation game and a business game</p> <p>In the project founded by Banca Etica is foreseen also the promotion of the the Settimana dell'Investimento Sostenibile e Responsabile (sustainable responsible investment week), organised by the Sustainable Finance Forum. The week offers a packed schedule of events across Italy examining the relationship between finance and sustainability with a performance of the Pop Economix Live Show www.popeconomix.org a mixture of journalism and theatre, a show that looks at the financial crisis and some ways to make finance more transparent and aware of its</p>
Outcomes and goals	<p>Pop economix brought the live show in more than 150 Italian cities, involving about 40 thousand spectators. Theaters, schools, union offices, festivals: each place is good to talk about a good economy, but also to develop thinking.</p>
Name of project	"ECONOMIASCUOLA" by PattiChiari Consortium
Organisation and type of organisation (eg public /private)	PattiChiari Consortium an independent body with legal personality created by a consortium of Italian banks with the active participation of its partner Economiascuola.
Where it is located	<p>Italy – all Regions</p> <p>As far as possible, financial education actions reflect the characteristics of the region in which they are to be implemented. In the Calabria region, for example, the aim is to increase awareness of the importance of the legal economy, with a view to eliminating the informal economy.</p>



Aims and objectives	<p>PROGRAMME OBJECTIVES:</p> <p>To help consumers of financial products to make informed financial decisions. Includes multiple financial education programmes, particularly for students, with a view to their becoming financially responsible and educated adults.</p> <p>Key to the success of the programmes implemented are their wide geographical coverage, the many actors taking part, ease of implementation and standardisation, which makes them easy to reproduce.</p> <p>Legislation on financial education is the responsibility of the Senate and actions are implemented by the Ministry for Education in cooperation with numerous institutions such as commercial banks (Banca Popolare Etica , UBI, Banca Marche, Unicredit Banca, etc.), educational institutions (Sacro Cuore Catholic University and local education authorities), various consumer associations (ANCI, Adiconsum, ADOC, Altroconsumo, Casa del consumatore), and others.</p>
Length of programme	5 years
How it is funded	PattiChiari Consortium is composed from 58 private banks of Italy www.pattichiari.it
The type of young people the programme is aimed at and how many?	<ul style="list-style-type: none"> - Adults (i.e. young couples, households and the elderly) - Pupils (9 and 10 years old) - Students and young people (+ 12 to 18 age) <p>RESULTS ACHIEVED:</p> <p>Programmes in schools for 2010/2011 were accessed by 27 425 pupils from 405 schools, although over the last 5 years the programme has reached 261 000 pupils, from all regions of Italy. In addition to the concrete actions promoted by Pattichiari, the Bank of Italy carries out surveys of households every two years in order to ascertain levels of financial education.</p>



Type of teaching and learning approaches used

- **Programmes for adults:** In cooperation with consumer associations, programmes have been carried out in fifty cities with the aim of helping to improve people's understanding of financial products and enabling them to take responsible and well-informed decisions.
<http://www.pattichiari.it/home/pattichiari-e-gli-impegni/educazione-finanziaria>
- **A website** has been created www.economiascuola.it, aimed at the educational community and the general public. The objective is not just to train, but also to provide the opportunity to download materials for working directly with the target groups, and to **create a Community Area** for exchanging experiences.
- **"L'impronta economica plus"** ("Economic fingerprint plus"): This programme for adults is based on multimedia applications providing users with information on the management of economic resources. It is aimed at young couples, households and the elderly. It seeks to familiarise people with the use of budgets, responsible spending, preventing over-indebtedness and avoiding the excessive interest rates that sometimes comes with it
<http://www.economiascuola.it/impronta-economica-plus>.
- **Programmes for schools:** The system used to teach finance to pupils is the Teaching Mix, based on a "learn by doing" method, which enables children to learn even the most abstract and complicated concepts. Lessons are simple and interactive and experts share with pupils the skills and knowledge they have acquired in their professional lives.
- **Our community:** This programme deals with finances in everyday situations. The aim is to put students in direct contact with their local community by means of innovative and practical learning methods which teach basic economic dynamics and responsible behaviour, as well as the functioning of institutions. It is aimed at pupils of 9 and 10 years old.
<http://www.economiascuola.it/programmi/elementari/imp-ec-kids>.
- **"L'impronta economica"** ("Economic fingerprint"): Educational programme for young people aged 12 and 13, and for those aged 17 and 18 in their last year at school. They are trained in economics and finance, prompting them to examine aspects of finances in their everyday lives. The methodology is based on the simulation of real-life situations.
<http://www.economiascuola.it/programmi/medie/imp-ec-junior>.
- **Financial education week:** Banking professionals give master classes in schools based on economic realities, teaching basic aspects of money management.



Outcomes and goals

EXAMPLE-SETTING AND POSSIBILITY OF TRANSFER:

This is a model to follow, given the broad range of initiatives and the broad section of the population it reaches, and because it provides an example of public-private cooperation.

3.3 Financial inclusion of migrants in Italy: The Greenback 2.0 Project.

The financial inclusion subject has become part of the international agenda since 2009, when the G20 countries in Pittsburgh made a formal commitment: *“We commit to improving access to financial services for the poor. We have agreed to support the safe and sound spread of new modes of financial service delivery capable of reaching the poor and, building on the example of microfinance, will scale up the successful models of small and medium-sized enterprise (SME) financing”*, fixing the guidelines for the **G20 FINANCIAL INCLUSION ACTION PLAN**, which has led to the development of the **“Principles for Innovative Financial Inclusion”**, adopted during the Toronto summit in June 2010, and to the start of the **Global Partnership for Financial Inclusion (GPFI)**, with the intent of leading to the implementation of the agenda for financial inclusion, concretely enforcing the principles.

The European Union has also started to take the first steps in terms of financial inclusion through a study on retail payment services, which has provided a detailed outlook of the phenomenon and the publication of a series of recommendations on access to a basic payment account³, which has led to the issuing of a specific Directive “On the comparability of fees related to payment accounts, payment accounts switching and access to payment accounts with basic features”, approved by the Parliament on the 15th of April 2014⁴. The Directive introduces a series of rules aimed at ensuring adequate transparency and comparability of the costs related to payment services, ensuring full consumers’ mobility between payment service (and current account) providers within the Union and establishing the right to a basic payment account for all European citizens irrespective of residency in the country of application and economic financial situation.

Financial inclusion represents an increasingly necessary component so that the individual can act and be an active subject within the economic system and, consequently, the corresponding social one. In the past decades, in western economies, access to basic financial services has gradually turned into the precondition to participate to the economic and social life of a modern society, so much so that it is possible to talk about “economic citizenship”: from current expenses, to access to goods and services and,



in more than a few cases, even social welfare tools (social card, public benefits to support unemployment) and job market. Recalling social exclusion (Barry 1998, Ebersold, 1998) as to the collection of complex processes depriving certain people of access to a predominant life style, it is possible to define three dimensions for social exclusion:

- Economic dimension, as participation to the production and consumption process
- Political dimension concerning the level of political participation
- Social/relational dimension concerning the relationships and social networks sphere.

Therefore, financial exclusion has to take into consideration its link to social exclusion and namely with the individual's capacity to actively participate in the economic life of the country of residency (production and consumption). In order to fully understand the link between financial inclusion and social and economic inclusion, it is opportune to refer to a definition: *financial inclusion is the entirety of activities developed to foster efficient access and usage of financial services by subjects and organizations not entirely included in the ordinary financial system. Such services include financial credit services, savings, insurance, payment, funds transfer and remittances, programs for financial education and branch reception, along with small businesses start-up* (www.migrantiefinanza.it).

Such definition – adopted by **the National Observatory for the financial inclusion of migrants in Italy** – allows, first of all, to consider financial inclusion as the entirety of activities aimed at supporting individuals not only to access, but also to use, products and services that are available on the market, appropriate to their needs and that enable them to lead a normal social life in the society in which they belong⁷ (efficient use). Finally, if we accept the meaning of financial exclusion as the process whereby an individual accesses or uses financial products and services in order to make efficient and informed choices, it appears clear there is a link with financial education, meant as acquisition of knowledge, of awareness and of ability to manage resources and use financial products. Education is, therefore, an essential component of the process for financial inclusion, preventing and removing some of the causes fostering the exclusion phenomenon. Technological progress, financial innovation and market development itself (and the deriving deregulation) have all rendered the financial choices individuals have to face more complex and numerous. More generally, the evolution and development of financial markets does not seem to go hand in hand with the proportional growth of citizens' knowledge. The recent financial crisis has further strengthened this conviction.

The process for financial inclusion is therefore a complex and multidimensional phenomenon, involving the economic and regulatory sphere, market access and functionality, the cultural and religious sphere,



transparency and consumer protection, education and public policies. For these reasons and for the role financial inclusion is assuming in the process for the individual's integration in the economic and social fabric of a country, we deem it should be considered within integration policies.

The migrant, from a socio-economic point of view, appears as a subject characterized by greater vulnerability. Deprived of credit and financial history, of financial capital from which to draw, with a greater level of insecurity with regards to work, housing and competencies acknowledgment and valorization and taking into account language and cultural difficulties linked to the condition of migrant, **he is more and more exposed to risk of social exclusion.**

Access to financial services and products represents an essential resource in the integration process and its exclusion entails much higher social costs for the migrant compared to the local citizen. It reduces vulnerability, both with respect to saving capacity and less resorting to informal channels and also with respect to capability to face emergency situations. The availability of **asset-building tools** aimed at accumulating and protecting savings appears to be indispensable to increase the possibility to fit in the social (human resources valorization, investments in education and professional training) and productive (work, business start-up, investment possibility) fabric. Last, but not least, financial inclusion is an important tool for job mobility within Europe. There is, finally, an additional aspect specific to migrants financial inclusion, represented by the remittances phenomenon. The financial system's capability to intercept and contribute to channeling and, moreover, to valorizing these flows (in terms of leverage, productive investments and so on) becomes, therefore, essential and indispensable.

Historically, in Italy, **the first financial inclusion factor for the resident migrant has been connected to work:** the current account has represented a necessary condition to access the job market. In time, the financial system has gradually equipped itself for the new challenge and opportunity represented by an absolutely new clientele target; from being a spectator of the **bancarization process** which was involving it, it has become a player. Throughout the years **"migrant banking"** and **"welcome banking"** initiatives have multiplied. A whole productive sector, the **Money Transfer Operators**, linked to the transfer of remittances toward countries of origin, has developed at a fast pace, becoming a significant sector.

The economic-financial inclusion process has, however, shown throughout the years, a complexity and an evolution requiring a capacity for innovation and adaptation within a system approach, able to integrate operators' strategies with appropriate regulatory and policy tools. An initial bancarization is followed by awareness of a clientele which presents strong elements of heterogeneity, linked mainly to the level of integration process advancement within our country, showing new needs and requiring, therefore, new



financial tools; it is the case, for example, of the immigrant entrepreneur that still has a frail financial profile, but important and lively in a productive contest such as the Italian one. The actual challenge the Italian institutions are to meet represents a step forward compared to the general basic bancarization of immigrants, which remains, however, a current objective renewed with new arrivals, and requiring more evolved and complex tools, even of support and analysis. The availability of data and comparative studies, able to dynamically show current trends, the international contest and other countries' experience, appropriate tools for information and for the formation of financial inclusion-oriented culture, are all ingredients that can contribute to the progress and strengthening of the financial inclusion process, therefore immigrants' integration, on track for a transparent, competitive and socially responsible market.

In these last three years of activity, **the National Observatory for Financial Inclusion of migrants in Italy, unique experience in Europe**, has carried out a complex system of activities starting from an increasingly deeper knowledge of the phenomenon, through a wide and articulated, besides being highly representative, wealth of data and information. There **are four areas of principle activities**, for which the results have been summarized and divulged through public events and Annual Reports:

- Developing analysis to improve knowledge of the phenomenon of migrants' financial inclusion;
- Identify, also from a European point of view, good practices in terms of financial inclusion in order to activate innovative processes for the replication and capitalization of gained knowledge (www.buonepraticheinclusione.it);
- Defining tools, opportunities and occasions for information and training aimed at the main stakeholders involved in the process for the financial inclusion of migrants;
- Create and manage a steady interaction table among operators and policy makers.

In this framework, it is necessary to mention **the Greenback 2.0 Project - Remittance Champion Cities** launched **in Turin (Italy) in 2013** by the **World Bank** in partnership with the Turin City Government in order **to implement initiatives aiming at increasing transparency and efficiency in the market for remittance service**. With over \$400 billion officially recorded flows to developing countries remittances are a critical source of national and families' income.

However, high transaction costs and other inefficiencies in the process often adversely impact migrant workers and their families. Some of the key challenges in effective remittance services are users' **access to information and healthy competition** amongst remittance providers at the sending as well as the receiving end. The G8 and G20 have therefore set among their objectives the reduction of the average cost of remittances by 5 percentage points in 5 years (5x5 objective). Achieving the objective would save \$16



million per year: these funds would simply remain to migrants and their families and could contribute significantly to improving the living conditions of the migrants themselves as well as reducing poverty in their countries of origin.

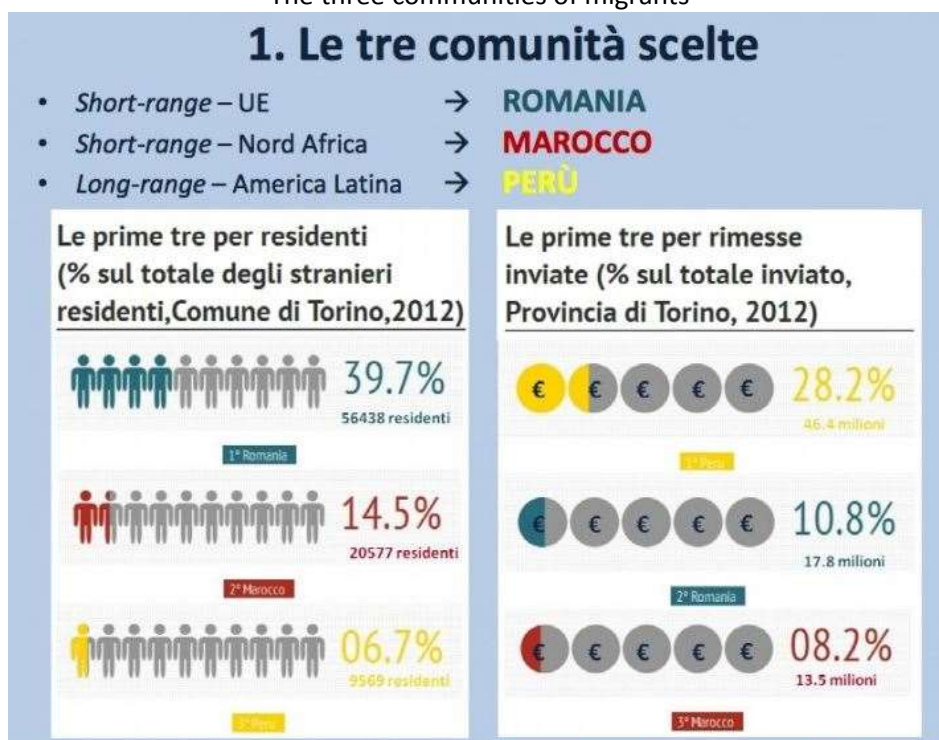
The Greenback 2.0 Project aims at increasing efficiency in the market for remittances through an innovative approach: **promote change inspired by the real needs of the ultimate beneficiaries of international money transfers**: the migrants and their families at home.

Name of project	Greenback 2.0 Project- Remittance Champion Cities www.mandasoldiacasa.it
Organisation and type of organisation (eg public /private)	World Bank in partnership with the Turin City Government (Public Authority) and Cespi
Where it is located	Turin (Italy)
Aims and objectives	Greenback 2.0 is a Pilot Project that aims at increasing efficiency in the market for remittances through an innovative approach: promote change inspired by the real needs of the ultimate beneficiaries of international money transfers: the migrants and their families at home. In Project Greenback 2.0, Remittance Champion Cities are selected. The World Bank work to implement initiatives aiming at increasing transparency and efficiency in the market for remittance services. The focus is on migrants and their needs. Cooperation between migrants, remittance service providers, and public authorities is key for the achievement of the Project's objectives.
Length of programme	2 years
How it is funded	By the World Bank and Turin City Government

The type of young people the programme is aimed at and how many?

It has been working on a survey among remittance senders, and it has been mapping and monitoring the services that are available to them when they seek to send money home. The survey focused on **Romanians, Moroccans and Peruvians** – the most numerous immigrant groups in Turin, who together account for more **than 60 percent of the city's immigrant population**.

The three communities of migrants



Type of teaching and learning approaches used

- Preliminary Survey with handing out of questionnaires
- Lectures
- Financial education laboratories
- Awareness campaign
- The production of a handbook on financial literacy for remittances: a financial literacy tools to empower migrants and their families ("transnational families") and strengthen their financial management.

In order to:

- Implementing best practices and dedicated services by market operators
- Promoting transparency among the migrants

Learning method

- Cooperative learning
- Simulation of real-life situations

Outcomes and goals

From the results of the preliminary survey, it is possible to note that about 80 percent of respondents have at least one bank account. On the other hand, less than 6 percent of them send money to their home countries from their bank accounts, and **83 percent of respondents use a money transfer operator (MTO)** as their preferred provider. It seems that there is an open channel that is not being used to its full potential, thus **reducing the level of competition in the marketplace.**

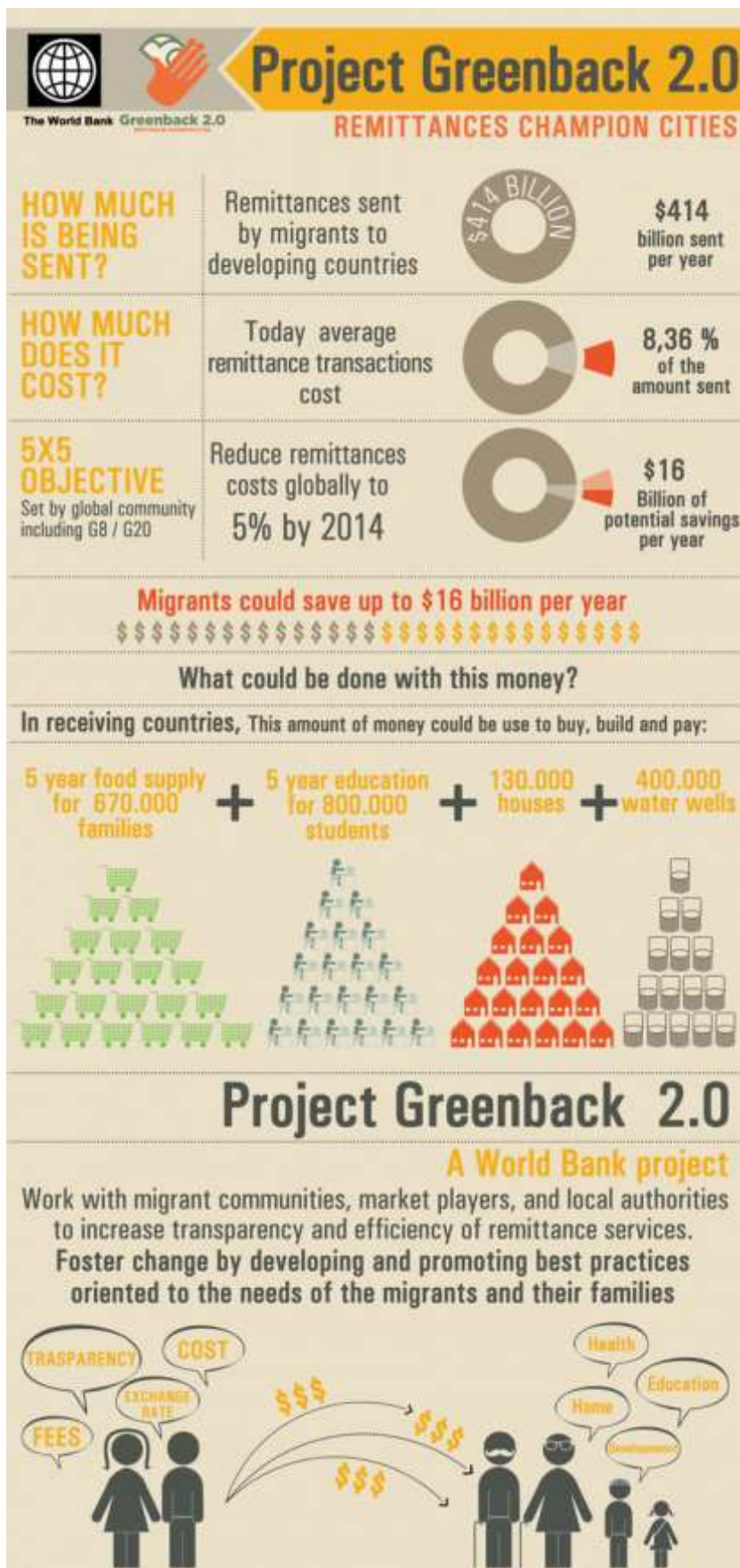
Another important aim of the Greenback 2.0 Project is to test and prove at a local level the efficiency of the best practices promoted by the World Bank for the achievement of the 5x5 objective which aims for the reduction of the average total cost of remittance prices to 5 percent, would already have been achieved if the perception of respondents to the preliminary survey in Turin were accurate

The perceived average cost per transaction, expressed as a percentage of the amount sent, is around 3 percent. Unfortunately, their perception does not reflect the real cost: The World Bank Remittance Prices Worldwide database estimates that it is over 7 percent.

The majority of respondents are apparently not fully aware of all the elements of the cost of sending remittances: They generally believe that the only cost is represented by the fee. Only 36 percent of respondents are aware that the total cost includes other components.

Remarkably, **the percentage drops to zero when money is sent through a bank.** This fact confirms that transparency of pricing is an issue of serious concern for remittance services.

Turin is the first Remittance Champion City. The Remittance Champion Cities will be laboratories where to show how the issues related to remittance transactions can be addressed, and to demonstrate how **remittances can be leveraged to increase financial inclusion and promote development.**

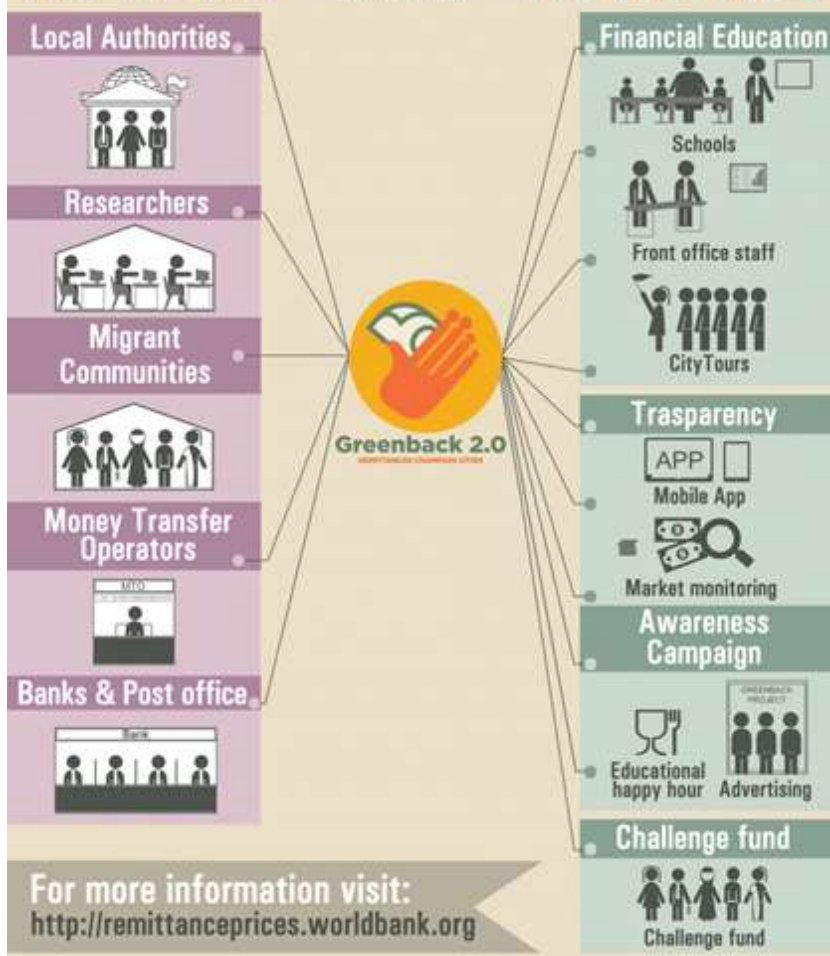


TORINO has been chosen as the first
REMITTANCE CHAMPION CITY



To encourage the development of a **SOUND, EFFICIENT** and
MIGRANTS DEMAND ORIENTED market for remittances

Greenback 2.0 builds a network of
ACTORS AND ACTIVITIES



4. RECOMMENDATIONS FOR POLICY AND PRACTICE

4.1 Implications and future recommendations

Achieving significant financial inclusion successes requires partnership and participation among government agencies, the private sector, and civil society since all have essential and unique roles to play. Central banks are well positioned to take a leadership and coordination role to help maximize efforts, overcome barriers, and steer activities towards shared goals. **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.
- **Levies on the financial industry**: statutory levies on the financial services sector can be applied by the national regulator or supervisory authority.
- **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.
- **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 coordinating committee. 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. A few countries have also developed codes of conduct on the involvement of the private sector in financial education (for example, South Africa developed Charter Implementation Guidelines for the activities that the mandatory financial education activities conducted by the financial sector).

Financial education is more than just education for the sake of it: it is also about empowering people, addressing social exclusion and promoting responsible consumption.

Looking to the future, there is a broad consensus among bodies and institutions on the importance of the financial education at national level and all together should to provide sufficient resources in order to promote the following initiatives:

Implement common methodology to assess people's level of financial literacy and inclusion.

- ☞ Ensure there is more **financial education on the curriculum in schools**. Implement international methodology to assess the efficiency and effectiveness of schemes in schools.
- ☞ **Draw up national strategies on financial education**, with appropriate processes for monitoring and impact assessment.
- ☞ Strengthen financial inclusion strategies. **Step up efforts to target specific groups** (young people, women, immigrants, people on low incomes).
- ☞ **Protect consumer rights on financial products**.
- ☞ **Set up a system at EU level** to ensure the best initiatives on financial education and best practice are given public recognition.
- ☞ **Strengthen cooperation between the European Commission, the OECD and national governments** to exploit potential synergies and avoid duplication of work and organize regular inter-governmental meetings on financial education schemes in progress and include these considerations in the national political agenda (these meetings should not only involve describing the actions which are being carried out but also assessing their impact).



- ☞ **Organise a European day for financial education**, for example, endorsed by the EU presidency at the time, and promote an annual conference on financial education, with the involvement of recognised experts.

Lastly, it is very important to underline that the needs of financial-product users must be a priority issue at high-level international **as suggested during the G20 summit held in June 2012** tied in with these recommendations, endorsing the full implementation of measures to promote financial inclusion and financial education through the use of innovative approaches and models offering practical tools for this purpose, such as exchange of best practices.

More specifically, the G20 insisted that women and young people who are at risk of social exclusion must have the option of using financial services and financial education, identifying the barriers they face in gaining access to valuable, affordable, secure and comprehensive financial services.



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*Developing participative processes for the
generation of a financial education curriculum
addressed to young adults at risk*
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1. INTRODUCTION

Financial literacy has gained more importance in recent years as a core skill for financial well-being due to more sophisticated financial markets, increased complex array of financial products, and socio-economic changes worldwide (OECD, 2005; Atkinson & Messy 2012). Citizens of modern age face the challenge of understanding different types of bank account and cards, online banking, a great variety of credit and savings instruments, different pension arrangements, and types of insurances. They have to navigate among these products and make financial decisions that may affect not only their financial but also psychological well-being (Xu & Zia, 2012). It can be overwhelming for those who have little or no financial literacy. Euro Barometer Survey (2005) showed that considerable amount of people in EU find financial issues complicated, intimidating and even depressing. This can be due to the fact that many consumers do not have an adequate financial background to deal with the financial issues. Result of financial literacy surveys indicated a low level of financial understanding, and a lack of awareness of financial issues and problems even in well-developed economies (Lusardi & Mitchell, 2011; OECD, 2005). Moreover, level of financial literacy is related to certain demographic factors such as gender, income and education level; women and less-educated, those with low income have an acute level of financial literacy (de Bassa Scheresberg, 2013; Mitchell & Lusardi, 2015; Xu & Zia, 2012).

Several studies have shown that financial literacy is related to financial behaviour. For example, people with low level of financial literacy are found to be less likely to plan for retirement (Lusardi and Mitchell, 2009, 2011a, 2011b), to accumulate wealth (Stango & Zinman 2009), to participate in the stock market (Van Rooij et al. 2011) and more likely to use high-cost borrowing (de Bassa Scheresberg, 2013). Moreover, it is also well-known that financial literacy contributes not only to the financial well-being of the individuals, but also to the markets for financial services (EC, 2011; Gnann et al., 2007; OECD, 2005).

Parallel to increased awareness in the academia, financial literacy has also received considerable amount of attention from the policy arena. At the national level, governments and banks, including the central banks, have given much consideration to financial literacy and financial education. At the European level, both the European Council and Parliament have determined financial literacy as a priority area and fostered member states to perform necessary actions to increase financial literacy. At the global level, OECD leads the financial literacy and education research and activities, yet World Bank, and UN have also devoted attention to financial literacy. Moreover, transnational initiatives such as Child and Youth Finance International have been working to increase awareness and level of financial literacy around the globe (See EC 2011, Gnann et al., 2007).

Financial literacy can be accepted as one of the “skills for life” that comprises the foundation of the basic adult education and literacy. In addition to other skills such as writing, reading, oral language skills, listening, understanding, dealing with dimensions and shapes, and ICT (information technologies), it is highly related to numeracy, and dealing with facts and figures (Rath, 2007). In the



modern world, it is one of the basic skills for financial wellbeing and survival. Europe 2020, the EU's strategic growth strategy, aims to promote smart, sustainable, and inclusive growth and so called basic skills, literacy, numeracy, science, and technology, are also identified as a key factor in the achievement of this strategy. These skills are accepted as the foundation for further learning and are a gateway to employment and social inclusion by the EU. In Europe, approximately 20% of the young generation is not equipped with the necessary basic skills in literacy, mathematics, science and technology (Europe 2020, 2015). Financial literacy is one of the skills that they lack.

Despite this amount of attention paid to financial literacy and education, financial education is still low, especially among young adults at risk, that is, young low-skilled adults (18-34 years) without compulsory education. Young adults are ill-equipped to deal with ever-increasing financial responsibility. And their lack of financial education is probably generated for their lack of basic skills and compulsory degrees that reduce their opportunities of being competitive and access to learning and training opportunities included under the EU initiative Youth on the Move. However, despite the OECD and EU Recommendations, there are currently few projects, researches or studies on financial education which are especially focused on young adults at risk. This is a serious omission as young adults will soon have to make ever more complex yet critical financial decisions and they must be prepared to face new and changing economic environments.

Furthermore, the inclusion of the voices of the young adults is not taken into account when elaborating any curricula on financial education although it has also being included in the OECD Recommendation. The inclusion of their voices is essential not only to meet the real necessities and demands on financial education but also to promote a full participation of young people in the definition of the current and future financial environment.

Hence, the present project aims at the establishment of a learning curriculum on financial education based on the experiences/expectations of young adults at risk themselves in order to meet their real needs on financial literacy.

Objectives:

- Develop a participatory process that allows the implication of young adults at risk. To facilitate the participatory process, national working teams of young adults will be created in organizations which are directly working with them.
- Carry out a comparative study on financial education programmes in the partnership countries.
- Collect the participatory process followed in the organizations in a methodology that could be afterwards implemented in other organizations working with young adults.
- Organize transnational and national seminars to disseminate the methodology and curriculum among young adults, organizations directly working with young adults at risk and public administration.
- Carry out meetings with young organizations, organizations directly working with young adults at risk and public administration in order to guarantee the sustainability of the curriculum and the methodology abroad.

Within this theoretical and methodological framework, this report aims to map out the policy and practice in relation to the financial literacy and education programmes in Austria for young people and especially those aimed at marginalised groups of young people who are at risk of social exclusion. It will identify good policy and practices across Austria providing basic features of each. Last but not least, this report will draw on the examples of good policy and practices in order to make recommendations to improve policy and practice at national and European levels in relation to financial education curriculum for young people.

1. AN OUTLINE OF THE NATIONAL CONTEXT

1.1. Demographic Structure

Austria is a democratic republic and a federal state composed of nine autonomous provinces (*Bundesländer*). Federalism in Austria is rather weak, as the nine provinces have no jurisdiction of their own and all major financial decisions are made at the federal level (Eurydice, 2015).

Austrian population has reached 8.58 million by January 2015 (Statik Austria, 2015). Demographic characteristics of the population can be summarized as follows: children and adolescents (aged 0 to 19) living in Austria are one fifth (19.9%) of the total population, while 61.9% of the total population are of working age (between 20 and 64), and 18.3% of the total population is aged 65 and above (Statik Austria, 2014). 16.6% of the population was born outside Austria. In terms of educational attainments, Table 1 shows the 2012 statistics of the Austrian population between 25 and 64 years.

Table 1. Educational attainments of Austrian population between 25 and 64 years

Educational attainment	%
Compulsory education	19.1
Apprenticeship	35.6
Intermediate technical and vocational school	15.4
Academic secondary school/ Higher technical or vocational college	14.7
Post-secondary college	2.7
University or university of applied sciences.	12.5

Regarding unemployment and economic situation of the population, unemployment rate was reported as 7.5% in December 2014 (Statik Austria, 2014). The average household net-adjusted disposable income per capita is 29.256 USD a year, higher than the OECD average. But there is a considerable gap between the richest and poorest – the top 20% of the population earn nearly four times as much as the bottom 20% (OECD, 2014).

In 2014, 10.608 people declared personal bankruptcy (Schuldenreport 2014). In 2008 38% of the households were registered as indebted. Angel and her colleagues (2009) state that half of the population is indebted, and mostly for housing-related credits. The incidence of indebtedness decreases among older people and is greater for high-income groups than for low-income groups.



Their study showed that 9% of the population are over-indebted. One-parent-households, younger people, people with low education and low income, multiple-parent-households with three or more children and Non-EU-citizens bear an above-average risk of arrears and indebtedness. In terms of financial exclusion which refers to limited access to financial services, the data of EU-SILC 2008 show that 2% of the population lives in households in which no current bank account is available. Moreover, older people, low-income groups and Non-Austrian-citizens have limited access to insurance, credits and bank accounts (Angel et al., 2009).

Young people at risk in Austria can be identified as those who are at risk-of-poverty and social exclusion, those who are neither in education nor training (NEET Youth) and those who are early school leavers (dropouts). Even though there is no statistics regarding the poverty of the this specific group 18-35, according to 2014 numbers 17,6% of men and 20,6% and 23,3% of children (0-17) are considered as at risk-of-poverty or social exclusion. Moreover, 4% of the population are severely materially deprived¹ in Austria.

Second group of young people who are at risk can be identified with NEET. NEET groups are young people (15-29) who are neither in employment nor in education or training. According to OECD statistics (2014b) in Austria the percentage of young people (15-29) neither in employment nor in education or training is 9.7%. Study of Bacher et al. (2014) indicates that among these NEET youth, 9.2% of them are in waiting position, almost half (46.9%) are actively looking for work, 22.4% would like to work but not actively looking for a job, and 21.5% of NEET youths are neither looking for a job, nor want to work due to their care responsibilities.

In addition to this specific youth group, early school leavers, or dropouts are considered as youth at risk. The number of early school leavers has decreased since the mid-1990s and is significantly below the EU average. The term early school leavers refers to people between 18 and 24 years of age whose highest qualification is below upper secondary level and who are not participating in training or further education. In 2013, the proportion of early school leavers in Austria was 7.3% (EU-15: 12.7%; EU-28: 11.9%). A total of around 53.000 Austrians therefore had no further education qualifications, of whom 27.000 were young men and 26.000 were young women (Statistik Austria, 2015). Analysis of Lentner and Bacher (2014) shows that 46.1% of all early school leavers are affected by competence poverty that they could achieve a maximum competency at level 1 in reading literacy in PIAAC. This also illustrates that early school leavers are most affected by poor reading literacy and almost half of these young people do not have basic reading skills in Austria.

1.2. National Terrain of Financial Literacy and Education

Financial literacy has been an issue in Austria that receives increasing attention especially since 2000s. Austrian National Bank (OeNB) (Taborsky, 2014) describes the situation in Austria as follows:

¹ The material deprivation rate refers to the situation of people who cannot afford a number of necessities considered essential to live a decent life in Europe. The material deprivation broad categories (deprived, severe deprivation, extreme deprivation) are based on the number of items people lack out of a list of nine material deprivation items (EU-SILC definition,)



first of all, it is accepted that children and teenagers are confronted with financial issues and financial decision making increasingly earlier and that providing necessary education to children and teenagers are extremely important. Due to this awareness, most of the financial education/literacy programs in Austria target children and teenagers and dates back to 18th-19th century; in the 18th century, in the vocational schools related to business and in the 19th century it was offered as part of the curriculum within the general education (Tiefengraber, 2014).

However, OeNB (Taborsky, 2014) underlines that neither the curricula and textbooks nor the teachers are well prepared for teaching financial literacy in the schooling system. Moreover in the compulsory and general secondary education, financial education is not provided as a separate subject in the compulsory curriculum. It is generally taught under the geography and economics. But as Fridrich (2012) indicated, the emphasis is very low and teachers are not qualified to teach. Financial education is provided explicitly in vocational secondary schools called “commercial colleges” (Handelsschulen). In these schools, following subjects are covered; Business Mathematics, Business studies, Accounting/Controlling, Economics, and Business Informatics. Other types of vocational schools also provide financial education, but with a light coverage.

Second, the number of clients who visit the over-indebtedness counselling agencies has been increasing dramatically, and the age average of the clients is getting younger. In 2014, 26.9% of those who sought help at debt counselling agencies were below 30 years (Schuldenreport, 2014).

Third, despite the high level of awareness regarding financial literacy, Austria lacks a national strategy on financial education (OECD, 2013). Work programme of the Austrian Federal Government 2013-2018 highlights as an aim to improve knowledge and understanding of the capital market (boost financial literacy) (p. 15). However, no national strategy has been developed to reach this aim. Currently, 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. But Austria is not among those countries either (OECD, 2013).

Fourth, parallel to lack of a national strategy, the landscape of providers is very heterogeneous. There are several public and private national and regional institutions; governmental agencies, consumer advocate organizations, employee representatives, enterprises, and NGOs that provide economic and financial education. Schlögl (2007) states two reasons for the involvement of these institutions in financial education: (1) it is their corporate purpose; or (2) it is in their business interest to raise financial and economic literacy and they see it as part of their social responsibility. National and private banks and debt counselling agencies come at the top of the list of financial education providers. Gnan et al (2007) list 5 basic reasons for central banks’ involvement in economic and education: (1) to enhance the effectiveness of monetary policy, (2) to ensure the smooth functioning of financial markets, (3) to support sustainable economic policies, (4) to promote economic and financial literacy as a public good and, by doing so, (5) to build their reputation and acceptance for their actions (p. 34). Major actors in the Austrian financial education and literacy are described below with their main objectives and programmes they offer.

1.3. Actors of Financial Education and Literacy

- 1) **Austrian National Bank (OeNB):** OeNB is one of the most important actors and providers of financial education. Promoting economic and financial literacy has been a key part of the information activities that address both the general public and the specific target groups such as students and teachers (Schlögl, 2007). It offers a wide range of activities, products and services for different target groups. Target groups that the bank serves are children (school kids and adolescents), university students, teachers, schools from all levels, general public, and research and funding institutions and foundations (Fluch, 2007). The OeNB has a great interest particularly in young people and children. They attach great importance to familiarizing young people and children with the economic and financial fundamentals. Thus, one of the OeNB's key products is the "money and currency" school information kit. It was designed for students ages 10 to 14, but can also be applied in secondary and vocational schools. The information kit was delivered free of charge to more than 30.000 schools and it contains teaching materials, brochures, worksheets, and slides about the Austrian financial system, on money and the role of OeNB in the European System of Central Banks. Teaching content includes the history of money, origin and development of European Union, and monetary policy making institutions and their key tasks. This kit is also available in CD-ROM and online (www.oenb.at).

Another important service of OeNB is the *Money Museum*. It offers guided tours and one hour free lectures on the history of money and monetary and economic policy. The guided tours make learning about the exhibits on display enjoyable and intellectually stimulating for a young audience. Lectures are held in cooperation with the Austrian Museum for Social and Economic Affairs. They generally aim to deepen the knowledge students already have learned at school, but can also tailored according to specific curriculum demands. In 2006 more than 3000 students from 115 classes attended the lectures at the Money Museum (Schlögl, 2007) and more than 16.000 people visited the museum in 2010.

Euro Bus that is active since 2002 is another service of OeNB. For more than 10 years, Euro Bus has been touring around the whole country and providing information on euro, euro-schilling exchange, and answering questions of the public. Recently, Euro-bus is on the road for Euro Kids Tour in Austria. It aims to inform primary school children about the functions of money, and on the security features of euro banknotes. Euro Bus provides a lot of visual aids such as a treasure chest. The content of the chest is used to explain the development from exchange trading to use of money. In addition, each child can practice himself/herself the security features of the Euro and is supported professionally by Euro Kids Tour staff 'employees'.

In addition to these activities and services, the OeNB provides an online portal for financial education which includes downloadable teaching materials, presentation of lectures and seminars and workshops, videos, competitions and interactive tools such as Finance-cockpit, Inflation-cockpit, online quiz „T€mpo“, Top Floor and Inflation Island for different target groups (For more information please visit <http://www.oenb.at/Ueber-Uns/Initiative-Finanzwissen/Interaktive-Anwendungen.html>). Despite the facts that most of the materials at the portal were designed for the schools at different levels, OeNB has launched several campaigns to inform the public in general about the basics of the economy such as purchasing

power, gross domestic product, or price stability. These campaigns have been broadcasted through different channels as TV, radio, print media, trade fairs events, folders and brochures.

The OeNB not only actively promotes the financial education at the primary and secondary education and public level but also the advancement and dissemination of economic knowledge at the university level (Schlögl, 2007). It provides funding for research projects in social sciences, economics and humanities as well as granting rewards and scholarship to young economists.

- 2) Commercial Banks:** Commercial banks are also important players in the area of financial education in Austria. Especially Bank Austria and Erste Bank are the leaders in this arena after OeNB. In accordance with their business interests, these two banks offer several services and channels to promote financial literacy and education. Bank Austria, views financial education as a social responsibility and one aspect of sustainable development of the domestic economy. Within this framework, they provide two online portals for young children and students as well as young adults and adults: My Money (Mein Geld) and Financial Education (Finanzbildung). My Money is designed more for young adults and adults and provides information on money management, saving tips on holiday or while driving, help for over-indebted people and specific tips for parents regarding money issues with their children. There are also several online tools on the portal such as budget planer or household planner. It uses different media such as videos or brochures and folders to download on the issues listed above. Financial Education portal (www.finanz-bildung.at), on the other hand, aims to share the knowledge of Bank Austria and its cooperation partners about money and finances and promote financial education in schools at different levels. It is structured specifically for teachers, students and high school graduates and university students. It includes teaching materials, games, useful links and other materials for each target group. It also includes a quiz “do it yourself” that one can test his/her knowledge on finance and economics.

In addition to these online tools, Bank Austria together with the Austrian Social and Economic Museum offer schools free workshops to interested schools on financial literacy. In 2012, 180 workshops have been held for more than 3,500 students at Austrian schools got an overview of the most common financial products.

Last but not least, Bank Austria is one of the partners of the international school project “The Business School Games” (www.schoolgames.at) with REWE International Group, and The Federal Ministry of Economy, Family and Youth (BMWFJ). It aims to better prepare students for the demands of working life in order to improve their job opportunities. Participation is open to all schools in the lower and upper secondary level. Teachers receive board games, internet games, teaching materials, practical projects, career information and offer personal development modules for their classes based on competence learning model in a cross-curricular way. The Business School Games are free to all schools and are funded by sponsors. The didactic principle of Business School Games is based on the realities of the economy and jobs that are illustrated with the examples of real companies and brands which students either already know, or that they can easily get familiar. These companies and brands are involved in all aspects of the project and contribute to the students to make business and professions easier to understand. From the school year 2012/13, materials for the following fields are



available: Economics, English, Physics, Chemistry, Biology, Mathematics, and Physical Education. There have been tournaments among the schools, first at the local and then at the national level and then at the international level. Teams of six competed against other schools to win not only the attractive rewards but also the internships provided by the sponsors.

Erste Bank follows a similar approach as well. It uses internet as the main channel for financial education. On its website three different groups are targeted with different online portals; “An espresso with Rainer Münz” for adults, “Money and so” (Geld und so) for teenagers and “Sparefro” for children. Adult portal includes informative videos of the talks and presentations given by Rainer Münz, who is the Head of Research and Knowledge Center of Erste Group. He simply and clearly explains economic issues, questions about the world economy, finance, banking, economic policy and much more. In Geld und so (www.geldundso.at), fact sheets, informative texts, tips, worksheets, online games and videos about common problems teenagers and young adults may face in their financial life, such as costs of their first flat, saving money, bank accounts, and credits are presented. Colours, pictures, videos and design were done age appropriate. In addition to online materials and tools, website also provides a package for different types of upper secondary schools. They also offer free workshops for interested schools. And the portal for children, (www.sparefro.at), offers games, puzzles, comics, and radio and TV programmes for children, mainly cartoons, based on the adventures and experiences of the coin man “Sparfro.” Sparfro has tips, advices, and information for both parents and children regarding the value of things, business, markets, pocket money, bank services, insurances, credit cards and bank automats, history of money and money types. In addition to these services, Erste Bank publishes a magazine for children “Sparfro Magazin” seven times annually.

Other than these two banks, there exist other projects initiated or sponsored by commercial banks. One of these projects is Finance and Risk Management (FIRI). FIRI is a specialized project designed for business schools. It provides in-depth knowledge of the banking and insurance sectors. Currently FIRI is taught in Vorarlberg, Tyrol, Salzburg, Upper Austria, Lower Austria and Vienna. The training was jointly developed and designed in close co-operation between schools and banks and insurance companies in Vorarlberg. The initiative came from the Vorarlberg Chamber of Commerce, and it is supported by almost all the commercial banks in Austria. As part of the FIRI education, students have the opportunity to acquire a certificate that is issued by the Chamber of Commerce. An important aspect in the FIRI training is the high practical relevance, as reflected in various aspects: cutting-edge FIRI-teaching materials; technical presentations by experts from banking and insurance; local practical seminars; holiday jobs in banking and insurance.

- 3) **Austrian Museum for Social and Economic Affairs-Gesellschafts- und Wirtschaftsmuseum:** This museum has been serving the Austrian people since 1925 as a non-profit, non-partisan association for the promotion of public education. Its primary objective is to provide the public with clear, understandable, information about social and economic developments with a focus on Austria (Schlögl, 2007). The main target group is defined as “young people.” It aims to familiarize young people with the financial and economic forces in the Austrian economy in

international context through various products such as presentations, modular lectures, traveling exhibitions, and computer games. Visitors to the museum are invited to learn more about economic basics by viewing wall charts, models, short videos, publications and a modular exhibition. This modular exhibition provides information on social and economic developments. The issues covered are; labour, the budget, the EU, money and currency, innovation, capital market, agriculture and social security system. There is also a permanent workshop for children aged 6 to 10 which shows them the economic processes of the production of potato chips. For teenagers, interactive learning and teaching software that measures their knowledge about labour, employment, federal budget, euro, the EU, and the economy is also in use. Answers to this software are all in the modular exhibition.

In addition to its own products and services Austrian Museum for Social and Economic Affairs cooperates with other institutions such as OeNB, commercial banks, or Vienna stock exchange for different projects designed for secondary academic schools, vocational schools and colleges. With these projects the museum reached more than 14.800 students from all over Austria in 2006 (Schlögl, 2007). Its traveling exhibition on economic and monetary policy was shown in 52 academic secondary schools.

In 2006 the museum had 138.660 visitors and more than 6000 guided tours. Along with its other cooperation projects this makes Austrian Museum for Social and Economic Affairs one of the most important providers of economic and financial education in Austria.

- 4) The National Economic Society of Austria-Volkswirtschaftliche Gesellschaft Österreich:** It is an independent educational institution founded to disseminate economic knowledge and promotion of social skills. For more than 50 years Economic Society Austria-Volkswirtschaftliche Gesellschaft Österreich (VWG) (www.vwg.at) has been acting as a leading provider for vocational seminars and specific initiatives in schools on finance and economy. They have 9 regional branches in the states of Austria and offer practical, sustainable and meaningful projects and seminars for students and apprentices. They aim to convey clear and understandable information on business administration and economics using different approaches and to promote the independence and autonomy of young people to prepare them better for the personal and professional challenges. They operate as a platform to promote mutual understanding between schools and businesses. They cooperate closely with the businesses and other institutions of the economy, with schools and ministries, with associations and public bodies. One of their initiatives is “Open Your Eyes” program which is based on series of presentations and workshops on current economic policy issues and on improving job skills. This program is designed for students of upper secondary students in academic and vocational training. Right now they have another initiative for schools with the motto “To experience economy is to understand economy”. Students are given the opportunity to gain more practical experience and "taste" of the working world presented by industry experts through presentations, workshops, and professional exchanges about real economic projects in their schools. A wide range of current economic, financial and international issues that suit to the school's wishes or needs can also be structured for individual schools. These seminars are free for schools.



In addition to these, VWG provides economic and business simulation games and programs (such as Ökoweb, Ökotopia, Ökonomia, €-Cost, €-Trade and Junior) to cultivate entrepreneurship and to foster understanding of complex business world. Junior Company Program and Junior Innovation Camp for students aged between 11-14 and 15-19 years old offer chances for students to develop their business ideas and experience a real life business management from idea to production and sale. All the ideas compete at a national competition and the best ones are rewarded by the Austrian Chamber of Commerce. Ökonomia, an economic simulation game, targets students aged 15 to 19 and aims to make students better understand the economic structures and process. The players of the simulation are divided into four groups that represent the government, employees, consumers and companies. The game master presents the scenario and the fundamentals such as the wages, production volumes or consumption rates. Then the teams start the game and fight for its own group's interests on the basis of its calculations, while at the same time they try to reach an agreement with the other teams. In the following step, game master and the players analyse the implications of decisions taken (tax increases, wage increases, or investments) using computer based calculations. Another program offered by VWG is Commercial Competence Certificate (CCC). In this program, students participate in a series of lectures given by the experts from the field. Topics for the lectures can be also tailored according to needs and wishes of the schools. Students who attend the 80% of the lectures receive the certificate.

VWG do not only offer programs for students, but for teachers as well. In cooperation with Austrian National Bank, they offer training sessions for teachers from all school types. In these seminars experts make presentations on economic and monetary policy issues. Company visits and workshops for business and economic basics as well as financial capability are also available. Moreover, there are workshops and seminars for school principals and administrative personnel.

5) Austrian Federal Economic Chamber-Wirtschaftskammer Österreich: Austrian Federal Economic Chamber (WKÖ) is also involved in different economic and financial education services for different target groups. In addition to being sponsor for different projects in financial literacy, it offers an online quiz on the basic economic concepts (inflation rate, business cycles, etc.). It provides a four-module programme for students aged 10 to 19 on entrepreneurship skills. It is offered in schools as an additional qualification and it aims to improve students' economic knowledge and develop business skills. In addition to this programme, there is also a media kit for entrepreneurship that target apprentices. The kit offers trainers practical suggestions and example of how to integrate the relevant key skills in the apprentices' workplace training. Moreover, WKÖ's business promotion centre (Wirtschaftsförderingsinstitut-WIFI) offers several programs and courses that address business issues and basic economics.

6) Working Group on Economics and Schooling-Arbeitsgemeinschaft Wirtschaft und Schule: (AWS) was founded in 1966 to provide materials for teachers to teach economic studies (Schlögl, 2007). They aim to empower students with economic understanding and skills and promote a positive



attitude toward economy. The founding members of the organization are the umbrella organization of the Austrian banks (Sparkassenverband), the Federation of Austrian Industry and VWG. Today, they still keep on providing teaching materials for economic education and these can be downloaded from the website (<http://aws.ibw.at>). With the project “Go International” AWS developed a two-part information kit for schools that focuses on world markets. It addresses the external trade and business through a case study. Kit also includes teaching materials and a glossary. Another information kit was prepared for students aged 15 to 19 to increase knowledge and skills of handling day-to-day business transactions. It addresses the day to day questions that students can encounter in their private or professional lives (sales contracts, employment contracts, etc.). This kit can be used for both individual study and classroom application. Another information kit was prepared for elementary school students. It includes four modules and focuses on money and saving: more specifically on pocket money, spending patterns, saving tips, economic processes and economic sectors and concepts such as export-import. Short stories, worksheets and slides that were developed with teachers complete the kit. AWS has also produced several other information packages and educational materials on Austrian industry, trade in Austria, and EU enlargement. AWS also prepares up-to-date economic worksheets from selected current economic articles for teachers’ use. In addition to all these services they also offer programmes and packages such as media packages, Business Economics Plus, Media Plus, AWS game, Best Practice Company Profiles, country profiles, Euplus, and English Plus.

- 7) **Debt Counselling Association-ASB Schuldnerberatungen:** The ASB Schuldnerberatungen is a private non-profit making organisation and the umbrella organisation of all debt counselling services in Austria. The ASB Schuldnerberatungen acts as an interface between debt advice services and creditors as well as ministries, political decision makers and institutions and research institutes. The main activities are - beside the exchange of information - training of debt advisers, development of quality management, coordination of PR-work and lobbying as well as data collection and research on debt-related matters. The ASB also acts as a trustee in legal private bankruptcy proceedings. The ASB uses financial and economic education as a prevention strategy against the indebtedness. Thus, they are one of the most important players of the current financial and economics education arena in Austria. Their prevention strategy mostly takes places in the schools. They target children as future adults and aim at increasing their understanding, knowledge and skills on financial issues such as bank accounts, basics of the money, credit and debt, investment, saving, retirement, assurances and risk. In addition to seminars, workshops and trainings, they also provide teaching materials for teachers for lower and upper secondary education. Local counselling providers also prepare and present several national and international projects and programs. Upper Austria Debt Counselling Agency is one of the most active ones. It started up an initiative specifically targets the prevention of indebtedness: Klartext (<http://www.klartext.at/>). Klartext aims to encourage people to be responsible consumers, in particular through the development of skills regarding their own financial resources and the awareness of one's own consumption patterns. They offer workshops for students in the secondary education, and apprentices; seminars for parents, financial education for adults and



young people aged under 25 (which is supported by Public Employment Service-AMS); and budget and debt counselling. Klartext has played a direct role recently in the financial education arena in Austria through several projects such as Debt Suitcase (Schuldenkoffer), Debt Trap (Schuldenfalle) and Fit for Money, Fit for Life (Fit fürs Geld, fit fürs Leben). These are presented more in detail in the Appendix A.

- 8) Vienna Adult Education Centers- Wiener Volkshochschulen:** Adult education centres in Vienna also offer courses in economic subjects, even though they are quite limited in numbers. Basics of business administration can be learned in preparatory classes for apprentices to enter university. Basic level courses focuses on informed and responsible customers in relation to buying or using financial products and basics of financial literacy. These centres also offer courses for internationally recognized European Business Competence* License (EBC*L) which covers corporate goals, cost accounting, financial planning, etc.

In addition to all these institutions and organizations, Vienna Chamber of Labor (Arbeiterkammer Wien), Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund-ÖGB), Vienna Stock Exchange (Wiener Börse AG), and Austrian Broadcasting Corporation (ORF) are among the active providers and initiators of finance and economic education in Austria. Despite the lack of national strategy for financial and economic education, a wide range of public and private institutions and organizations keep the financial education arena active through several long lasting high-impacts initiatives and projects.

2. LITERATURE REVIEW

2.1 Conceptual Review

There are various terms used interchangeably with financial education in Austria. Especially the use of *economic education* is quite common; *education on economics*, *economy education*, *economy as a subject*, *economics and business* are some of the common terms. In the Austrian school system, economics education “*ökonomische Bildung*” is used widely as the term. However, according to Reifner and Schelhowe (2010), financial education can be distinguished from economic education:

Economic education promotes the general understanding of macroeconomic and microeconomic principles comprising finance, trade, and production units, many of which lie far beyond the requisites of daily life, while financial education has a strong instrumental attitude, seeking to address the practical needs of individual citizens. It focuses only one sector of the economy: financial services, and facilitates the skills and knowledge based on the needs of the consumers and it tries to enable them to use financial services in a way which suits their needs. Economic education is usually introduced with the abstractions of labour, property, industry and capital, while financial education starts with money. Thus, access to money and its productive use becomes one of the key questions in financial education. Financial education is focused on the instruments that enable private households to use their income more productively in time and space. Last, economics education



highlights the role of savings at the macro-economic level through different models, financial literacy, on the other hand, focuses on the individual level savings (Reifner & Schelhowe, 2010, p. 33-35). Thus they conclude that:

Financial education is a complement to traditional economic education, not a substitute, just as learning to drive is a complement but not a substitute for understanding of how cars work and what they do to our environment and mobility. Financial education is therefore the addition of financial competence to the goals of economic education (Reifner & Schelhowe, 2010, p. 33).

Within this framework, in Germany and Austria, financial education is referred to as “general finance education” (*finanzielle Allgemeinbildung*). But the commonly used terms are “financial education” (*finanzbildung*) or “financial literacy” (*finanzwissen*).

Gnan, Silgoner, and Weber (2007) analysed 50 initiatives and papers to derive a more detailed understanding of the terms used in the literature and in practice. They grouped the heterogeneous connotations of the various definitions into three sections: (1) knowledge, understanding, awareness, decision-making capability; (2) interaction among agents; (3) social context.

(1) Knowledge, understanding, awareness, decision-making capability: this group of definitions of financial education focus on the knowledge and understanding related to financial products, their characteristics and use of that knowledge and understanding in the decision-making process of choosing financial products.

(2) Interaction among agents: this group of definitions includes the dimensions that describe consumers' interaction with other agents. As Gnan et al (2007) state these definitions identify the “act of consuming financial services as part of a process in which the interaction among the various agents involved has a decisive influence on how customers act” (p. 30). These dimensions are: confidence, knowing where to look for guidance and advice, knowing one's rights, communicating and articulating one's needs, social consequences and responsibility, access to financial services (financial exclusion)

(3) Social context: Third group of definitions relates to the broader social context of which the financial services industry is part. Different dimensions of this group are: values attitudes, economic reasoning, judgement capacity in economic matters, raising awareness for relationships between the personal sphere and the economy, and skills and knowledge in matters unrelated to navigating the financial services market such as business management, or tax and budgeting.

Austrian National Bank (OeNB) (Taborsky, 2012), which is one of the biggest actors of financial education in Austria, identifies financial literacy as one of the key competences of 21st century such as reading, writing and mathematics and underlines the importance of financial education as a growing need for individuals. Their approach can be characterized as “to change consumer behaviour.” They adopt the approach of the U.K.'s Financial Service Authority (FSA) towards enhancing financial capability. It was used in the large scale national survey OeNB to measure the financial capability of the Austrian population. This approach focuses on attitudes, and behaviour rather than the knowledge and it is composed of four competences (Fessler et al., 2007):



- Managing money
- Planning ahead
- Making choices/Choosing products
- Getting helped/Staying informed.

Managing money: Two basic components of managing money are preparing for upcoming expenditures and keeping track of one's finances. It also focuses on general attitudes towards money (spending and savings).

Planning ahead: It is about anticipating future needs and acting accordingly. It is also related to unexpected financial setbacks and expenses people have experienced and how they prepare for measure purchases.

Making choices/choosing products: This includes understanding risks and the details of the products as well as the propensity to consider switching service providers. #

Getting help/staying informed: This financial capability is related to people's knowledge of financial matters and their ability to keep up-to-date of financial developments, as well their sources for information (Fessler et al., 2007, pp. 51-53).

2.2 National Studies on Financial Literacy and Education

Austria has not taken part in the recent transnational initiatives and large scale surveys on financial literacy and education such as those conducted by OECD International Network on Financial Education (INFE), Visa, World Bank, or G20. It was not included in the financial literacy part of the PISA 2012. Hence, there is a lack of comparative and national data in the case of Austria. Yet, evaluating and testing basic economic knowledge and financial skills dates back to early 1990s. This part will discuss the studies conducted in Austria to measure financial and economic knowledge, literacy, and financial capability.

One of the earliest studies conducted in Austria with an international perspective is the study of Beck and Krumm (1989). They adopted the Test of Economic Literacy (TEL) to German language and conducted the study in Germany, Austria and Switzerland to test the literacy of high school students. Their results in 1994 indicated that Austrian students performed best.

In 1998 Lüdecke-Plümer and Sczesny conducted another comparative study in USA, UK, Germany, Austria, Hungary, Switzerland, Greece and Korea using the TEL. Their Austrian sample included 1.051 students from vocational business schools (N =331), specialized vocational / business schools (N = 164), technical / commercial high schools (N =331) and grammar schools (N = 225). Results showed that Austrian students could answer only 44% of the questions right, slightly lower than the other countries. They concluded that basic economic literacy improves with age; students in academic high schools (Gymnasium) and in commercial schools score better than the vocational schools and normal secondary schools (Realschule); female students scored lower than male students and the reason was stated as the social and cultural factors, cognitive determinants, and interest in the economics (Gnan et al., 2007, p. 42).



In addition to standardized tests on economic literacy, similar tests have been used in Austria to measure the financial and economic literacy. Some of the recent studies on economic and financial literacy are described below.

Katchnig and Hanisch (2006) conducted a comparative study in Austria, Germany, the Czech Republic and Hungary to measure the economic knowledge of 2179 secondary school graduates. A test based on TEL with 12 questions on economic systems, effects of changes in general economic parameters and market economy was used. In all three areas Austrian students performed as the second after Germany. But they could answer only 46% of the questions in the first part right. Moreover, female students scored significantly lower than the male students in Austria.

Austrian National Bank (OeNB) conducted a survey of Austrian households' financial capability. In addition to wealth, debt, pension, and savings, the survey also included questions on participants' attitude and behaviour on financial issues (Fessler, 2007). On this part, FSA's financial capability concept, which was described above (managing money, planning ahead, making choices/products, getting help/staying informed), was followed. This survey is unique as it is the first study that provided detailed information on the financial capability of the Austrian population at the national level. Data was collected through face-to-face written interviews. A total of 2,556 analysable data sets were compiled (in Vienna, 1,026 and in the provinces 1,530). Results indicated that Austrian people keep a good track of their money (90%), while this behaviour increases by age. Furthermore 45% of the household keep written records of their finances, a habit which again increases by age. About 80% claimed to usually pay the bills regularly and immediately. This payment behaviour was not connected to the education level but to age. In terms of overdraw, only 15% of the respondents indicated that they overdraw their accounts, and higher income groups and older participants are less likely to overdraw. Results related to saving behaviour indicated that around 43% of Austrians put aside on a regular basis and older people save more compared to younger people. Only low income group that earns lower than 749€ and the participants with the lowest education level were not able to save. In summary the participants of the study indicated that they handle their finances and manage their money very carefully. In terms of planning ahead concept, the share of households that were putting money aside for the bad days in the future is around 85%. Higher age and income groups have higher tendency to do plan ahead and save for the future. Majority of the participants (82%) consider individual saving for retirement as quite important. Importance given to saving for retirement decreases by age. About two-thirds of the participants aged 30-60 indicated that they had private pension savings, and this tendency increases with higher education and income groups. Survey also collected information on decision making behaviour with respect to saving instruments, risk orientation, and factors that influence the investment decision making. Results indicated that 85% of the households have a passbook saving account, while 54% held a life insurance policy, 11% had bonds, 16% stocks, 11% mutual fund shares and 3% participating interests in enterprises. There is strong preference for traditional low-risk saving accounts. Half of the Austrian households (48%) seek financial information mainly through checking the offers of several banks to find out the best product. This tendency increases with education level, decreases with age. But the other half does not compare different financial services and products.



In 2006 another survey was conducted by the Institut für Bildungsforschung der Wirtschaft (ibw) (Schmid, 2006) with 3300 final year students from 63 schools. Results indicated that only 10% of them indicated that they follow economic topics regularly. 63% of the students consider themselves very well or reasonably well informed about the international economy, and the most optimistic answers came from the students of commercial colleges. However, their performance on the knowledge tests indicates the contrary. They did quite poorly on the test and no school type received “very good” scores out of the test. Moreover, older students and male students performed better in the test. However, on the contrary to USA examples, students with a migration background did not differ significantly on knowledge compared to other students.

Another study, conducted in 2006 by Ortner, Jütte, Herczeg and Mihalic commissioned by the Kuratorium Wirtschaftskompetenz für Europa used the European Business Competence* License (EBC*L) to evaluate the level of business knowledge in Austria, Germany and Switzerland. Results indicated that only 15% of the 342 participants could answer more than half of the questions right, while 85% scored below 50%. Among three countries Austria stood as the second after Switzerland. Moreover, 85% of them also stated that they did not receive financial, economic or business related courses during their schooling. In relation to this, 92% of the participants agree that financial and economic education should be provided in general secondary schools as well (Ortner, Jütte, Herczeg & Mihalic, 2006).

In 2012, ING Bank conducted an international study in 11 European countries on financial education and competence. Participants were asked if they received any financial education at all and in Austria only one third of the participants stated that they received financial education. Moreover, participants had a strong preference in Austria (93%) for financial education to be taught at schools. Five questions were asked to participants to assess their understanding of concepts and products that are important in managing money such as interest calculation, inflation and purchasing power, interest rates and bond prices, loan rates, and risk and return. Results indicated that only a small number of participants could answer the questions correctly (Bright & Keller, 2012).

More recently, another study was conducted with Economy University and Commercial High School students by Kolm and Plattner (2014). Students were asked five questions for self-assessment of skills in financial competence, 17 questions based on problem solving in financial knowledge areas such as percentage and interest calculation, and eight questions about financial attitudes and behaviours. Findings of the study showed that in all areas measured, there exist a deficit of knowledge. In most areas respondents overestimated their knowledge and skills in finance. Yet, they have mainly positive attitudes and behaviours (Kolm & Plattner, 2014).

In conclusion, it is possible to state that research in financial literacy has been developed, especially in the last decade, not only in the academia but also in the private sector, especially in banking and insurance, in Austria.

Next part presents the programs and teaching approaches in Austria at national and regional levels.

3. IDENTIFICATION OF PROGRAMMES

As it was stated before, there is a wide variety of financial education providers in Austria. In addition to official financial education programs offered in the public education system, the central bank (OeNB), government agencies, consumer advocate organizations, employer and employee representatives, non-profit organizations as well as commercial financial service providers run numerous programs to offer financial education (Gnan et al., 2007). As Gnan et al. (2007) identified these programs are not (or not exclusively) integrated into an institutional framework like school curricula but rather use a variety of other channels (such as the mass media and/or internet, courses and information campaigns) to reach target groups. Moreover, the rationale for these programs is more comprehensive; they are intended to support the achievement of broad-based economic policy goals rather than being limited to the provision of basic literacy skills at the school level.

In order to identify the programmes, primary and secondary data sources were utilized. Primary data sources were reached mainly by the web search both with German (Finanziellbildung, Ökonomische bildung, etc.) and English (financial education, financial literacy in Austria, economy education, etc.) keywords between November 2014 and March 2015. Especially projects that were running during the research phase were taken into focus. Project/programme websites, project brochures, newsletters and other available materials were all examined. In addition to primary sources, secondary sources such as the the Survey on Financial Literacy and other reports and studies that examine and cite the financial literacy and education programmes in Europe and Austria were utilized.

According to EU Survey on Financial Literacy (Habschick et al., 2007) Austria is the third country in Europe in terms of numbers of financial literacy programmes offered after the UK and Germany. Parallel to number and variety of the providers, number and the types of the programmes also vary up to a great extent. The Survey on Financial Literacy (2007) identified different programmes in Austria determined based on eight criteria: Name/short info refers to personal finance; visible concept and didactical structure with a self-help approach; focus on general information; concentration on basic know-how; marketing activities; target group consumers and small businesses; continuity; result orientation. A list of these programmes and other recent ones were presented in detail with target groups, content, settings, instruments and short description can be found in Appendix A.

A closer look at these programs shows that, in terms of target groups, majority of these programmes (11 of them) address children at school age or adolescences or young adults. There are very few programs designed for adults. It is important to note that there are only two projects that target the young adults with low income. There is no specific program that addresses young adults at risk or any other specific group who are at risk.

In terms of setting and methods of delivery, there are a few innovative and non-traditional methods of delivery such as *Trapper Johann*, *No Budget* and *Cure Runners*. All the other programmes utilize traditional teaching settings such as classrooms, offices and indoors and traditional delivery methods and instruments as leaflets/ brochures etc., printed toolkits/ hand-books etc., and websites and online tools. Apart from the activities of the National Austrian Insurance Association (VVO), all



schemes are provided by non-profit associations or consumer protection agencies. Especially Debt Counselling agencies in Upper Austria, Vorarlberg and Salzburg are the biggest players. They provide the highest number of programs that aims prevention of indebtedness in cooperation with local governmental institutions, schools, and youth centres. These preventive programmes mainly target children and adolescents. *Financial Driver's Licence* is one of the most important programmes of the debt counselling agencies. In Vorarlberg only, between 2006-2014, 22.277 participants from different age groups received their financial driver's license.

It is important to note that, currently there also exist different financial education approaches that are not listed in this report as they are not accepted as single programmes for financial education. These approaches are mainly offered by the private banks, most of the time, through the Internet (Please see websites, My Money (Mein Geld) <http://www.bankaustria.at/ueber-uns-finanzportal-mein-geld.jsp>, and Financial Education (Finanzbildung) www.finanz-bildung.at) both financed by Bank Austria; Geld und So, <http://www.geldundso.at>; and Sparfroh, www.sparefroh.at, both financed by the ERSTE Bank).

3.1 Best Practice Examples in Austria

Next part presents three current and the biggest programmes about financial literacy and education. These examples are chosen as best practices based on the continuity, comprehensiveness of the programme, number of people reached, and the impact. All of these programs have continued successfully more than 5 years. Moreover, these practices were also mentioned as best practice examples in Austria. (Sources for information EESC, Financial Education for All, 2011a; Survey of Financial Literacy in the EU 27, (Habschick et al., 2007); Fit fürs Geld website, OeNB Website).

A Comprehensive Financial Education Framework	
Promoter:	Austrian National Bank (OeNB) in cooperation with public and private bodies
Target group:	The general public, particularly students.
Programme objectives:	<ul style="list-style-type: none"> ▪ help improve financial education in Austria, seeking to promote responsible consumption of financial products amongst a broad section of the public; ▪ disseminate basic economic knowledge: so that people understand, amongst other questions, the implications of fluctuations in exchange rates, the consequences of inflation and other economic policy measures taken by monetary authorities; ▪ increase households' knowledge regarding the impact of indebtedness; ▪ communicate and promote understanding of the functions of central banks and the reasons for their mandates and decisions; ▪ create a platform to coordinate financial education actions in the country.
Summary of actions:	There are numerous strategies for implementing the programme, which

are summarised below:

- Financial education symposium (April 2011), the aims of which were to exchange experiences with other financial education coordinators with a view to identifying best practices, so that they could be reproduced in Austria.
- Money Museum, illustrating the development and history of the monetary system. Approximately 16 000 people visited the museum in 2010. http://www.oenb.at/en/ueber_die_oenb/geldmuseum/money_museum_and_collections.jsp
- Online training and dissemination programme supported by a website displaying the financial education platform and all teaching material and other support tools. The website's content includes:
 - Inflation Cockpit: on-line tools including games and competitions. http://www.oenb.at/de/ueber_die_oenb/wirtschaft/Inflationcockpit/inflationcockpit.jsp
 - Currency calculator: includes comparison of developments in the consumer price index and their impact on shopping baskets, and a currency simulator.
 - Direktzu8: online communication platform enabling the public to contact the OeNB in order to resolve any issue relating to financial education.
 - Credit calculator: compares different types of loan and illustrates them graphically.
 - Risk and Return, accessible to students aged between 15 and 19 and the general public, intended to make them aware of their risk profile when taking financial decisions.
 - A financial education hotline, by means of which members of the public can consult a group of experts in relation to financial education. In 2010, 36 000 consultations took place.
 - The Euro Bus, with a training plan focusing in particular on the euro and its conversion to the national currency (schillings), as well as other aspects of financial education which are of fundamental importance to the public.
 - Organising financial education seminars for teachers, carried out in cooperation with the Volkswirtschaftliche Gesellschaft (a non-profit institution providing for education in economic issues). <http://www.vwg.at>
 - Financial education materials have been created and distributed for students and the general public. This work has been carried out in cooperation with the Oesterreichisches Gesellschafts- und Wirtschaftsmuseum (Austrian Museum for Social and Economic Affairs) and can also be downloaded from the Internet. <http://wirtschaftsmuseum.at/oegwm.htm>
 - +Euro Kids Tour: informing primary school pupils about the proper use of money.



	<ul style="list-style-type: none"> □ VKI Competition: financial education for students, organised by the consumer association Verein für Konsumentenorganisation (VKI). More than 1 000 students aged between 12 and 19 have taken part. □ GEWINN info Day: a one-day congress on economic issues for pupils between 16 and 20 years from all over Austria, organised by the Gewinn publishing house. http://www.gewinn.com/veranstaltungen/gewinn-infoday ▪ Competition campaigns in fifteen Austrian secondary schools and business schools, comprising online competitions with three levels of difficulty, 1 000-word essays on financial topics and the presentation of a decision on interest rates. Prizes include the opportunity for winners to visit the president of the European Central Bank (ECB) in Frankfurt.
Results achieved:	As a result of the wide variety of actions carried out, and the broad section of the population targeted, the programmes carried out have been widely disseminated. Since they are rigorously controlled and monitored, the number of people they have reached can be identified. Notably, the web platform is visited by more than 40 000 people per month, more than 5 000 students and 3 000 teachers attended the investors' fair and the Euro Bus was visited by more than 650 000 people, or almost 10% of the Austrian population.
Example-setting and possibility of transfer:	This is a very wide-ranging model, in terms of both actions and beneficiaries, and there is good coordination and complementarity between the various bodies cooperating in the programme, and it can therefore serve as an example to follow.

Financial Driving Licence- Finanzführerschein: A Preventive Programme

Promoter:	Upper Austria Debt Counselling Agency -Schuldnerhilfe Oberösterreich, and Arbeiterkammer Oberösterreich (AK), in cooperation with public bodies.
Target group:	General public, particularly young people.
Programme objectives:	<ul style="list-style-type: none"> ▪ To provide basic instruction in both financial education and other consumer rights.
Summary of actions:	<p>The Finanzführerschein (financial driving licence), an innovative form of financial education, has been introduced in the federal region of Oberösterreich (Upper Austria) as part of efforts to prevent financial exclusion. The project is an example of cooperation between public bodies and consumer protection organisations, being implemented by the Schuldnerhilfe Oberösterreich in conjunction with the Arbeiterkammer (Chamber of Labour). The federal region of Oberösterreich provides funding for the project.</p> <p>To earn their «driving licence», programme participants must</p>

	<p>successfully pass a number of modules on financial matters (in the Upper Austria federal region the programme consists of ten sessions in five different modules), covering matters such as: building money management skills, on-line purchasing, knowledge of a range of financial products (credit, loans, insurance, etc.), the ability to compare products offered by different banks, household budgets, and training for household financial planning, one of the objectives being to help prevent over-indebtedness.</p> <p>Training has a clearly practical slant, and seeks to prevent specific problems such as excessive mobile phone bills, bank overdrafts or financing purchases by credit card at exorbitant rates of interest. Training takes place in small groups of eight to 15 people. Content is adjusted according to the participants' age. Award of the licence confirms people's ability to drive their financial lives with a sense of judgment and responsibility. Obtaining the licence is free for participants</p>
Results achieved:	<p>During the first stage of the project, approximately a third of the participants gained their financial driving licence by passing all modules. The project is gradually being consolidated and extended to the entire country.</p>
Example-setting and possibility of transfer:	<p>Many day-to-day situations that people face are tackled, which could easily be transferred and adapted to any other contexts.</p>

Financial Driving Licence- Finanzführerschein: A preventive Programme for Children

Promoter:	<p>IfSSchuldenberatung (IfS Debt Consulting Agency), the Austrian Federal State of Vorarlberg, the Chamber of Commerce Vorarlberg and the AMS (Arbeitsmarktservice Vorarlberg)</p> 
Target group:	<p>Young people between 10 and 18 years of age.</p>
Programme objectives:	<ul style="list-style-type: none"> To enable kids, adolescents and young adults to get better insight into different topics interlinked to money and private finance.
Summary of actions:	<p>In order to better meet the demands of the specific age groups, the Financial Driver Licence Vorarlberg comprises three different curricula:</p> <ul style="list-style-type: none"> The S (small) curriculum for the 11-12 year olds, covering issues like the following: Where does money come from?, wishes and needs, financial resources are limited, pocket money, The M (medium) curriculum for the 14-15 year olds, highlighting topics

	<p>such as: Managing on limited money, saving, current accounts and cash cards, apprenticeship or school and...</p> <ul style="list-style-type: none"> • The L (large) curriculum for those who are 16-18 years old with a special emphasis on e.g. majority age, becoming self-employed, life-planning, over indebtedness, credit-institutes (cards, current accounts and credits). <p>Each concept encompasses different modules of which at least two (S) respectively three (M and L) need to be chosen in order to receive a certificate (the Driving Licence for Finance). Each curriculum includes a lesson given by the IFS. This module is mandatory. The other modules are delivered by banks, the Employment Information Centre, the Chamber of Labour, and the “aha” organisation.</p> <p>Children and adolescents are reached through their schools. The teacher is not involved in the enrolment of the students for the lessons, s/he only makes the appointments for the workshops with the institutions that deliver the know-how.</p> <p>After each workshop evaluation forms are handed out to the pupils, allowing the providers to subsequently improve their programme and better tailor it to the needs of their target group.</p> <p>After the students have finished the mandatory amount of modules they receive the Financial driver’s licence as a certificate of their participation. There is no additional test to prove their financial capability</p>
<p>Results achieved:</p>	<p>The results of an evaluation carried out from September to November 2006 can be summarised as follows:</p> <ul style="list-style-type: none"> • The participation in the project was most requested by General Education secondary schools followed by vocational schools. The demand from other schools was much lower. • 51% of the workshops were modules from the M curriculum, the demand for the other two curricula was only half as large. • Whilst the content of the workshops for the age group 11-12 years (S curriculum) was new to most of the children (54% said that most of the content was new to them, 43% said only some parts were new), the level of familiarity with financial topics was much higher in the older age groups. The vast majority of all workshop participants found that their participation in the project was worth-while. • 13 out of 18 teachers interviewed would highly recommend participation in the programme, three would recommend it with slight reservations and two would not recommend the project at all. • As for the impact of the workshops on the financial capability and knowledge of the pupils, it is difficult to comment due to the limited time frame of the evaluation. However, it can be seen that especially younger children were sensitised to money issues such as commercials

	<p>and the relationship between the price and the quality of goods.</p> <p>The evaluation has also shown that it is crucial for the success of a financial literacy programme that all relevant bodies for financial literacy are both actively involved and support the programme.</p>
Example-setting and possibility of transfer:	<p>The content of the Financial driver's licence is adaptable to various target groups due to its comprehensive approach. The content is applicable to students ranging from a low-educational background up to better situated groups.</p> <p>Nevertheless the Financial driver's licence does not address the financial needs of adults. This limitation applies to many financial literacy schemes in Austria, because many of them take place solely in a school environment.</p> <p>In order to better ensure the adaptability of the programme, it is suggested to open the Financial driver's licence to other target groups such as adults by widening the scope of the project.</p>

4. RECOMMENDATIONS FOR POLICY AND PRACTICE

Despite increased number of programmes and frameworks, financial literacy and education still requires attention at the policy level, not only nationally but also both at the global and the European level. OECD is leading the area through INFE at the global level. At the European level, European Commission (EC) has taken active part in promotion of financial education in Europe, they adopted a communication on financial education in 2007 and formed an expert group on Financial Education (EGFE). The communication sets out the economic, societal and personal benefits of increased financial literacy and gives an overview of the provision of financial education in the EU. It highlights some basic principles to guide providers of financial education, based on existing best practices. Based on our research in Austria, we believe that these principles are important to provide good quality financial education in general and in the case of our target group- young adults at risk. Especially Principle 2 is a key factor that needs to be taken into consideration while designing the programmes:

Principle 1: Financial education should be available and actively promoted at all stages of life on a continuous basis.

Principle 2: Financial education programmes should be carefully targeted to meet the specific needs of citizens. In order to achieve this aim, ex-ante research should be conducted on the current level of financial awareness on the part of citizens, to identify those issues that particularly need to be addressed. Programmes should be timely and easily accessible.

Principle 3: Consumers should be educated in economic and financial matters as early as possible, beginning at school. National authorities should give consideration to making financial education a compulsory part of the school education curriculum.



Principle 4: Financial education schemes should include general tools to raise awareness of the need to improve understanding of financial issues and risks.

Principle 5: Financial education delivered by financial services providers should be supplied in a fair, transparent and unbiased manner. Care should be taken to ensure that it is always in the best interests of the consumer.

Principle 6: Financial education trainers should be given the resources and appropriate training so as to be able to deliver financial education programmes successfully and confidently.

Principle 7: National co-ordination between stakeholders should be promoted in order to achieve a clear definition of roles, facilitate sharing of experiences and rationalise and prioritise resources. International co-operation between providers should be enhanced to facilitate an exchange of best practices.

Principle 8: Financial education providers should regularly evaluate and, where necessary, update the schemes they administer to bring them into line with best practices in the field.

At the European level, the European Economic and Social Committee (EESC) also published its opinion on financial education and responsible consumption of financial products in 2011 in the Official Journal of the European Union. They argue that “financial education is more than just education for the sake of it: it is also about empowering people, addressing social exclusion and promoting responsible consumption” (EESC, 2011b, p. 318/24) (The full opinion paper can be found at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011IE1170>).

In addition to these recommendations, Expert group on Financial Education formed by European Commission (EC) provided some practical recommendations to facilitate the development of successful national strategies (for a detailed look, see National Strategies for Financial Education Report, 2008). These are important as Austria is one of the countries that do not have a national strategy on financial education. Thus, it is noteworthy to underline the following recommendations to be able to formulate a successful national strategy for financial education in Austria:

- A national strategy needs to be **centrally coordinated** to ensure the active involvement and cooperation of all relevant stakeholders - both from the public and private sectors.
- Relevant **evidence** should be gathered to identify the priority needs in the society, for example, through surveys at the national or European level (e.g. the OECD PISA surveys of school curricula);
- Comprehensive **long term action plans** should be developed which clearly state the objectives and how these are to be achieved;
- Single programmes should be **targeted** to specific groups, according to their differing needs;
- **Direct and proactive provision** of financial education should be encouraged, as much as maximising effectiveness of other provision channels,
- **Marketing** strategies should accompany each initiative to maximise the effectiveness of their impact on the target groups;
- Appropriate **funding** must be ensured to guarantee the effectiveness of programmes;
- **Evaluation** must be planned in the early stages of developing each national strategy as well as individual scheme.



It is also important to note that financial education programmes in Austria should be seen as part of the Lifelong Learning. Austrian Strategy for Lifelong Learning “LLL: 2020” takes the eight key competences of lifelong learning defined by EU and provides action strategies for lifelong learning in Austria based on four important principles: gender and diversity; equal opportunity and social mobility; quality and sustainability; and performance and innovation and guidelines. This strategy places the learner at the center and calls for inclusive and participative education process that all stakeholders should be represented. It focuses on the basic education, skills for life, community education, work related skills and providing alternatives for especially young people without basic skills, young people that lack the skills for the work life and young people with disadvantaged background. Thus, we suggest that these guidelines should be taken into consideration and are suggested to be applied in any financial education program that aims for social inclusion and learner centered practices:

- **Life phase orientation:** educational processes inclusive of all ages and age-appropriate at the same time.
- **Placing learners at the center:** providing a variety of learning sites, development of new learning architectures and new teaching and learning methods, more flexible learning opportunities, development of the role of teachers
- **Lifelong Guidance:** comprehensive support for learners, improvement and expansion of consulting, and professionalization of counselors
- **Competence orientation:** transparency and comparability of qualifications, development of competence portfolio instruments, recognition of informal knowledge and skills
- **Promoting participation in LLL:** strengthening of educational motivation and joy of learning, incentives and support measures (LLL 2020, 2011)

Last but not least, we would like to present the principles and recommendations on the true didactics of the financial education. These recommendations were developed by the EU-project FES (Financial education and better access to adequate financial services as a way to fight poverty and social exclusion) to provide a basis for further reflection on how to transmit knowledge, know-how and interpersonal skills to different target groups, to enable each of them to handle without mishap the ins-and-outs of money management (FES Report, 2007, p. 2)

The main issues and recommendations are as follows:

- The learning process involves three participants: the student, the teacher and knowledge. Thus it is essential to examine in-depth these three aspects and their necessary interactions to have effective programmes. Target group should always be in the focus.
- The teacher is not an authority on knowledge, but a mediator who facilitates the acquisition of his or her own capabilities by the student.
- Assessment of improved social skills and the strengthening of active citizenship is a key element in the learning process. Financial education should help to enhance the self-fulfilment or well-being of the persons concerned.
- Financial education must be conceived in a global context, beyond strictly financial questions and according to needs and interests of the target groups.
- Even an excellent programme will never be enough to avoid financial problems. Realistically, the idea is not to train generations of specialists, but to equip them with basic tools that will enable them to make sense of money matters.

5. SUMMARY

This report aimed at mapping out the context, policy and practice in relation to the financial literacy and education in Austria for young people and especially those aimed at marginalised groups of young people who are at risk of social exclusion. It tried to identify the concepts, key actors, and good policy and practices across Austria providing basic features of each. The study tried to define the young adults at risk in Austria and it showed that Austria does respectively better in dropout rates, NEET youth rates, and those who are living in poverty or who do not have access to financial products compared to EU and OECD averages. Nevertheless, it has a quite dynamic and rich but at the same time fragmented environment regarding financial education. There are several providers, public and private, and key actors that serve a wide variety of programmes, in small or large scale, in financial education for different target groups, and there is a lack of a national or regional strategy for financial education. Each provider tries to conduct individual programmes, with or without, the cooperation of other actors, but they do not act under a certain framework or strategy.

However, Austria is placing a great emphasis on the basic education for adults and skills for life; writing, reading, oral language skills, listening, understanding, dealing with dimensions and shapes, and ICT (information technologies), numeracy and dealing with facts and figures. The federal law about basic education (39.15a B-VG) requires all states to invest and implement the quality and sustainable basic education for adults. Ministry of Education and Women also provides strong support and funding for this programme. (For details of the programme please look <http://www.basisbildung-alphabetisierung.at>). They target young adults and adults who are school dropouts, who lack the basic skills, or young people with disadvantaged background such as migrants. Content wise, it does not cover financial literacy and financial skills explicitly, but it creates a great platform to reach the target group of our project, young adults at risk. Thus, one of the main recommendations of this report is the inclusion of financial literacy in the basic education programme for adults. This will enable the facilitation of financial literacy as a key skill for the basic education and increase the importance of the financial literacy and it will also make it possible to reach those who are really in need of financial education. Moreover, it will also serve as a national framework that will be followed in addressing financial education in a systematic and comprehensive way.

Concerning the target groups, based on the existing financial education programmes, the study also showed that programmes in Austria mainly target children and adolescents and the schools from all levels. This can be explained with the lack of compulsory financial education in the schooling system and the importance attributed to the financial behaviour of the younger generations. Other programmes target adults in general, but mainly those who have debts. But, there is no single program that addresses the young adults at risk or with disadvantaged background. This is important as these young groups comprise a special target group, and they are somehow excluded from the educational activities. Hence, second recommendation of this report is the design and service of financial education programmes specifically tailored according to needs of young adults at risk that are easily accessible to them.



Content wise, the examination of the existing programmes indicated that in Austria, main focus is on general financial knowledge and banking and debt prevention. This is due to mainly active role played by the banks and the debt consultation agencies. Moreover, data suggest that none of the curriculum or the content of the existing programmes were prepared with the participation of the target groups. Thus, our recommendation is to prepare curricula in relation to national and regional strategies to be developed and tailored to the specific needs and priorities of the target groups.

We agree to the EU opinion that “financial inclusion supports the process of social inclusion. It is therefore important to promote initiatives that foster the financial inclusion of sections of society that are at high risk of exclusion (women, the unemployed, people with disabilities, the elderly, the poor, etc.), by ensuring universal accessibility and developing financial products and services that are tailored to these groups.” Thus to include them in the whole process is very crucial.

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APPENDIX A

Financial Education Programmes in Austria

Name	Provider and Type of Provider	Target Groups	Outreach Approach	Content Areas	Settings	Instruments	Short Description
Life Insurance and Capital Life Insurance	1. Austrian Consumer Association VKI (lead partner), 2. Professional Association of Personal Financial Planners of the Chamber on Commerce. Non-profit association including consumer protection agencies (local/regional/national)	Adults in general (esp. consumers)	Directly to the public	Investment, saving and retirement; Assurances and risk	Advice centre	Leaflets/ brochures etc., printed toolkits/ hand-books etc., website	Basic information workshops for adults on financial products, their characteristics, risks and their advantages and disadvantages for specific personal situations. The first workshop was on life insurance and capital life insurance and has been held twice already. The workshops were attended by 220 consumers. Further workshops will follow. This scheme, where information is given to consumers through cooperation between the country's consumer protection institutions and the service providers, is supposed to be the first of its kind in Austria. Participants in 2006 (according to provider): 220.
VKI Public seminars on financial products	Austrian Consumer Association VKI in cooperation with Professionalist Association of Chamber of Commerce. Type: Non-profit association including consumer protection agencies (local/regional/national)	Adults in general (esp. consumers)	Directly to the public	Investment, saving and retirement; Assurances and risk	Advice centre	Printed toolkits/ handbooks etc., website	Information for adults enabling them to work out if specific financial products suit their needs in regards to future capital generation (e.g. for retirement) and risk protection. Its main focus is on adult consumers. It is cooperation between professional associations, product providers and the Austrian consumer association VKI. Participants in 2006 (according to provider): 200.
Elternschule/Parents' School	Klartext Schuldnerberatung Oberösterreich (Debt Counselling Association Upper Austria). Type: Non-profit association including	Adults in general (esp. parents)	Directly to the public	Bank accounts and money basics	Advice centre, adult education centre	Leaflets/ brochures etc., one-to-one guidance	The organisation commissioning the programme has to pay a small fee. The main aim of the programme is to teach parents how to deal with money matters in family life and how to make their





	consumer protection agencies (local/regional/national)						children aware of money issues. It consists of a lecture and a discussion. Participants in 2006 (according to provider): 102.
Fit fürs Geld, fit fürs Leben/Fit for money, fit for life	Klartext, Schuldnerberatung Oberösterreich (Debt Counselling Association Upper Austria) Austria Non-profit association including consumer protection agencies (local/regional/national)	Children, young adults (esp. young adults undergoing an apprentice)	Directly to the public	Bank accounts and money basics; Credit and debt; Investment, saving and retirement; Assurances and risk	In their worksite	Leaflets/ brochures etc., printed toolkits/handbooks etc., CD-ROM, films, TV, radio programmes, one-to-one guidance	The programme encompasses 8 to 16 lessons each 45 minutes long. Part of the programme is funded via the public; part comes from the apprentices' employers. The main reason for the interest of the employers is to avoid the over indebtedness of their employees. Participants in 2006 (according to provider): 45.
Multiplikatorenschulung /School for disseminators	Klartext, Schuldnerberatung Oberösterreich (Debt Counselling Association Upper Austria) Non-profit association including consumer protection agencies (local/regional/national)	Children, young adults	Through other organisations	Bank accounts and money basics; Credit and debt; Investment, saving and retirement; Assurances and risk	Classroom/ university, adult education centre, education centre	Leaflets/ brochures etc., Printed toolkits/ hand-books etc., website, films, TV, radio programmes, one-to-one guidance	The programme encompasses a one-day lesson where disseminators are trained to deliver financial information to their target group. The disseminators are, for example, teachers, private bodies (sos-kinderdorf), advisers for unemployed people. The attendees are taught to make use of the schuldenkoffer within their lessons over a longer period of time. Participants in 2006 (according to provider): 26.
Schulprojekt: Schuldenfalle/School project: Debt trap	Klartext, Schuldnerberatung Oberösterreich (Debt Counselling Association Upper Austria) Non-profit association including consumer protection agencies	Children, young adults (esp. 13-19 year old youth)	Directly to the public	Bank accounts and money basics; Credit and debt; Investment, saving and retirement	Classroom/ university	Leaflets/ brochures etc., printed toolkits/ hand-books etc., CD-ROM, films, TV, radio programmes,	The programme is project-orientated and encompasses two to three sessions. The employees of Klartext teach students how to manage their day to day finances, how to make smart purchasing decisions and how to avoid overindebtedness. Participants in 2006 (according to



	(local/regional/national)					one-to-one guidance	provider): 1,250.
Weil kein Geld vom Himmel fällt/Because money does not fall from the sky	Klartext, Schuldnerberatung Oberösterreich (Debt Counselling Association Upper Austria) Non-profit association including consumer protection agencies (local/regional/national)	Children	Directly to the public	Bank accounts and money basics; Investment, saving and retirement	Classroom/ university	Leaflets/brochures etc. Printed toolkits/ hand-books etc., training course, films, TV, radio programmes	The programme targets elementary school children, 3rd years and 4th years. It is a continuous programme that follows up the lessons in the elementary school with two lessons each in the 3rd and 4th years. Participants in 2006 (according to provider): 50.
Schuldenkoffer/Debt Suitcase	Klartext, Schuldnerberatung Oberösterreich (Debt Counselling Association Upper Austria) Non-profit association including consumer protection agencies (local/regional/national)	Children, young adults	Through other organisations	Bank accounts and money basics; Credit and debt; Investment, saving and retirement	Classroom/ university, in their home, advice centre	Website, e-learning Portal	The "Schuldenkoffer" aims to enable disseminators to teach children (13 and older) about financial matters. It focuses on purchasing topics most relevant to children at this age (e.g. buying mobile phones, a car or the first flat, dealing with credit institutions and pocket money). Additionally the programme is enhanced through the use of newspaper articles, studies, literature tips and films. See: www.schuldenkoffer.at . Participants in 2006 (according to provider): 3,000.
Finanzführerschein/ Financial driver's licence	Verein für prophylaktische Sozialarbeit, SCHULDNER-HILFE (Association for Prophylactic Social Work, Debt Help) Non-profit association including consumer protection agencies (local/regional/national)	Children and young adults (from 14 to 25 years)	Directly to the public	Bank accounts and money basics; Credit and debt; Assurances and risk; Private budget	Classroom/ university, adult education centre	Leaflets/ brochures etc., Printed toolkits/ handbooks etc., website, training course, films, TV, radio programmes	The aim of the Upper Austrian Financial Driver's Licence is to impart basic financial information to young people (aged 14 to 25 years) and to ensure that these young adults learn how to handle money. The course contains up to nine modules. Each one lasts three hours and has a principal theme, such as buying my first moped/car, my new flat, budgeting etc. The scheme enables young people to



							achieve a high degree of financial competence, decision-making skills and responsibility. Participants in 2006 (according to provider): 2,746.
Geld beherrscht die Welt! Beherrschen sie ihr Geld?/Money controls the world! Do you control your money?	Chamber of Labour of Styria, Department for Education Non-profit association including consumer protection agencies (local/regional/national)	Children, young adults, adults in general (esp. low-income groups, employees, teachers, trainers)	Both (directly to the public or through other organisations)	Bank accounts and money basics; Credit and debt; Investment, saving and retirement; Critical view on the meaning of money, critical view on over consumption	Classroom/ university, in their workplace, in the providers own office, adult education centre,	Leaflets/ brochures etc., Printed toolkits/ handbooks etc., website, training course, money - music, collection of money boxes	Based on the US programme "Your Money or Your Life" (New Road Map Foundation, Seattle), the scheme offers workshops for young people, adults and teachers. The workshop is planned to last eight hours (one day, two half days or 4 to 6 shorter lessons.) The teacher training seminars are scheduled to last two days. The programme wants to develop the financial intelligence and the financial integrity of the participants and give them the tools to ensure self-confident and self-critical personal financial management. Participants in 2006 (according to provider): 130.
Lieber ein altes Auto mit dem Löwen drauf als ein neues mit dem Kuckuck drauf /Better an old car with a lion on it than a new one with a cuckoo	Schuldnerberatung Tirol (Debt Counselling Tyrol) Non-profit association including consumer protection agencies (local/regional/national)	Children, young adults (esp. low income groups)	Both (directly to the public or through other organisations)	Bank accounts and money basics; Credit and debt; Assurances and risk; Over indebtedness	Classroom/ university	Leaflets/ brochures etc., printed toolkits/ handbooks etc., CD-ROM, website, training course, films, TV, radio programmes	Young people (16 to 20) with a generally low standard of educational are a high risk group for over-indebtedness. Simply because they have not been told the basic rules of household finances and warned about possible traps, these young people can end up in monetary disaster. The Austrian school system has a huge deficit in this area of education and it is up to debt advice organisations to provide the missing topic of financial literacy. This happens fairly well in some states



							(Vorarlberg and Upper Austria) and not at all in others (Salzburg and Vienna) or just sporadically, as financial support from public bodies is very poor, like in Tyrol. For example, there is a need for a 100 more seminars in Tyrol. The only solution for the long term for Austria's young population can be the inclusion of financial literacy in the school system. Participants in 2006 (according to provider): about 2,000 in 99 seminars.
RISK! Projekt für Jugendliche zum bewussten Umgang mit Geld und Risiko/Project for young people for a conscious handling of money and risk	Schuldnerberatung Steiermark GmbH (Debt Counselling Styria, lead partner) and cooperation partners: Non-profit association including consumer protection agencies (local/regional/national)	Young adults (esp. women, low-income groups, low-educational groups, young men and women who are in education in a private organisation)	Both (directly to the public or through other organisations)	Bank accounts and money basics; Credit and debt; Investment, saving and retirement; Assurances and risk	Adult education centre, in a climbing hall, at the driving-test centre of the Austrian automobile club, in the casino, in a shopping centre	Printed toolkits/handbooks etc., CD-ROM, website, training course, email reflection, Video reflection, Group reflection, cars, money	RISK! created this training course for young people. With its partner organisations, it ran and evaluated a pilot scheme for 16 eighteen-year-olds. Together with young professionals and the partner organisations it is now planning to implement the model for around 200 young people across the whole Austria over the next two years. Participants in 2006 (according to provider): 21.
The cash - on tour	jugendinfo.cc on behalf of the Austrian Youth Information Centers in cooperation with the Austrian umbrella organization for debt counselling (ASB Schuldnerberatung)	Young adults (esp. youngster from 16)	Directly to the public	money basics; Credit and debt	Classroom/university, in the providers own office, advice centre, youth	Leaflets/brochures etc., CD-ROM, website	Managing their own money is a new experience for many young people when they start to become independent and there is a great need for information on this. The printed and online publication "The Cash" aims to give basic information on managing money by using a young person-friendly approach to try to make



	Non-profit association including consumer protection agencies (local/regional/national)				Information Centres and online		the theme accessible to this target audience; it is not aimed at people who are already in financial difficulties but is intended to reach young people before they get into trouble. 15,000 copies (2006)/7,000 copies (up-dated reprint in 2007) of The Cash brochure have been printed and it is also displayed on the web. Participants in 2006 (according to provider): n/a.
Financial literacy activities of the Austrian Insurance Association (VVO)	The Austrian Insurance Association (Versicherungsverband Österreich, VVO) is providing this scheme. Austria National Insurance Association	Children, young adults, adults in general (esp. entrepreneurs, teachers)	Directly to the public	Investment, saving and retirement; Assurances and risk	Classroom/ university, in their home, in their worksite	Leaflets/brochures etc., printed toolkits/handbooks etc., website, films, TV, radio programmes, information hotline	One of the key principles of European consumer policy is the recognition of consumers as responsible economic agents in the internal market. The Austrian Insurance Association (Versicherungsverband Österreich, VVO) has already been contributing to raising financial literacy for many years. VVO provides a vast range of independent customer information nationwide through the use of brochures, the VVO website (www.vvo.at) and via phone services. Special activities are carried out for schools and universities. In addition, VVO regularly monitors consumers' understanding, expectations and opinions. Participants in 2006 (according to provider): 6,000,000.



Vorarlberger Finanzführerschein/Vorarlberg Financial Driver's Licence	<p>Lead Partner: Land Vorarlberg (Government of Vorarlberg), "aha" -Tipps und Infos für Junge Leute ("aha" - Youth Informationcenter), Wirtschaftskammer (Economic Chamber), Arbeiterkammer (Chamber for Employees), Arbeitsmarktservice (Public Employment Service), Raiffeisenbank, Hypo Landesbank, Sparkasse, Non-profit association including consumer protection agencies (local/regional/national)</p>	<p>Children, young adults</p>	<p>Both (directly to the public or through other organisations)</p>	<p>Bank accounts and money basics; Credit and debt; Investment, saving and retirement</p>	<p>Classroom/ university, in their worksite, also rooms of different clubs</p>	<p>Leaflets/brochures etc., website, game (Computer games, board games, etc.), films, TV, radio programmes</p>	<p>Depending on their age, children and young adults have different approaches towards money. Hence three curricula have been developed for the Austrian Vorarlberger Finanzführerschein (Vorarlberg Financial Driver's Licence) to suit the different needs: "S" for 10 and 11-year olds, "M" for 14 and 15-year olds and "L" for those aged 16 to 18. Financed by the local government and other local institutions and organisations, the programme operates - up to now - solely in the Vorarlberg region. Participants in 2006 (according to provider): 2,394. (By the end of September 2007, 4317 children have participated)</p>
Trapper Johann	<p>The Chamber of Labour, IfS-Debt Counselling Association, Vorarlberg. Non-profit association including consumer protection agencies (local/regional/national)</p>	<p>Children, young adults</p>	<p>Directly to the public</p>	<p>Debt, overdraft, credits, guarantee, leasing and mobile phones</p>	<p>Pedestrian zones, markets, in recreation centers, schools and factories</p>	<p>Acting, role-playing. Theatre, info postcards, booklets, advertisements, website</p>	<p>The heart of the campaign was a figure called Trapper Johann. It is his job to warn young people of debt-traps by means of theatre-plays in pedestrian zones. Trapper Johann showed up in pedestrian zones from May to August, at markets and in recreation centers, but also in schools and in factories with trainees, where he performed a specifically developed action theatre on the topic of young people and debt. Furthermore the educative campaign SELBERSCHULDEN was started.</p>



No BUDGET	Debt Counselling Association, Steiermark and financed by the Styrian Regional Governments Department of Social Affairs	Young adults below 20 (who already have their own income)	Directly to the public	Money basics, bank accounts, debt	Public events and places such as school concerts, sport events, swimming pools,	T-shirts, Frisbees, post cards, Radio	The use of the terms money and debts are rather no-noes for youngsters. This project picks up the target group in their language and in their environment (idiosyncrasy). Since the end of June the NO BUDGET Tour has been rolling through the whole of Styria. The old black VW bus (year of construction: 1966!) meets the youngsters where they meet each other: at parties at the end of school, concerts, sport events, swimming pools, etc. Professionals and trained young people go on tour together and distribute T-shirts, Frisbees and post cards with NO BUDGET tips. The FM4 radio heroes Stermann and Grisseemann are the bad guys in black of the campaign.
Cure Runners	Three Coins, and game developer "ovos"	Young adults	Directly to the public	Money management	Game, android and ios platforms as well as online.	Internet, mobile phones, PC	In this game, the subject of money management is woven in adventurous, daring and rebellious manner. CURE Runners is a Parkour Runner which is a very popular genre in mobile games. The main problem in the game missions is the elapsed time. That puts the player or the player a lot of pressure and forces them to make cost effective decisions in terms of the usage of the resources.
Finanz- und Konsumwissen / Financial Knowledge for Consumers	the IfS-Schuldenberatung Vorarlberg / Vorarlberg Debt Counseling Service	women returning to the labour market (e.g., after having	Directly to the public	Financial habits / Debts	Advice centre	Leaflets/ brochures etc., printed toolkits/ hand-books etc., website	This is a consumer education training programme targeted at women returning to the labour market (e.g., after having children) with the aim to discuss financial habits, give advice and information on



		children)					how to deal with daily financial topics and to discuss debt traps in which women may fall.
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Source: Adopted from EU Survey of Financial Literacy Schemes in the EU 27- Final Report , 2007, FES Project, Survey Report (2007), and Cure Runners' website.



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EDUFIN PROJECT

*Developing participative processes for the
generation of a financial education curriculum
addressed to young adults at risk*
(Project number 2014-1-ES01-KA204-004748)



NATIONAL REPORT (ACTIVITY CODE01) SPAIN

ÀGORA & FACEPA - FEDERATION OF CFACEPAULTURAL AND ADULT EDUCATION ASSOCIATIONS





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1. INTRODUCTION

In today's financially centered world, financial education is quickly becoming an essential tool necessary for any individual to compete (European Commission, 2007; European Parliament, 2007; OECD, 2013, 2007, 2006).

The necessity of a financial education in today's society is based on the complexity of the markets, in conjunction with a widespread transfer of risk from both governments and employers to individuals. (Bassa Scheresberg, 2013; Lusardi & Mitchell, 2011; OECD, 2013, 2006)

The requirement to raise a critical and informed citizen able to understand and make fundamental decisions on aspects related not only to the financial system, its functioning, and products, but also to all aspects integrated on a solid financial training, it is forcing both public and private institutions to think about how to promote financial literacy among citizens. The financial education is then closely related to the acquisition of basic skills promoted for the European population in order to get the five target objectives of the Europe2020 strategy (Aneas & Molina, 2012).

This Report is an overview of the state of the financial education in Spain. After reviewing the institutions and programs that are available, it is possible to say that the people believe that financial education is important in their lives and they should be better informed. (ADICAE, 2013) It's also true that the financial institutions are making a big effort to inform the public about the financial services as well as the Spanish State to form their youth.

However, financial education is especially low among certain demographic groups. One of these collectives is the young adults at risk, that is, young low-skilled adults (18-34 years) without compulsory education. Most young adults are ill equipped to deal with ever-increasing financial responsibility. Their lack of financial education is probably generated by their lack of basic skills and compulsory degrees that reduce their opportunities of being competitive and access to learning and training opportunities.

Aware of this reality is that the need to develop a project like EDUFIN in which this report is part arises. The aim of the EDUFIN project is to find the best practices of the six countries participating on the project, as well as at the European level, so with that information generate a participatory process of discussions with young adults. This process will lead to the generation of a curriculum that encourages participation and developed the financial literacy skills needed by young people today, especially those who have not had access to formal education or who are at risk of social exclusion.

Based on the EDUFIN project goals, this report includes an outline of the Spanish National Context, a Literature Review chapter, the Identification of the educational programs on financial literacy and best practices to finalize with recommendation for policies and practices. By means



of this report is will lay the foundations that will allow us to start working with young people and has completed the establishment of the curriculum.

2. AN OUTLINE OF THE NATIONAL CONTEXT

2.1 Demographic Structure

For the Spanish State, in line with the European Guidelines, to develop financial skills among young people is a priority. In order to develop these skills in students, it's that in 2009 decided to sign an agreement with the Comisión Nacional de Mercados y Valores (CNMV) and the Bank of España to implement the Plan of Financial Education in Spanish schools. The Plan was implemented the 2010/2011 school year in 15 year olds students. This training with a minimum of 10 hours is not legally binding, but each school can enroll in the program and Schoolteachers are responsible for giving classes with the material provided to them.

In the 2010-2011 school year, the program started “with nearly 3,000 students and 70 teachers representing 32 schools from 14 Autonomous Communities (Financial Education Plan 2013 – 2017 p.11) The second year 400 schools and 21,500 students participated. By 2013 – 2014, 452 schools and 43,000 students initiated a developing process to include the Financial Education program in public schools.

However, as it shows in the financial literacy and educational systems in the OECD: (2015, p. 100) In the Spanish case, the impact on competition of programs EF introduced in the education system is irrelevant. Delay times particularly severe despite recent efforts. Is the OECD country where less is available for the EF student body: 84.20% do not receive any at all (OECD, 2014).

ADICAE (2013) under the project *Educating Financial Service Users*: responsible for new, active consumer and critical, funded by the National Consumer Institute, it has developed and spread a simple questionnaire to determine the level of financial education of the Spanish population and to enable clear conclusions of the current situation (p.5)

“The main conclusion to be drawn is that the level of culture financier the Spanish consumer is still very low, the note is granted as average is suspended (with 4.27), the mode (most common punctuation) 5. The highest average mark, in this case the people who have university higher education is 5.5, far still consider it a good level.” (p.6)

In the Result of PISA Fiancial Literacy (OECD, 2012:p 4) it is possible to see differences between the performance of students:



- Spanish girls and boys get into financial an average score on the same level, but there are more boys than girls in the upper level.
- In Spain, 15% of the variation in financial performance is associated with socio-economic background, similar to the OCDE average.
- In Spain, the socio-economic origin is most often associated with financial performance than reading.
- Spanish students with at least one parent with a qualified profession score best in 52 points in finances, that those whose parents have lower professional qualifications.
- Immigrant children in Spain get 35 points less than the natives of similar socio-economic background.

2.2 National Terrain of Financial Literacy an Education

In context with the financial crisis of 2007, the Comisión Nacional de Mercados y Valores (CNMV), altogether with the Banco de España (BE), developed the 2008-2012 Financial Education Plan. In order to support the OCDE definition of financial education, they have “drawn up a Financial Education Plan for present and future financial service users” (Financial Education Plan 2008-2012)

The impact that this plan has is very large among financial entities. Almost all Banks and financial entities that develop any Financial Literacy program are based on the Plan Financiero. In the past few years about 20 different initiatives have been develop to promote the financial literacy between young people and adults. Some of those programs are Online, interactive contests, games, workshop or classes. Unlike the programs developed in the public school, volunteers execute those programs.

Nevertheless, in spite of the number of schools and students participating in the programs, and the financial institutions that put information at the disposal of the consumers, this still being a voluntary process and the number of student that are getting financial literacy education is not representative.

The coverage of financial programs is not the only problem with the financial education in Spain. This will change with the new Education Act LOMSE introducing financial education in both primary education and compulsory secondary education. But because the curriculum of the programs are mostly based on the financial plan and the contents and competencies aim to do well in the PISA test, isn't hard to find, on the Internet, several groups of people among



teachers, and social organizations that are against the values that the financial plan develops in the students.

These individuals and organizations appeal for financial education focused on developing more ethical financial skills that include fair trade and savings, rather than training people to be good consumers of financial services. (Marina, JA. 2015)

Therefore, it is possible to say that formal financial education in Spain responds to the parameters of financial institutions, and that in the informal, you may find both information and training projects that are in line with business plan, as well as critical movements.

In this context, as an example, it's important to mention the work of the Asociación de usuarios bancarios, cajas y seguros EDICAE who in their firm intention to defend the rights of consumers have developed a blog called *Learn and rule* where you can find information today financial, manuals responsible consumption and an online financial education platform and the major themes of consumption.

3. LITERATURE REVIEW

3.1 Conceptual Review

It seems to be an agreement with the Definition of Financial Education given by the OCDE (2005) all over the Spanish context.

This is the most used definition of Financial Education in the Spanish studies provided by the OECD (2005), where financial education was defined 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”.

This definition is used in the Financial Plan developed by the Bank of Spain and CNMV, the Spanish government adheres to this definition both from the agreement signed 2009 with the Plan Financiero as well as the decision to apply the PISA test on 2012.

The same definition is provided by the EDUFINET Project and the EDICAE. After reviewing Financial Studies in Spain in recent times, only one more definition was found, and it is more or less in the same line on OCDE.

Another definition is the given by the European Economic and Social Committee (EESC) published an own- initiative opinion on financial education and responsible consumption of



financial products adopted on 14 July 2011. (*Financial education for all*, 2011). This document is a review on financial education strategies and best practices within the European Union.

The Authors review the state of financial education in Europe considering the lineaments of the European Union and the OECD, but also are positioned on the role that financial education should meet: “The aim should not only be to pass on knowledge and skills (“financial education”), but also ensure that people are financially literate enough to be able to take the right decisions when managing their personal finances in the real world (“financial empowerment”)” (Michael Smyth in the introduction of the *Financial education for all*, 2011, p. 4)

A different definition is the one given by the author of the *Educación financiera y espíritu emprendedor de los jóvenes Aragón*: Financial education could define, for the purposes of this study, the ability of individuals to make judgments and take effective decisions regarding the use and management of their money. (Blasco de las Heras, N. 2010).

3.2 National Studies on financial Literacy and education

About the Financial Education in Spain, there are many reports that explain that the directrices of the Spanish public education on finances is the one that the OCDE. Also, is mainly the same that the independent programs and reports apply.

The line of studies that is possible to find about the situation of the Spanish Finance literacy are both National at local level.

In the national level, the survey carried by ADICAE (2013) it concentrated on finding out both the level of knowledge of Spanish consumers and in their perception of what they know. The result was poor in what people know about finance. However the Spanish think they know more than they really know. Another interesting data is that the Spanish people believe that is very important to learn about finances mostly because it's difficult to trust the bank nowadays.

Another Report that shows poor results on finances literacy is the PISA resort. This document that it was already mentioned shows very low results to students, at the same time demonstrate that there are big differences between different groups of students.

In the local level, the *Financial education and entrepreneurship of young Aragón*, is a study developed by the University of Zaragoza with funding Aragonese Economy Foundation, Fundear, in its ninth call for funding to research Aragonese economy.



“The aim of the project is to assess the economic culture among young people in Aragon from the perspective of both financial education and entrepreneurship. An analysis has been carried out of the results of a survey conducted among university students and those attending higher education training courses on the point of entering the job market with some degree of specialist or professional training.

The results of the survey show that despite having a limited understanding of financial news, young people from Aragon are aware of the current difficult economic situation and are worried about what they perceive to be the most immediate consequence, the difficulty of finding work on completing their education or training. Young Aragonese people are well capable of organizing their own financial affairs. However, they are not knowledgeable about everyday financial transactions although they see little difficulty in acquiring the necessary knowledge. Young people from Aragon do not appear to have an entrepreneurial spirit. Nevertheless, they express willingness to work abroad.

Almost all respondents consider financial education to be positive and express willingness to learn about topics related to savings and project financing.” (Blasco de las Heras, N. 2010)

The common agreement between the Financials actors is that more and better financial education needs to be done in Spain to prevent missives crisis like the one that affected European

4. IDENTIFICATION OF PROGRAMMES

Nationally, the Financial Education Plan is the basis for many of the projects on financial education and training developed by other banks, regional governments and some organizations or individuals seeking to inform users.

The curriculum of the *Plan of Financial Education* includes: student book, teacher’s manual, online material and activities and is proposed to be used by different subject teachers by at least 10 hours.

On the 2008-2012 Plan it was possible to study many different systems and programs and the conclusion of that study was that it was a curriculum that focuses on:

- Money and transactions
- Planning and managing finances
- Risk and diversification
- Financial landscape



In order to make all this information accessible to the public, the CVMN and the BE developed the web *finanzasparatodos.com* with information to all public and the *gepeese.es* a web focus on young people, students and teachers. “The contents to be taught in the program are enhanced to fully adapt to the learning framework that establishes PISA financial literacy” (*gepeses.es*) and the 10 units that the program propose are:

- My money, my life, my future
- Savings: because I deserve it
- Control your life! Control your money!
- Credit: use without abuse
- Are you smart consumer?
- My bank and I
- How are you going to pay?
- Cards: friends or enemies?
- Grow your money!
- Protect your money!

The web page develops different types of interactive games and activities where the students can practice and develop their abilities on finances.

Other programs that can be found online are EDUFINET for adults and the EDUFINEXT for young people. Those two programs develop the same curriculum that focuses on:

- Decision making
- Spanish Financial System
- Media and payment instruments
- Deposits
- Fixed rent
- Equities
- Investment funds
- Pension Plans
- Insurance



- Credits and loans
- Guarantees
- New financial products and services
- Legal framework
- Taxation
- Financial calculations

Edufinet has also developed a curriculum for beginners. This curriculum it was developed as a revision of what Edufinet has been doing for the past eight years. The new curriculum *Financial Education Introductory Course* has six units:

Module 1: The family budget and interpretation of economic information

Module 2: The adoption of financial decisions

Module 3: Money, the means of payment and deposits

Module 4: fixed income and equities.

Module 5: Investment funds and pension products

Module 6: Loans

The project is governed by a series of methodological criteria:

- One priority is to try to provide a comprehensive, coherent and consistent vision.
- The design of the approach taken in the draft financial literacy knows how to handle the financial system over all specific concepts.
- It is considered essential to emphasize the interrelation of content.
- Fragmentation and, in some cases, overlap, has traditionally been a structural handicap of teaching designed with a focus (necessary) subject specialization. The reasoned decision making, avoiding incurring technicalities, is also a fundamental premise.

With these principles as a backdrop, the sequence used for the preparation of the contents is as follows:

- Overview of decisions from the point of view of the cycle of financial products, which is seen as the core of reference.
- Personal finance situation (family budget, economic environment and public policy)



- Approach to the role, structure and functions of the financial system. Treatment of products and means of payment which can meet the different needs: realizing savings obtain credit funds, hedge against any risk or make payments, as more frequent manifestations.

In addition, it is estimated to be necessary to provide a series of transverse contents: legal, taxation and financial calculations.

- An adequate development in the preceding paragraphs requires a number of ancillary or complementary elements: the availability of a glossary of financial, fiscal and commercial; playability and knowledge of the main economic and financial indicators as well as familiarization with their evolution; managing financial simulators. (Martines JM, 2010:7)

All those topics can be found at the web page. There are explanation, examples, exercises and games to practices them. There are games and activities too.

The main difference between the programs *finanzas para todos* and *EDUFINET* is the point the standpoint of those who manage them. While one is organized from Financial Institutions that aims to educate people using the products and services offered by the system, even if it is responsible, this is a very different point of view of the projects carried by ADICAE as this association raises its programs on the basis that students must learn to defend themselves from financial services.

4.1 Best Practice Examples in Spain

Selected practices have been referred to by the Spanish Ministry of Education, Culture and Sport, and, by the EESC on best practices in Europe and Spain.

Their contribution to curricular level lies in the possibility of being used flexibly by teachers of various subjects, engaging students in activities of daily life that can later apply in real life.

Finanzas para todos

Name of project	Finanzas para todos (Finances for all) and Gepeeese
Organization and type of organization (e. g. public/private)	Comisión Nacional de Mercados y Valores (CNMV), altogether with Banco de España (BE),



Where it is located	It is an online program, it can be found at: http://finanzasparatodos.es http://finanzasparatodos.es/gepeese/es/inicio/
Aims and objectives	To be a financial platform opened to all where educational and informational documents can be found both for individuals and institutions.
Length of project	1 st period 2008-2012 2 nd period 2013-2017
How it is funded	It's collaboration between many financial institutions and the Spanish Ministry of education, culture and sports.
The type of people the program is aimed at	Finanzas para todos it's open to adults and Gepeese is the program for school level students.
Type of teaching and learning approaches used	In both webpages it is possible to find a variety of documents, videos, games, and links to blogs or other interesting financial program. Also there is a program to be applied directly at school by teacher of each center. To participate, each school must enroll and receive free materials needed to implement the program.
Outcomes and goals	

Information reference:

- <http://finanzasparatodos.es>
- <http://finanzasparatodos.es/gepeese/es/inicio/>

Banca para todos

Name of project	"Banca para todos" ("Banking for all") is the general name for BBVA group's financial education plan Valores de futuro ("Future Values") is the plan we want highlight
Organization and type of organization (e. g. public/private)	Banco Bilbao Vizcaya Argentaria (BBVA). Is private financial organization. Banc



Where it is located	The BBVA bank has financial education programs in Spain and Portugal and in North and South America.
Aims and objectives	Future values of BBVA is an initiative which aims to promote skills and values associated with the use of money, and effort, solidarity and savings, among others, by conducting participatory workshops that encourage reflection and dialogue in the classroom.
Length of project	Program membership and educational materials are completely free. They can be performed as many workshops want from a total of 63 proposed.
How it is funded	Its founded by the BBVA Banc
The type of people the program is aimed at	Future Values is a financial education program that addresses the contents related to the responsible use of money in the context of values education. It is aimed at students in Elementary and 1 st to 3 rd of ESO
Type of teaching and learning approaches used	<p>Registered teachers receive free educational materials (teacher's book and tutorial) including a description of each workshop and teaching guidelines to implement them. Furthermore, the project website can view and download additional materials such as complimentary chips for students, and videos with practices on the development of some workshops in class demonstrations.</p> <p>The workshops can work individually or in an integrated manner in the following subjects:</p> <p>Tutorial Social Sciences Language and literature Mathematics Technology Education for citizenship</p> <p>How to participate:</p> <ul style="list-style-type: none"> - Sign up for the program - Make one or more workshops with your students. - Send samples of the work done by your students or initiatives inspired by your participation in the program for Active Participation section.



	<ul style="list-style-type: none"> - All initiatives received automatically entered in the contest Active Participation, on an annual basis. Meanwhile, each month the most votes on the web participation will be featured in the gallery as the class of the Month and each student will receive a prize.
Outcomes and goals	To give users the skills to make use of basic financial services. Takes a very practical approach, taking people from 'being aware' to 'knowing', but above all from 'knowing' to 'knowing how'; to help people to develop the skills needed for the responsible consumption of financial products.

Information reference:

- <http://www.eesc.europa.eu/resources/docs/qe-30-12-894-en.pdf> page 13.

<http://www.valoresdefuturo.com/es/secundaria>

Edufinet / Edunext

Name of project	EDUFINET/ EDUFINEXT
Organization and type of organization (e. g. public/private)	At the beginning it was developed by Unicaja as a reference financial institution in Andalusia. But soon he had the collaboration, the first of the International University of Andalusia (UNIA) and then at the University of Malaga (UMA) as university public institutions that develop teaching, study and research in the field of competence. More recently joined the University Pablo de Olavide (UPO), the University of Jaén (UJA), the University of Córdoba (UCO), the University of Almería (UAL) and UNED Malaga.
Where it is located	www.edufinet.com
How is funded?	Funded by the National Consumer Institute
Aims and objectives	The basic aim of the project initially focused on developing an Internet portal, which is available through the following address: www.edufinet.com and the main characteristics of the Spanish financial system and financial products widely used, including practical examples of the same for the purpose of improving their



	understanding. Also, the portal is complemented by the publication of a financial guide on paper and the development of training activities aimed at specific groups and society in general.
Length of project	Ongoing since 2007
The type of people the program is aimed at	Training activity aimed at young people who have finished the stage of compulsory secondary education.
Type of teaching and learning approaches used	<p>It seeks to provide information in the clearest and simplest way possible, in a question-answer, in order to promote greater ease in understanding the different types of products and services on the market, and an approach adapted as specific needs of users of financial services.</p> <p>In short, it aims to bring financial education to citizens, promoting not only an improvement in their decisions on the matter, but also an understanding of the financial world to promote transparency and efficiency in this market.</p>
Outcomes and goals	Essentially, it aims to provide a support for making personal financial decisions, contribute to increase the degree of autonomy of users of financial services. The aim is to induce reflection and reasoning, rather than giving some automatic recipes. Calculate the APR or the fee for a loan is quite easy with the help of computer tools, but the important thing is to know its basis, its meaning and implications. To some extent, it is intended to encourage "learning to learn" for the development in the financial sphere.

5. RECOMMENDATION FOR POLICY AND PRACTICE

The importance of a solid financial education has been internationally acknowledged. And both the OECD and European Commissions have issued recommendations to Member States to engage their cooperation. The Spanish government as well as the associations that have developed the programs highlighted in this report follows those recommendations.



a) OECD recommendations

The OECD Council approved a resolution in June 2005 calling on member countries to promote the financial education of their citizens, and setting out principles and good practices to aid them in the task, attached to this report as Annex 1.

In its recommendations, the OECD stresses the need to promote financial education programs:

- aimed at all citizens,
- starting from school,
- and adapted to the circumstances and expectations of each social group.
- Programs contents should cover such basic aspects as: financial planning, saving, debt, insurance and pensions.

b) European recommendations

The European authorities have also launched a series of initiatives to get Member States working on their own policies and plans to improve their citizens' financial skills and awareness.

The latest of these is the Commission's Communication on Financial Education of December 2007, which signals the urgency of improving Europeans' skills and understanding in the financial terrain. The Commission sees financial education not just as a way to combat information asymmetries between financial service providers and consumers, but also as a complement to adequate consumer protection and the responsible behavior of financial service providers.

Financial education helps to develop many of the basic competencies established by the EU:

- Competence in linguistic communication: financial language.
- Mathematical competence: using mathematical calculations.
- Competence in knowledge and interaction in the physical environment: linked to the concept of sustainability and the impact on her economic activities.
- Competence in information processing and digital competence: the need to access different sources of information for obtaining data and know programs for treatment and exposure.
- Social and civic competence: decision making achieved education of citizens as responsible consumers, facilitates the understanding of the problems of economic management and allows them to deepen their knowledge of the social roles of operators.
- Cultural and artistic competence: linked to the management and knowledge of cultural activities. Also it involves economic formation.



- Competence to learn to learn: acquisition of a transferable methodology performance to many fields and contributes to the overall education of students.
- Competition of autonomy and personal initiative helps control emotions in making important decisions, fosters creativity, efficiency, accountability, I critically and empathy. Ultimately, creating more responsible citizens, entrepreneurs and freelancers.

c) Base on PISA evaluation:

- Consider the content, processes and context, to develop activities in which students can apply the skills.
- The activities should be used in everyday life.
- Use real material to be successfully performed by alumnus.
- Develop financial competence transversal with other subjects such as math, language, social studies, etc.

It needs to be developed:

1. Contents:

- Cash and cash transactions
- Financial planning and management
- Risk and reward
- Rights and duties of consumers of financial products

2. Procedures:

- Identify and evaluate financial information in different types of text
- Analyze information in a financial context
- Evaluate alternatives of a financial nature
- Apply financial knowledge

3. Contexts:

- The school and the workplace
- Domestic economy
- Single
- Social



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APPENDIX A

Financial Education programs in Spain

<p>The Financial Education Plan</p> <p>http://www.finanzasparatodos.es/export/sites/cnmv/comun/pdf_varios/Plan_de_Educacion_Financiera_2013-2017.pdf</p>	
<p>First period 2008-2012:</p>	<ul style="list-style-type: none"> • Overview: The Plan does not exclude any segment of the population and covers all financial products and services. • Cooperation: By its scope and features, the plan involves the assumption of a public commitment from both financial supervisors and requires intense cooperation among them, being open to the participation of other agents and institutions that can contribute to this task. • Continuity: Due to the nature of the objectives, actions must be maintained over time <p>2. Activities performed</p> <ul style="list-style-type: none"> • The design and launch of a reference portal for financial education. www.finanzasparatodos.es website was launched as the first visible landmark Financial Education Plan in May 2010. • In terms of the collaboration agreement signed with the Ministry of Education, Culture and Sports, include the development and evaluation of a pilot program Financial Education in 3rd Compulsory Secondary Education during the 2010-2011 academic year, which involved almost 3,000 students and 70 teachers from 32 schools from 14 Autonomous Communities, Ceuta and Melita • Prior to the completion of the pilot character, he held a job in identifying the training needs of students according to their age group, with special emphasis on the concepts of saving, investing and borrowing, as well as the development of basic competencies related to procurement processes of financial products. Also effective tools, which would create interest and motivation of students and teachers, such as materials in the



	form of video game or other technological support adaptable, defined.
Second period 2013-2017	<ul style="list-style-type: none"> • Diversity: We must reach every segment of the population considering its characteristics, needs and appropriate channels of access to each of them. • Knowledge and accessibility: You must give all citizens access to information and the necessary tools to strengthen their capabilities. • Measurement and evaluation: They should conduct on going assessment work to determine its effectiveness and identify areas for improvement. • Coordination: The actions on financial education should be carried out in a coordinated manner, avoiding duplication of efforts, in order to pursue such actions are effective and at the same time, efficient use of available resources. - Responsibility: All authorities and public and private organizations share the responsibility to carry out this plan and achieve their goals.
Curriculum approaches	<p>The contents are linked to skills development:</p> <ul style="list-style-type: none"> - mathematical competence - Social and civic competence - Competition autonomy and personal initiative Processing and digital competence in knowledge and interaction with the physical world <p>Curricular content areas lace:</p> <ul style="list-style-type: none"> - Social Sciences, Geography and History, Mathematics, Citizenship
Contents	<p>Based on the analysis of the contents that are being tech in countries like Brazil, New Zeeland, England, Scotland and Australia, the contents they found are the same and that are aligned with the Pisa evaluation are:</p> <ul style="list-style-type: none"> - Money and transactions - Planning and management - Risk and diversification - Financial perspective



Institution	Program	Web page	Target Group	Description
Spanish Education, Culture and Sport Ministry	Access to the PISA Report Finances for life Congress 2015	http://www.mecd.gob.es/dctm/inee/inter nacional/pisa2012-financiera/informees panolpisafinanciera07.07.14web.pdf?documentId=0901e72b81a25b3f http://www.en-directo.com/mecd/pisafinanciera/#inicio	Students from 13 to 15 years old in all Schools of the territory.	A Spanish history of relevance: “Finance for All” and “Education Financial in the Classroom “
Financial Education in the classroom	Web page where to find different financial education programmes	http://educacionfinancieraenelaula.blogspot.com.es/	Everyone, but focus on teachers and high school students.	Blog that summarizes financial information such as web pages of programs, news, and courses available to teachers to be worked in the classroom.
Ibercaja Aula en Red	Concurso Reporteros en la red para fomentar la ciencia y la educación financiera	http://aulaenred.ibercaja.es/	Aimed at students of ESO, Bachiller and training cycles with age limit 20 years	It includes financial education as a prize, but is not within its activities and promotes on p. Web.
Banco España	Portal educativo Banco España	http://portaleducativo.bde.es/educa/es/ http://elrinconeducativo.bde.es/	For all ages. Separate activities according to levels.	Activities for students of all ages, virtual classroom teachers area, projects and games related to the bank and financial



				education
LA CAIXA	FORMACIÓN FINANCIERA	https://portal.lacaixa.es/formacionfinanciera/planeduccionfinancieraacnmvbancoespana_es.html	Plan adheres financial education	Follows curriculum and “collaborates in the dissemination of educational materials of the Plan and offers a collection of 12 records that help you review, fast and practical way, all you need to manage your economy.”
La Caixa Banc	The Plan Caixa	Related to the web www.finanzaspartodos.es	Kids, young adults and adults.	Collaborates in the dissemination of educational materials of the Plan and offers a collection of 12 records that help you review, fast and practically everything you need to manage its economy.


Institution	Program	Web	Target group	Description
Red Española de Educación Financiera	The highlights of Spain contributed by the participants themselves: It is part of the Plan of	http://www.reduccionfinanciera.es/	everyone Separate courses: Children excluded population, immigrants, Seniors, Adults, women, everyone.	The Spanish Financial Education Network is an initiative where the general public and professionals can share knowledge and The Spanish Financial Education Network is an initiative where the



	financial education (below)			general public and professionals can exchange knowledge and experience in this area. This site, which is supported by this platform, aims to capture the most relevant financial education projects both in Spain and in the rest of the world.
Banco Santander and The Universidad de Cantabria	Finanzas para mortales	http://www.finanzasparamortales.es/		Their aim is to make finances accessible for all by publishing information and activities in an easy language and encouraging participant's comments and ask questions.
Asociación Española de Banca and Fundación Junior Achievement	<p>"Tus finanzas, tu futuro"</p> <p>"Your finances, your future"</p>	http://www.tusfinanzasfuturo.com	Adults	Webpage with financial tools to do

Ministerio e Educación, Cultura y Deporte: http://www.google.com/cse?cx=006043202724820927248%3Akl0norxzhk&q=educacion+financiera&mec=#gsc.tab=0&gsc.q=educacion%20financiera&gsc.page=1	
Congreso PISA "Finanzas para la vida" Finances for life. PISA Congress, 2015	Organizers: <ul style="list-style-type: none"> Ministry of Education, Culture and Sports through the National Institute of Educational Evaluation (INEE) and the National Center for Educational Research and Innovation (CNIIE)



	<ul style="list-style-type: none"> • Bank of Spain (BDE) and the National Securities Market Commission (CNMV) • Financial Education Plan <ul style="list-style-type: none"> • Educational portal of Finance to all www.finanzasparatodos.es • Educational Portal of Financial Education Program in Schools: www.gepeese.es • Records of Financial Education Plan 
<p>Number of school participating on the “Plan Financiero” by Autonomic Community</p> <p>http://www.finanzasparatodos.es/gepeese</p>	<p>More than 43.000 students in 2014, 452 centres</p> <p>http://www.finanzasparatodos.es/gepeese/columnalquilerdaAzullugin/Listado centros Programa Educacion Financiera curso 2013_2014.pdf</p> <p>230 en Andalucía 12 en Aragón 13 Canarias 7 Cantabria 8 Castilla - La Mancha 17 Castilla León 6 Cataluña 27 Comunidad de Madrid 2 Comunidad Foral de Navarra 15 Comunidad Valenciana 36 Extremadura 34 Galicia 3 Islas Baleares 6 La Rioja 2 País Vasco 17 Principado de Asturias 13 Región de Murcia 2 Ciudad Autónoma de Ceuta 2 Ciudad autónoma de Melilla</p>
<p>Marco y pruebas de evaluación PISA 2012 Competencia financiera (Framework and assessment tests PISA 2012 financial Competition)</p>	<p>Organization knowledge area</p> <ul style="list-style-type: none"> - Contents 15 or Money transactions - Planning and managing finances



<p>http://www.mecd.gob.es/dctm/inee/internacional/pisa2012-financiera/marcopisa2012-financiera.pdf?documentId=0901e72b8193c3b6</p>	<ul style="list-style-type: none"> - Risk-benefit - Financial Outlook - Processes - Identify financial information - Analyze information in a financial context - Evaluate financial issues - Apply knowledge and financial understanding - Contexts <ul style="list-style-type: none"> or Education and work or Home and Family or Personal or Social - Non-cognitive factors <ul style="list-style-type: none"> or access to education and training or access to money and financial products or Attitude and confidence in financial matters or saving and spending Conduct <p>Evaluation of financial competence</p> <ul style="list-style-type: none"> - Structure of the evaluation - Response formats and encoding - Distribution of the score - Impact of knowledge and skills from other areas in the financial competence or arithmetic skills or reading and vocabulary
<p>Procomún: Red de Recursos educativos en abierto (Commons: Red open educational resources) https://procomun.educalab.es/es/ode-search?query=educación%20financiera%20&type=&auto=&page=1</p>	<p>The Procomún Space Education is an initiative of the Ministry of Education, Culture and Sports (MECD) that is based on the Make Project, enriching it with new elements. It takes the form of a website that integrates learning objects and teaching experiences constitutes a smart, social and distributed Web.</p> <p>Information gathering financial education open to users It features over 80,000 resources. The filters that you can search are:</p> <ul style="list-style-type: none"> • Learning Resources (79063) • Item (3584) • Users (285) • Debates (85)



	<ul style="list-style-type: none"> • Questions (39) • Communities (37) • Events (10) replies
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<p>Universidad de Alcalá</p> <p>EDUCACIÓN FINANCIERA PARA JÓVENES: UNA VISIÓN INTRODUCTORIA</p> <p>(FINANCIAL EDUCATION FOR YOUNG PEOPLE: AN INTRODUCTORY OVERVIEW)</p>	<p>SUMMARY</p> <p>The aim of this paper is to present the basics of a training activity aimed at a first foray into the field of financial education of students who have finished the stage of compulsory secondary education, although the approach can serve as a reference for adaptation to other educational levels. The aim is not to provide a complete picture of financial products, but to show the basic elements to forge a sense of the scope of financial decisions within an overall pattern of reasoning. The work is structured into four sections: first reference to the concept of financial education is done; secondly the didactic approach Edufinet exposed program, in which the proposed training activity falls; then alluded to the role and structure of the financial system, and an outline of the main financial products is performed; The fourth section is intended to illustrate a series of practical cases.</p> <p>Keywords: Financial Education, youth, Edufinet, Edufinext.</p>
<p>Edufinet: Financial education network. Social responsibility project</p> <p>http://www.edufinet.com</p>	<ul style="list-style-type: none"> • Decision-making • Spanish Financial System • Media and payment instruments • Deposits • Bonds • Equities • Investment funds • Pension Plans • Insurance • Credits and loans • Guarantees • New financial products and services • Legal framework • Taxation



	<p>financial calculations</p> <p>The contents of the tutorial are designed to cover the following subjects:</p> <ul style="list-style-type: none">• Family budget and economic indicators.• Making financial decisions.• Spanish financial system: role, functions and structure.• Media and payment instruments.• Financial products and services.• Legal framework.• Taxation. <p>Financial calculations.</p>
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EDUFIN PROJECT

*Developing participative processes for the
generation of a financial education curriculum
addressed to young adults at risk*
(Project number 2014-1-ES01-KA204-004748)



NATIONAL REPORT (ACTIVITY CODE 01) BULGARIAN REPORT

AMALIPE CENTER FOR INTERETHNIC DIALOGUE AND TOLERANCE, VELIKO TARNOVO, BULGARIA



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1. INTRODUCTION

Financial literacy is quickly becoming an essential tool necessary for youth to compete in today's financially centered world. In some countries there is still not developed financial education, provided by the national education institutions. Young people can still leave the educative system without a basic financial knowledge and/or principles such as personal savings, earnings, and spending (Channell, McCormick, Parot, & Gierzynsk, 2008). Furthermore, this question is especially aggravating in adding patterns such as gender, level of education, ethnic or racial component: women are less financially literate than men and are aware of this shortfall; more educated people are more informed, yet education is far from a perfect proxy for literacy (Lusardi & Mitchell, 2011).

At the same time, the responsibility and risk for financial decisions that will have a major impact on an individual's future life are being shifted increasingly to workers and away from government and employers. That means that individuals will not be able to choose the right savings or investments for themselves, and may be at risk of fraud, if they are not financially literate. But if individuals do become financially educated, they will be more likely to save and to challenge financial service providers to develop products that truly respond to their needs, and that should have positive effects on both investment levels and economic growth (OECD, 2006).

The project has as its main goal of planning and developing a learning programme on financial literacy addressed to young people of disadvantaged groups in society to promote entrepreneurship education, to build up active citizenship, employability and new business creation, supporting future learning and career paths for individuals in line with their personal and professional development.

The project puts accent on young adults between 18 and 30 in situation of social risk, being part of training programmes (formal and non-formal), and with the objective of having access to the labour market.

The present project aims at the establishment of a learning curriculum on financial education based on the experiences/expectations of young adults at risk themselves in order to meet their real needs on financial literacy.

This report aims to map out the policy and practice in relation to the financial literacy and education programmes in Bulgaria for young people and especially those aimed at marginalised groups of young people who are at risk of social exclusion, such as Roma. It will identify good policy and practices across Bulgaria providing basic features of each. Last but not least, this report will draw on the examples of good policy and practices in order to make recommendations to improve policy and practice at national and European levels in relation to financial education curriculum for young people.

2. AN OUTLINE OF THE NATIONAL CONTEXT

In the years after the global economic and financial crisis successful integration of young people to the labour market and ensuring a smooth transition between education and employment were outlined as key challenges to the stable development of the labour market and social systems.

This process is of particular importance for the European Union(EU) and Bulgaria in particular, owing to negative demographic processes taking place on the continent, and because the challenges facing the European social model in conditions of high public debt and low economic growth.

The dynamic nature of modern labour markets increases the need for early integration of young cadres. Namely their inclusion in the labour market is seen as a leading prerequisite for the successful reduction in the future of the share of persons, living at risk and in poverty, material deprivation or those heavily dependent on social welfare systems.

In medium term, reducing unemployment and increasing employment among young people is seen as a major factor to achieve the objectives set in the Europe 2020 strategy.

The essence of the problem "youth unemployment" requires a comprehensive approach to its authorization, which includes reforms in the social welfare system, education system, labour market, the tax system and institutional structure on which policies, conducted in these areas are based.

In addition, development of new measures and methods aimed at increasing economic activity and employment among young people, suggests introduction of clear defined indicators to assess their effectiveness.

At least at this stage methodological tools with which institutions work in some of the new EU Member States (including Bulgaria), are not flexible enough to allow better assessment and equivalent adaptation on implemented policies.

2.1 Youth Unemployment Rate in Bulgaria

Following information is based on National Statistical Institute Labour Force Survey (NSI LFS) data. The main target groups are youngsters aged 15–24 and 25–29.

Youth unemployment increased in 2012 for the fourth consecutive year. In the first quarter of 2012 the youth unemployment rate for those aged 15–24 reached its highest level since the

third quarter of 2008, when the economic crisis began, exceeding 30 per cent for the first time since the first quarter of 2003. At present, about 74,800 young people aged 15–24 are unemployed. If we expand our observations to youngsters up to 29 years of age, we add another 44,200 unemployed and the youth unemployment rate 25–29 reaches the record level of 14.8 per cent for the past eight years.

Youth unemployment continues to rise, although economic development has reversed the negative tendency towards weak growth in 2011. While at the beginning of the economic crisis, in 2008, there was a stark reversal of most positive labour market achievements, now there are no signs of improvement, especially for young people.

Moreover, there is a tendency for faster growth of youth unemployment in comparison to unemployment overall. The latter could mean that youth unemployment is determined not only by the business cycle but also by powerful structural factors such as experience and skills. This thesis is defended also by the fact that even in the growth years youth unemployment remained two to three times higher than adult unemployment and the activity and employment rates in the youth labour market were too low compared to most EU27 countries. Generally, young people are in an unfavourable situation compared to adults with regard to employment prospects. This was the case during the growth years and it has continued during the crisis period. The ratio between the youth unemployment rate and the adult unemployment rate has remained stable over the past 10 years, keeping its values in the range of 2.33 (2003) and 2.71 (2009). This indicates that young people are approximately 2.5 times more likely to be unemployed compared to adults in Bulgaria. Moreover, the younger one is, the worse one's situation on the labour market. We calculate a similar ratio between the youth unemployment rate for 15–24s and the youth unemployment rate for 25–29s. The figures illustrate that young people below 25 are almost twice as likely to be unemployed compared to those aged between 25 and 29.

According to Eurostat Youth Unemployment Rate in Bulgaria decreased to 22.30 percent in April of 2015 from 23.20 percent in March of 2015. Youth Unemployment Rate in Bulgaria averaged 24.33 percent from 2000 until 2015, reaching an all time high of 38.90 percent in May of 2001 and a record low of 10.80 percent in August of 2008.

There are two major sets of reasons for such low employment rates. The first concerns the causes of youth unemployment (insufficient number of job places, particularly

In times of crisis, lack of skills and experience) and the second concerns absence from the labour force, mainly due to participation in education or simply discouragement from participating in the labour market.

The highest unemployment rate in 2011 among young people (15–24) was in the group with primary and lower education, at 65.3 per cent. Those with lower secondary education registered the second highest unemployment rate, at 44.6 per cent, and the highest inactivity

rate, at 53.57 per cent. To summarize, the lower a person's level of education, the greater their likelihood of unemployment and inactivity.

Education is probably the most important factor determining whether one will be employed or not. In Table 1 one can easily see that being a young person with a higher or specialised upper secondary education means that one is more likely to be employed. Young people with only a primary or lower education are marginalised on the labour market: 65.3 per cent of them are unemployed and only 4.4 per cent are employed.

Another important issue is that a specialised upper secondary education provides many more opportunities on the labour market compared to a general secondary education. The data confirm the common supposition that the closer one's education is to the real economy, the higher the demand for one's skills on the labour market.

Table 1 Population aged 15–24 by education and labour force status, Bulgaria, 2011 (%)

Level of education	Persons not in labour force	Youth employment rate	Youth unemployment rate
Higher education	1.02	58.8	19.5
Secondary	37.96	33.7	23.6
Upper secondary specialized	11.55	45.7	22.5
Upper secondary general	26.41	25.3	24.9
Lower secondary	53.57	3.7	44.6
Primary or lower	7.46	4.4	65.3

Source: NSI LFS 2011

2.2 Roma Unemployment Rate in Bulgaria

As per the 2001 census, of Bulgaria's total population of 7,973,673, some 4.6% (358,815) identified themselves as Roma and 9.5% (757,499) declared to be of Turkish ethnic origin on a 2% representation basis. According to expert estimations, however, the number of Roma is in reality between 700,000 and 800,000. The political and economic reforms initiated in 1990 were accompanied by sharp falls in economic activity and a sharp increase in unemployment and poverty. The social impact of reforms in Bulgaria was particularly high compared to other Central and Eastern European countries due to frequent political changes and capacity shortfalls in developing effective national and macro-economic policies in relation to the restructuring of the economy.

Unemployment and poverty particularly impacted the Roma minorities. The concentration of those minorities in certain areas and in declining economic activities resulted in the emergence of numerous pockets of severe unemployment and poverty in rural areas and in many Bulgarian towns. The Roma neighbourhoods (mahali) of many Bulgarian towns, where at least 600,000 Roma live (according to expert estimations), have gradually transformed into informal settlements. Several rural areas of Bulgaria are also characterised by compact concentrations of Roma in small isolated villages, which are to a large extent disconnected from Bulgarian society. According to a representative sociological survey carried out by the International Centre for Minority Studies, 48% of the Bulgarian ethnic Roma population in 1994 lived in rural areas.

Over the last ten years, the unemployment rates among Roma have been systematically higher than those for ethnic Bulgarians. In 2001, 31.1% of the total number of unemployed in Bulgaria was of Roma ethnic origin. Compared with ethnic Bulgarians, the unemployment rate among the Roma is 77% (World Bank, 2002). The deteriorating social condition of the Roma is reflected by the fact that in 1992 only 30% of them relied on social assistance. In 1994, this figure reached 45%, while in 2001 it peaked at 60% (MLSP, 2002).

The results of a survey ("From Social Assistance to Employment" – Ministry of Labour and Social Policy Survey, January 2003) carried out among the Roma population show that the prevailing part of this group is not professionally oriented. They often do not have a clear idea about the profession they would like to have and usually choose professions that require low or no qualification and are related to the Roma traditions. The prevailing part of the Roma population assigns greater value to obtaining vocational skills than education. For 30% of the respondents, obtaining a profession is the first and most important condition for finding a job. As for professions requiring specific skills, these include construction workers, welders and turners, drivers, farmers, carpenters, barbers and plumbers for the men, and sewing, cooking and hair dressing for the women.

Therefore the main solutions related to professional orientation and qualification would come through the provision of training courses in professions that require mostly specific production skills and a low level of literacy. Positive results are expected from training courses that combine training with employment, like apprenticeships.

According to the survey, Roma NGOs play an important role as intermediaries between the local authorities, businesses and the Roma community. Their primary function would have been to identify people with a certain level of education and qualification, especially people without certificates to prove their skills. The objective would be to include such persons in training courses or apprenticeships.

Efforts were made to integrate the Roma population through fulfillment of the Government commitments related to the improvement of Roma access to the labour market, to develop measures promoting the social and economic integration by improving the access to education and training – the best preparation of individuals for their entry into the labour market and the encouragement of the tolerance and mutual understanding among the Bulgarian citizens of different ethnic origin and religious beliefs.

In 2007, the government made efforts to build institutional capacity at a central level for coordinating the implementation of the Decade Action Plan; an intergovernmental working group was established with the aim of monitoring its implementation. The activities in all priority areas included in the National Decade Action Plan are under discussion by the Council for Roma Integration in Bulgarian Society and the Ministry of Labour and Social Policy. A major achievement in securing the financial sustainability of Roma integration activities has been the incorporation of some activities, especially in the fields of education and employment, into the EU Structural Funds programs for the period 2007- 2013. Activities in other Decade priorities, however, such as access to healthcare and housing, remained underfunded and a systematic approach in these areas has not been achieved.

2.3 National Terrain of Financial Literacy and Education

Financial literacy has been an issue that hasn't received the necessary attention by the policy makers in Bulgaria, although there was a great need of financial education, especially to young people, who were stepping into their lives without knowledge of simple financial operations.

Universities and some vocational schools in Bulgaria are the ones that provide some kind of financial education to youngsters, even to young people of marginalised groups, such as Roma. There is no national policy on financial literacy and education that is targeted extremely to Roma youngsters in Bulgaria.

Moreover in the compulsory and general secondary education, financial education is not provided as a separate subject in the compulsory curriculum. It is generally taught under the economics classes. But the emphasis is very low and teachers are not qualified to teach. Financial education is provided explicitly in vocational secondary schools called economic schools and accounting colleges. In those schools, following subjects are covered; Business studies, Accounting/Controlling, Economics, and Informatics. Universities also provide financial

education within the following subjects: Economics, Accounting/controlling, Bank accounting, Finance, Business Management and administration, etc...

The bank system in Bulgaria also provides financial education under the form of internship of students, teaching Economics, Bank accounting, Accounting and control and Finance in the universities.

There are also several enterprises and organizations that provide economic and financial education, such as Junior Achievement Bulgaria and Financial Literacy Initiative Foundation. Although their scope is extremely addressed to young students, they also have some programs, which targets are young adults at the age of 18 and up. Their good practices are given as examples in section 4 Identification of examples.

3. LITERATURE REVIEW

3.1. Conceptual review

There are various terms used interchangeably with financial education in Bulgaria. Especially the use of *economic education* is quite common; *education on economics*, *economy education*, *economy as a subject*, *economics and business*, *entrepreneurship* are some of the common terms. In the Bulgarian school system, economics education “икономическо образование” is used widely as the term. However according to some Bulgarian bank experts, financial education can be distinguished from economic education:

Economic education promotes the general understanding of macroeconomic and microeconomic principles comprising finance, trade, accounting and production units, many of which lie far beyond the requisites of daily life, while financial education has a strong instrumental attitude, seeking to address the practical needs of individual citizens. It focuses only one sector of the economy: financial services, and facilitates the skills and knowledge based on the needs of the consumers and it tries to enable them to use financial services in a way which suits their needs. Economic education is usually introduced with the abstractions of labour, property, industry and capital, while financial education starts with money.

During the conference “Financial education for stable economics”, Ivaylo Kalfin, Minister of labour and social policy in Bulgaria stressed that financial education is extremely useful for Bulgarian social policy. In this regard he gave the example of the need for knowledge of the pension system, the ability to plan and allocation of income in a future period of time, knowledge of the banking system in order to have confidence in the stability and soundness of financial institutions, etc. (<http://www.bgonair.bg/economy/2015-05-11/ivaylo-kalfin-finansovata-gramotnost-e-vazhna-za-po-dobar-zhivot-i-planirane>)

In Bulgaria financial education is referred as “general finance education” (*общо финансово образование*). But the commonly used terms are “financial education” (*финансово образование*) or “financial literacy” (*финансова грамотност и финансово ограмотяване*) and also „entrepreneurship” (*предприемачество*).

3.2. National Studies on Financial Literacy and Education

Financial literacy is one of the main prerequisites for ensuring more effective protection of financial services consumers. Most important is the better regulation, generally aimed at ensuring good and fair treatment of consumers, improvement of quality, accessibility and usefulness of financial information and establishing effective mechanisms for resolving consumers’ disputes. But even the best regulatory framework may not be sufficiently effective if consumers are not aware of their rights and responsibilities, do not know or do not possess enough knowledge to be able to choose the most appropriate financial products for them. And ultimately their financial well-being and future financial security depend on their own choices.

We live in a much different and complex world than our parents and grandparents lived in. Each life situation we encounter - a new job, birth of a child, buying a car or a home - requires us to make financial decisions. Simultaneously, financial products and services, from among which we choose, are more and more numerous, complex and risky. Unlike the past, the responsibility for our good health and secure old age becomes our concern, not only of the state.

This reality requires us to have new knowledge related to finances and their rational management as well as new skills so we can implement our financial knowledge in practice.

Financial literacy has become one of the key competences of the people of the 21st century because the quality and satisfaction of our lives largely depend on it.

Several studies have suggested direct positive relationship between financial literacy and the well-being of the individual. People with financial expertise are usually in a better financial situation because they more skillfully manage their personal finances, choose financial products whose nature they understand and which match their needs, seek information and take account of the possible risks.

Viewed more broadly, financial literacy is a factor that stimulates the demand for financial products because of the perceived benefits, thus positively impacts on market growth and economic prosperity. Financially literate consumers, through an informed and rational choice and through conscious exercising of their rights, create conditions for increasing market competition, innovation and improving the quality of the services.

Each of us has dreams and life goals. They may be different- a successful business, secure life, serene old age, better education for our children, nice home, exotic trips. We have in common,

though, that in order to achieve them, we should be able to "finance" them. This means that it's necessary to have sufficient financial knowledge and skills, in other words, to be financially literate enough, to be able to make the best financial decisions for us and effectively manage our personal finances.

Financial literacy is defined as the sum of financial knowledge and skills that helps us understand the financial risks and opportunities, to make rational and informed decisions, to know where we can get help and to be able to take other effective actions to increase our well-being.

In general, research in many countries, including those countries with highly developed financial markets like the U.S., shows that the average consumer's financial knowledge and skills are relatively low. The situation in our country is not very different. Data from a 2010 World Bank study of financial literacy presents the following picture for Bulgaria:

- Low level of financial literacy - 47% of respondents identify their financial knowledge as poor or none. Particularly disturbing are the data for the group of 16-17- year olds, in which over 53% have identified their financial literacy as weak, namely young people are the corner stone of future active use of financial services and face a long term consumers` prospective.

- Relatively weak skills in planning and managing personal budget - 73% of the people claim to be making a financial plan for their monthly income and expenses. In practice, however, 39% of them say they rather have an overview of their revenues and expenditures and a further 22% just keep their financial documents without monitoring the movement of their funds.

- Inability to cope with the loss of income - It is also a concern how long a period within which the majority of the households could cope with a sharp drop of income. Only 11 percent believe they will be able to withstand more than six months - mostly high-income level citizens of most big cities.

- Poor awareness of consumers` rights and services - Low awareness goes hand in hand with the mistrust of institutions to handle a problem adequately. 39% of people are not convinced that the problem would be resolved quickly, and 40% do not believe the problem be resolved fairly.

- Poor knowledge and sharing of financial information - Bulgarians are less active in seeking information on financial matters and 35% never discuss financial issues with friends and family. For the majority of Bulgarians financial information is too specialized and difficult to understand.

The self-assessment of the Bulgarian citizens about their financial literacy is predominantly negative. Only narrow social groups have a more positive self-assessment than the average. In

other words the use, the trust, and the awareness of financial services is concentrated among a small part of the Bulgarian citizens - 10% - 15% of the country's adult population.

Higher than the average assess their financial knowledge:

The residents of the capital city (23%)

31 – 50 year'-olds (18% - 22%)

People with higher education (30%)

Officers (20%), company owners (34%), free lancer professionals (28%)

High income groups (35% - 49%)

Active users of financial products (25%)

The lowest self-assessment have the residents of the smallest settlements, the eldest citizens, but also the young generations, low educated people, manual workers, unemployed, pensioners and the people with the lowest income. The share of people in these social groups who assess their financial knowledge as more or less unsatisfactory exceeds 60% and even reaches close to 80% in the one of the lowest status groups, namely the Roma (77%) and the households with the lowest income (78%).

Predominantly negative is likewise the self-assessment of the 16 – 17 year' old youth that are supposed to join the financial service market within years. 53% believe their knowledge in the field is unsatisfactory versus 9%, who think of it as very good or excellent.

Due to the not very well developed financial service market in Bulgaria, the Bulgarian citizens are relatively unprepared when entering on it and only later, with the practice of consumption, do they gradually enrich their financial knowledge.

The low awareness level of the Bulgarian citizens justifies the necessity for implementing a financial literacy program. The first challenge will be to identify the target groups of his program. It shall fully depend on its key objectives:

If the main goal of the program is to educate the poorest and illiterate social groups whose financial literacy is close to zero, it should consider the fact that those people have serious difficulties defining what exactly they want to learn about. This is largely due to their lack of knowledge but also to their disinterest in the topic. Because of their exclusion from the

financial market the people with lower social and economic status show nearly no interest in this sphere.

If the main goal of the program is to improve the knowledge of the current users of financial service, it should consider their interest in a wide range of issues.

According to a survey made on the preference to topics to be included in the financial literacy program fourteen possible topics were named to be included in the financial literacy program.

Depending on the interest they generate, the topics were classified in three main groups:

The most attractive topics for the public are: „what should I do, so that I don't sink deep into loans" (75%), „what are the active consumer protection laws and what should one do when their consumer rights are violated" (74%), „what kind of information should the user pay attention to when signing a contract with a bank or some other financial institution" (74%), „which are the main bank services – payment accounts, deposits, cards" (70%) and on what principle does the pension system function and what opportunities does a person have to secure income for their old age" (69%). These are the main issues for the people regardless of their financial literacy level and current activity. Therefore these topics could form the mandatory basis for financial education of the population. These topics will attract the broadest possible public interest and, on the other hand, will create the necessary conditions for achieving efficient results. The only exception in this group of topics is the understandably weak interest of the 16 – 17 year' old group to the principles of the pension security system.

The second group includes questions related to information about specific products and services – how can you get a consumer or mortgage, loan, how to utilize the insurance products, what should one pay attention to when comparing the offers of various banks and insurance companies, how differentiate between advertising and objective information. The interest to these topics is greater among the actual users of financial services: the better educated and economically active residents of the urban centers who utilize most actively the opportunities created by the financial market. Therefore it would be best to include them in the program mostly in the form of practical examples and cases, helping the users get orientated in a life situation.

The third group includes development of skills for financial goal-setting and planning, private pension security funds, opportunities for joining the capital market. They were pointed out by the best informed citizens for whom the participation on this market is a form of investment. Those are the people with the highest income and high ranking positions in the occupational hierarchy and generally speaking the most attractive clients of the financial institutions. It would be most effective for the program respectively to include such topics in the form of consulting rather than training.

An important element in the planning of the financial literacy program is to analyze the people's opinion of the most appropriate trainers on these matters. No single institution

appears as the respondents' favorite for the purpose. The expectations are directed at several main training and information channels. The top three positions in this classification are occupied by the media (29%), the public regulators of the financial market (29%) and the universities with economic or financial profile (29%). NGO, the commercial banks and the independent financial consultants form the second group of appropriate trainers. The opinion of the most appropriate trainers on financial matters is heavily dependent on two factors: accessibility of the training institutions and confidence in them. The media and state institutions are the most accessible for the wide range groups of people, i.e. as pointed out earlier in the analysis, they enjoy the greater trust of the users compared with the private financial companies.

At the same time there is a small difference in the preferences of the different social groups, resulting mostly from their social status and economic activity. The broad public prefers the media, while the better acquainted with the financial matters citizens prefer the higher education institutions, NGOs and independent financial consultants. The large majority of the adult population routinely makes a financial plan of their household income and expenses. The only exception are the Roma who say they make no financial plans.

4. IDENTIFICATION OF PROGRAMMES

As it was stated before, there are some examples of financial education providers in Bulgaria. In addition to official financial education programs offered in the public education system, the bank system, organizations and foundations run programs to offer financial education. Most of them are not integrated into an institutional framework like school curricula but rather use a variety of other channels (such as the mass media and/or internet, courses and information campaigns) to reach target groups.

A closer look at these programs shows that, in terms of target groups, majority of these programmes address children at secondary school age or students and adolescences or young adults. There are very few programs designed for adults. It is important to note that there are no single projects that target the young adults with low income. There is no specific program that addresses young adults at risk or Roma youngsters.

In terms of setting and methods of delivery most of the programmes utilize traditional teaching settings such as classrooms, offices and indoors and traditional delivery methods and instruments as leaflets/ brochures etc., printed toolkits/ hand-books etc., and websites and online tools.

4.1 Best practice examples in financial education in Bulgaria

4.1.1 Junior Achievement Bulgaria

Junior Achievement is the world's oldest, largest and fastest-growing nonprofit economic education organization. JA Bulgaria educates and inspires young Bulgarians to value free enterprise, business, and economics to improve the quality of their lives. It prepares them to succeed in a global economy.

Established in 1997, Junior Achievement Bulgaria is a member nation of Junior Achievement Worldwide (JAW) and its regional entity Junior Achievement –Young Enterprise Europe (JA-YE). Junior Achievement Bulgaria is the first and foremost organization in Bulgaria offering top-notch programs and courses in business, economics and the development of the entrepreneurial spirit through educational and hands-on activities in economics, financial literacy, business skills, leadership and strategies for success. JA-YE enterprise and economic education programmes are designed for young people ages 6-25 and are implemented through a partnership between local businesses and schools.

Founded in the U.S. in 1919, Junior Achievement has reached over 80 million young people. For the current academic year more than 8,5 million students in 400,000 classes and over 300,000 business volunteers in 123 countries are involved in JA activities.

Started with 10 pilot classes, today JA Bulgaria offers **24 educational courses** and business programs and has over **33,000 students throughout Bulgaria**. JA programs are taught by **2000 teachers in 450 cities in more than 1100 schools during the academic 2012-2013**. Since its inception, more than 160,000 students, 1197 student companies and 3740 business mentors have benefited from JA Bulgaria programs.

4.1.1.1 JA StartUp Program

(JA StartUp Program) is a practical course in entrepreneurship, which is based on one of the oldest and most established JA Programmes "School Company".

The course aims to introduce students to entrepreneurship in practice as they create and manage their own school company. Within a year / semester they form teams and develop their business ideas, develop a prototype of a product / service and provide business and financial justification of the project. Their work in the program is assisted by a teacher/mentor and volunteer business consultants.

In the working process, participants acquire the following competencies and skills:

leadership qualities;

communication skills;

skills for decision-making;

skills for negotiating;

organization, time management

Introduced as a pilot project in Bulgaria in 2008, today the program has reached over 20 universities in the country.

4.1.2 Financial Literacy Initiative Foundation

The Financial Literacy Initiative foundation is a non-profit organization registered in 2012 and working for the public benefit.

The foundation believes that if a person has a good level of financial knowledge and a rational, informed and responsible decision-making approach to managing personal finances, he can provide a stable and secure life for himself and his family.

The team of the foundation also believe that the financially literate person not only helps himself, but is the foundation of economic prosperity for society. When a reasonable approach and choice improves his own welfare, a person increases the welfare of society. His rational and informed consumer's behavior encourages healthy market competition and stimulates economic growth.

The mission of **Financial Literacy Initiative foundation** is to work to improve the financial literacy of citizens and increase the level of consumer protection in financial services so that the result would be positive for the welfare of individuals and society, and ensure fruitful participation of individuals in the economy.

"A MinuteFinance"

The project is realized by Financial Literacy Initiative Foundation and the educational site www.spesti.li. The main idea of the project is to present the personal finance topics in attractive and engaging way – in short one-minute videos. The topics include areas like budgeting, saving and investing.

Developing a financial education website www.semeinifinansi.bg

This is a joint project between the Financial Literacy Initiative Foundation and Provident Financial Bulgaria for the development of specialized financial education website: www.semeinifinansi.bg

The project is implemented by the Financial Literacy Initiative Foundation, the only NGO in Bulgaria that focuses on financial literacy, and Provident Financial Bulgaria, which is part of International Parsanal Finance (IPF), a leading international provider of consumer credit, listed on the London stock Exchange and one of Britain's biggest employers in Central and Eastern Europe with more than 2.6 million customers worldwide.

Project “Say No to the Debt, Say Yes to the Money”

A unique national scale program “Say No to the debt, Say Yes to the Money” started on April 15, 2014. The program gives opportunity to everyone who wants to improve his personal finance knowledge to attend free one-day seminars.

The program is realized by Financial Literacy Initiative Foundation, the only Bulgarian NGO focusing on financial education, and EasyCredit, leading Bulgarian company in the area of non-banking consumer loans.

The training program is developed by the Financial Literacy Initiative Foundation. It covers the following topics: personal budget, credit and management of credit indebtedness, investments, savings and insurance. The program is informative and entertaining at the same time – it envisages games, tests, movies.

It is planned at least 300 adult Bulgarian citizens from 11 cities to attend the seminar in a period of one year.

5. RECOMMENDATIONS FOR POLICY AND PRACTICE

As it was stated in the national report financial literacy and education in Bulgaria still requires attention at the policy level, not only nationally but also both at the global and the European level. At the European level, European Commission (EC) has taken active part in promotion of financial education in Europe, they adopted a communication on financial education in 2007 and formed an expert group on Financial Education (EGFE). The communication sets out the economic, societal and personal benefits of increased financial literacy and gives an overview of

the provision of financial education in the EU. It highlights some basic principles to guide providers of financial education, based on existing best practices. We believe that these principles are important to provide good quality financial education in general and in the case of our target groups.

In addition to these recommendations, Expert group on Financial Education formed by European Commission (EC) provided some practical recommendations to facilitate the development of successful national strategies (for a detailed look, see National Strategies for Financial Education Report, 2008). These are important as Bulgaria is one of the countries that do not have a national strategy on financial education. Thus, it is noteworthy to underline the following recommendations to be able to formulate a successful national strategy for financial education in Bulgaria:

- ☐ A national strategy on financial education should be developed and adopted with a special clause for financial education for marginalized groups, such as Roma. It should be centrally coordinated to ensure the active involvement and cooperation of all relevant stakeholders - both from the public and private sectors. The national strategy should be developed in cooperation with representatives of the NGO sector.
- ☐ Relevant evidence should be gathered to identify the priority needs in the society, for example, through surveys at the national level;
- ☐ Comprehensive long term action plans should be developed which clearly state the objectives and how these are to be achieved;
- ☐ Single programmes should be targeted to specific groups, such as Roma, according to their differing needs;
- ☐ Direct and proactive provision of financial education should be encouraged, as much as maximising effectiveness of other provision channels,
- ☐ Marketing strategies should accompany each initiative to maximise the effectiveness of their impact on the target groups;
- ☐ Appropriate funding must be ensured to guarantee the effectiveness of programmes;
- ☐ Evaluation must be planned in the early stages of developing each national strategy as well as individual scheme.

6. Summary

The low awareness and trust of the Bulgarian citizens towards the financial institutions and services justify the necessity for a financial literacy program. Depending on the interest in the tested financial topics three priority areas were outlined: 1/ Topics related to basic financial knowledge – household budgeting, planning a loan, consumer rights, the opportunities of bank services, principles of the pension system etc. A broad group of citizens are interested in the above topics, mostly people with a lower economic and educational status, not using actively any financial services; 2/ Information about specific products and services. Interest in them was demonstrated by the urban residents, employees, people with medium income and status, using some financial services who would like to develop their consumption. 3/ Acquiring skills for financial goal-setting and planning, private pension funds, opportunities to join the capital market. The latter are the focus of the citizens with the best knowledge of financial matters. For them the participation on this market is a form of investment.

The main sources of information used by the Bulgarian citizens are: television (90%), radio stations (35%), newspapers (20%), and for 16-17 year' old internet (74% - use it every day versus 29% for the main sample). In spite of the fast penetration of the World Wide Web in the country (its users have increased from 24% to 44% in five years), the huge part of the people with poor financial literacy, coming from the low-status social groups, do not use computers and internet and only pay attention to the television.

Bulgarians are not active in the search of specific financial information. 35% never discuss financial services with friends and relatives. The financial institutions are as well not active in informing the people of their services and products. 57% have never talked with bank officers and 83% - with insurance agents.

For the majority of the Bulgarians the financial information is too specialized and difficult to understand. Therefore, depending on the specific cases and needs, they use different sources of information. Thus for example those 53% of the Bulgarians who follow some financial trends (mostly the fluctuations in the taxes, securities, pensions and inflation rate and, to a lesser extent, interest rates on loans and deposits), use mainly the media. When information about financial services is needed, the people prefer the brochures of the financial institutions and for a choice of a bank or other institution – “the advice of friends and relatives”.

The absence of clear information preferences is evident in the people's opinions of which will be the most appropriate training institution to implement a financial literacy program. The broad public has preference for the media and the state regulatory institutions, while the citizens more knowledgeable of financial matters are more in favor of the higher education institutions and independent financial consultants.

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EDUFIN PROJECT

*Developing participative processes for the
generation of a financial education curriculum
addressed to young adults at risk*
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NATIONAL REPORT (ACTIVITY CODE 01) EUROPE

EAEA – EUROPEAN ASSOCIATION FOR THE EDUCATION OF ADULTS





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1. INTRODUCTION

Finance is an important part of our life and financial literacy is thus an essential life skill. But still many people especially young adults show a lack of basic knowledge and information on how to manage their finances, which makes their life more challenging. In terms of fast technological progress, development of internet and social media the financial market raised its range of services, products and its availability. This process of opening the financial market increased the level of complexity young adults' face and transferred the responsibility for financial decisions more and more to the individual. Young adults are expected to have a level of financial literacy to protect their own financial well-being. Therefore it is important that young adults are financially literate before they negotiate major financial transactions and contracts.

Several analyses highlighted the connection between a low level of financial literacy and the amplifying impact of the financial crisis and claimed more consideration for financial education. Many consumer aren't aware of the fact to what extent their financial behaviour influence the economy and the society. Clearly education is, especially in the current financial context, key to enhance financial knowledge required for living in a complex consumer society and to ensure consumer confidence in managing their finances. Furthermore analysis showed a link between financial literacy and education background means the ones who are more financially literate come more often from highly educated families¹. To provide equality of opportunity it is necessary to enable financial education for the ones who do not have access to it in any other way.

Belonging to the broader educational policy, the different aspects of the financial education are a competence of each Member State of the European Union and strictly related to the specific national context. Some Member States already use different measures and initiatives to support financial education and do national surveys on financial literacy, others are still a bit inactive on the topic. In this context, the international and European institutions are trying to stimulate the actions on this by proposing initiatives and projects as well as organising events.

For an example, the European Banking Federation organised the first European Money Week from 9th till 13th of March 2015 and published in this framework its report on *Financial Education – National Strategies in Europe: Good Practices*. The aim of the first Money Week was to raise awareness on benefits of financial education in Europe and especially for young people in Europe, to share good practices and to enhance the financial literacy level for Europeans.

¹ Lusardi, A., Mitchell, O. S., & Curto, V. (2010): Financial literacy among the young.



Financial education has been defined and analysed in many ways by different organisations, with this report we identified and selected best practice examples taken at global and European level in order to gain a broader perspective on financial education.

2. EUROPEAN INITIATIVES ON FINANCIAL LITERACY AND EDUCATION

2.1. The European Commission's approach

The importance of financial education has been acknowledged at the European level in different occasions: in the White Paper on Financial Services Policy (2005-2010)², the Green Paper on Retail Financial Services³, and with the European Parliament resolution on financial services policy⁴ adopted in July 2007. In the past years financial literacy became a broader field with different educational opportunities helping to improve financial education and literacy standards. The European Commission mentioned financial education as a key element to empower European citizens to understand essential basics of personal finance.

Whilst there was no common definition on financial literacy or financial education, the Commission decided to clarify the two terms as a principle for their work. The Commission defined financial literacy as “the capability of consumers and small business owners to understand retail financial products, with a view to making informed decision”⁵. Financial education is defined as “enabling individuals to be aware of financial risks and opportunities and make informed decisions in their choice of financial services. It is a life-long issue”⁶.

In the last years the Commission initiated several activities in the area of financial education and played a supporting role in this field, mainly through the DG Sanco, DG Employment and DG Market.

2.2. The European Commission's activities in financing literacy

2.2.1 EVENTS

The Commission hosted several conferences on the topic (i.e. *Increasing Financial Capability or Financial education: the present and prospects for the future*) to enable the exchange of best practices on financial

² White Paper is accessible online: www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52005DC0629

³ Green Paper is accessible online: www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52007DC0226

⁴ Resolution is accessible online: P6_TA-PROV(2007)0338/A6-0248/2007

⁵ DG Market invitation to tender, MARKT/2006/26/H, Annex 1

⁶ www.epfsf.org/images/stories/PDF/2008/080326_Briefing_Financial.education.and.financial.capability.080326.pdf



education. In those occasions it highlighted the responsibility of each Member State to include or enhance financial issues in their education policies, in particular the school education.

2.2.2 PUBLICATIONS

In 2007 the Commission published a Communication on Financial Education which promotes the substantial benefits of financial education for consumers, economy and society. It includes some potential approaches for providers of financial education based on national best practices. Another Communication was adopted in 2012 entitled *A European Consumer Agenda – Boosting confidence and growth*. In this Communication the Commission presented ways to increase consumer's confidence on finance by: reinforcing consumer safety; enhancing knowledge; stepping up enforcement and securing redress; aligning consumer rights and policies to changes in society and the economy.

In the same years, DG Market developed a catalogue mapping out the current situation on financial literacy in the Member States. This study by Evers & Jung⁷ launched in November 2007 presents financial literacy schemes in the Member States and underlines the growing importance of financial literacy for European Union institutions and market players. The key findings show that most schemes on financial literacy are available in the UK, Germany and Austria. For Eastern Europe Poland seems to be the most active Member State on financial literacy. The main target groups to reach are children and young adults.

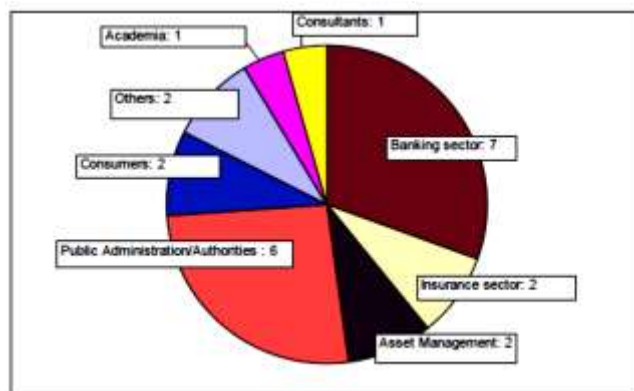
The European Database for Financial Education (EDFE) an online library was created 2009 based on the 180 schemes from the Evers & Jung study. It compiles information on existing national financial education schemes and provides a list of available financial education projects within the Member States categorised by various criteria like provider, geographical base and method of delivery. EDFE is open for all types of providers to propose new schemes.

2.2.3 WORKING GROUPS

In 2008 the DG MARKT set up an Expert Group on Financial Education (EGFE) in terms of the Commission Decision 2008/365/EC⁸ from 30 April 2008. Its aim was to promote the exchange between the Commission and Member States on the topic as well as discuss, select and share best practices developed at national level. The group was composed of 25 public authorities and private stakeholders with a wide variety in practical experience in the field of finance and financial education, with chair and secretariat by the Commission:

⁷ Study is accessible online: http://ec.europa.eu/finance/finservices-retail/docs/capability/report_survey_en.pdf

⁸ Commission decision of 30 April 2008 setting up a group of experts on financial education: www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008D0365



Topics discussed by this group are proposed either by Commission officials or by group members. They cover a wide range of issues on financial education, like e. g.: *New media and Financial Education*, *Financial Education in schools* or *The financial crisis and financial education*. The EGFE previous reports⁹ included recommendations to the Commission on how to deal with difficulties identified at national level. Furthermore the EGFE introduced various approaches for the provision of high-quality financial education schemes and prospects for inclusion of financial education in school education. The group also presents proposals for future initiatives of the Commission to raise the awareness on financial literacy, e. g. to insert *European surveys to analyse the level of financial education and the 'financial behaviour' of various target groups*; *Organising a 'European day of financial education'*; *Promoting a yearly conference on financial education*.

2.2.4 PROJECTS

One of the main projects aimed at addressing this issue at the European level is DOLCETA (**D**evelopment of **O**n-**L**ine **C**onsumer **E**ducation **T**ools for **A**dults). The European Commission (DG Sanco and DG Market) in partnership with the Member States and civil society organisations such as EUCEN and EAEA developed in 2003 an online learning tool for financial education. DOLCETA offered interactive web-based learning materials for citizens and trainers in financial education. During the eight years of its lifespan, DOLCETA produced eight modules on different topics available in all official languages of the at that point 27 Member States: *Consumer Rights*; *Financial Services*; *Product safety*; *Training for teachers*; *Liberalised services of general interest*; *Sustainable consumption*; *Financial Literacy – tools for teachers*; *Food safety*. The DOLCETA website was closed in 2013, but parts of the DOLCETA material were moved to a new platform called Consumer Classroom¹⁰. This website also presents a new DOLCETA online tool on financial literacy targeted to teacher which empowers and supports them in the inclusion of financial education into their educational programmes. The target group for this financial literacy platform are

⁹ Reports are accessible online: ec.europa.eu/finance/finservices-retail/capability/index_en.htm

¹⁰ Financial Literacy tools for teachers: www.dolceta.eu/united-kingdom/Mod4/



primarily teachers in primary and secondary schools but open to anyone willing to contribute and learn. Consumer Classroom provides various teaching material like power point presentations, handouts, leaflets, role play scripts, case studies, interactive quizzes, video clips, audio clips and collaborative tools, e. g. a forum where teachers have the chance to collaborate on lessons or issues together with others around Europe. The material is divided into age groups and translated into 20 EU languages.

Furthermore the Europa diary¹¹, sponsored by DG Sanco, provided online information on consumer rights and options, for example it explains how to open a bank account or the costly business of borrowing.

Although there are several initiatives undertaken by the European Commission since 2007, only a limited improvement of financial education can be actually noticed and a lot of Member States still did not developed effective solutions for the lack on financial literacy or identified the special needs of various social groups like young adults at risk to be addressed in this field.

3 INTERNATIONAL INITIATIVES ON FINANTIAL LITERACY AND EDUCATION

3.1 Organisation for Economic Co-operation and Development

The Organisation for Economic Co-operation and Development (OECD) measures and analyses data in order to calculate short and medium-term economic developments, to predict future trends, to place international standards and to give recommendations. The OECD provides this information in order to support governments around the world to fight poverty and to improve the economic and social well-being of people. As one part of their work they compare how financial literacy and financial education program in different countries prepare young adults for the challenges in the financial market.

With their work on the topics financial literacy and financial education the OECD built up an International Gateway for Financial Education¹² and a network of members to share best practice. In 2008 the OECD created the International Network on Financial Education (INFE), with 240 representatives of public bodies from 107 OECD and non-OECD countries, to support international co-operation between policy makers and other stakeholders on financial education issues and the development of data.

In its *Recommendation on Principles and Good Practices for Financial Education and Awareness* (2005), the OECD defined financial education 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

¹¹ Europa Diary: www.ec.europa.eu/consumers/europadiary/uk/rights/money_wise_en.htm

¹² OECD International Gateway for Financial Education: <http://www.financial-education.org/home.html>



opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being”¹³. To design an international financial literacy assessment, the OECD specialized this definition according to different target groups. For *Measuring Financial Literacy* (2011) the OECD/ INFE defined financial literacy as “a combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing”¹⁴. This survey identified levels of financial literacy amongst adults between 18 and 79 at an international level. For the Programme for International Student Assessment (PISA) which aimed to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students, the OECD defined financial literacy as “knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life”¹⁵.

In 2012, the G-20 leaders acknowledged the OECD INFE National Strategies for Financial Education and the need to proceed in this area. The G-20 leaders underlined that improving individual financial behaviour became a long-term policy priority in many countries and that especially women and youth need support to access to financial education. The G-20 leaders and OECD set up a work group on Financial Consumer Protection in order to help countries with the implementation of the High-Level Principles on financial Consumer Protection.

3.2. OECD activities in financing literacy

The already mentioned *Recommendation on Principles and Good Practices for Financial Education and Awareness* was one of the first steps on financial education taken by the OECD. This document states that: ‘The development of methodologies to assess existing financial education programmes should be promoted’ (OECD 2005). Since the publication of such a recommendation, the OECD did several activities to improve financial literacy as well as to analyse related issues:

Measuring financial literacy:

With the *Financial Literacy Core Questionnaire*, OECD/ INFE realised in 2010 the first ever cross-national study¹⁶ on financial literacy and financial inclusion in 14 countries¹⁷. This study measured financial

¹³ www.oecd.org/finance/financial-education/35108560.pdf

¹⁴ www.oecd.org/finance/financial-education/49319977.pdf

¹⁵ www.oecd.org/pisa/pisaproducts/46962580.pdf

¹⁶ Results of OECD/ INFE survey across countries and by gender: http://www.oecd.org/daf/fin/financial-education/TrustFund2013_OECD_INFE_Fin_Lit_and_Incl_SurveyResults_by_Country_and_Gender.pdf

¹⁷ Albania, Armenia, British Virgin Islands, Czech Republic, Estonia, Germany, Hungary, Ireland, Malaysia, Norway, Peru, Poland, South Africa and UK



knowledge, behaviour and attitude by socio-demographics. The results show a lack of financial knowledge amongst a sizeable part of the population in the countries participated. Another international measurement exercise takes place in 2015; the results will be available in 2016.

The Survey *Measuring Financial Literacy: Guidance Notes for Conducting an Internationally Comparable Survey of Financial Literacy*¹⁸ (2011) presents a questionnaire which could be used by national authorities and other interested bodies to collect data, measure national levels of financial literacy and draw a picture of financial literacy in terms of socio-demographic groups. The document includes detailed information to implement such a survey. In a broader term the questionnaire also could be used to compare of levels of financial literacy across countries.

In 2012 OECD International Network on Financial Education (INFE) published *High-level Principles for the Evaluation of Financial Education Programmes*¹⁹. The document informs policy makers, financial education programme designers and other stakeholders about the importance of evaluation for such programmes. Indeed this represents an essential aspect to ensure that a programme is effective and to assess in which areas it needs to be enhanced. When meaningful evaluation findings could be generalized for a bigger population and thus support defined policy aims. These principles could be used for different financial education programmes, from individual courses and seminars to large scale programmes.

In 2013 INFE presented another *Toolkit to Measure Financial Literacy and Financial Inclusion: Guidance, Core Questionnaire and Supplementary Questions*²⁰, which was updated by the beginning of 2015. This document compiles existing approaches to financial literacy measurement. It informs about data collection and core as well as supplementary questions.

All of these evaluation and measuring instruments play a key role for designing and implementing policies, because they identify the level of need for financial education across the population.

Focus on youth:

The PISA survey was the first large-scale international study to analyse the financial literacy of young people. The PISA report published 2012 includes financial literacy assessment from approximately 29 000 students from 13 OECD countries²¹ and five partner countries²². The results underline a big

¹⁸ The questionnaire is accessible online: www.oecd.org/finance/financial-education/49319977.pdf

¹⁹ The principles are accessible online: www.oecd.org/finance/financial-education/49373959.pdf

²⁰ The toolkit is accessible online: http://www.oecd.org/daf/fin/financial-education/TrustFund2013_OECD_INFE_toolkit_to_measure_fin_lit_and_fin_incl.pdf

²¹ Australia, The Flemish community of Belgium, the Czech republic, Estonia, France, Israel, Italy, New Zealand, Poland, the Slovak republic, Slovenia, Spain and the United States



difference in average performance between the highest- and lowest-performing countries. Shanghai-China has the highest score in financial literacy, followed by the Flemish Community of Belgium, Estonia, Australia, New Zealand, the Czech Republic and Poland. Another assessment will take place this year (PISA 2015) and will give the opportunity to monitor change.

The OECD publication *Financial Education for Youth: The role of schools* (2014) focuses on the challenges in terms of including financial education in schools. It presents guidelines as well as case studies to support policy-makers.

Focus on National Strategies:

In 2012 OECD/ INFE published a paper titled *High-level Principles on National Strategies for Financial Education*²³ where defined a national strategy for financial education as “a nationally coordinated approach to financial education that consists of an adapted framework or programme, which: recognises the importance of financial education; involves the cooperation of different stakeholders; establishes a roadmap to achieve specific and predetermined objectives; provides guidance to be applied by individual programmes in order to efficiently and appropriately contribute to the NS” (OECD 2012). As already mentioned, the attention on financial education has been increased in the past years by governments and public authorities worldwide. The development of national strategies is seen as an important aspect to achieve efficiency goals on financial education with a long term impact. But these national strategies seem to be challenging, there is no one-size-fits-all in this field because national strategies are influenced by different countries’ circumstances. With these *High-level Principles on National Strategies for Financial Education* OECD/ INFE summarised the main elements of a national strategy in four sections.

The OECD/ INFE report *Current Status of National Strategies for Financial Education – A Comparative Analysis and Relevant Practices*²⁴ (2013) is a background document to these high-level principles. This comparative analysis outlines the issues countries faced by setting up a national strategy on financial education and how they handle these difficulties. Furthermore this report includes relevant solutions as well as tools to face these issues.

The *Policy Handbook on the implementation of National Strategies for Financial Education* published 2014 gives an overview of the status of national strategies worldwide, main objectives, target audiences as well as timeframes. The results show that the revised and implemented national strategies on

²² Colombia, Croatia, Latvia, The Russian Federation and Shanghai-china

²³ The principles are accessible online: http://www.oecd.org/daf/fin/financial-education/OECD_INFE_High_Level_Principles_National_Strategies_Financial_Education_APEC.pdf

²⁴ The comparative analysis is accessible online: http://www.oecd.org/daf/fin/financial-education/TrustFund2013_OECD_INFE_Current_Status_of_National_Strategies_for_Fin_Ed.pdf



financial literacy focus on promoting healthier financial behaviors. Furthermore it is obvious that some countries try to improve financial inclusion by adopting a national strategy on financial literacy.

4 PROJECTS AND TEACHING APPROACHES AT EUROPEAN LEVEL: BEST PRACTICES

NAME OF THE PROJECT	Dolceta - Developing Online Consumer Education Tools for Adults
Organisation and type of organization (e. g. public/private)	Non-profit associations including consumer protection agencies: European University Continuing Education Network (EUCEN) with a team in each of the 27 Member States (Public Authorities)
Where it is located	EU-wide
Aims and objectives	The objectives of the project are to assist in raising the level of awareness and understanding of European consumer rights in the Member States and to develop interactive web-based tools for consumer education. The project aims to produce online learning material, to provide useful information, to develop various skills, and especially to make people aware of their rights and responsibilities as citizens, in terms of consumers.
Length of project	Dolceta started in December 2003 and lasted 8 years. The final handover to the new contractors was on 31 January 2012 who carried on the work of updating and developing new topics.
How it is funded	DG Sanco
The type of people the programme is aimed at	<p>The target groups of Dolceta project are primarily school teachers, professors, trainers and adult educators in educational institutions, government bodies with consumer responsibilities, consumer associations etc. and secondly, individual consumers. The issues highlighted in the Dolceta modules mainly strive to improve the situation of vulnerable consumers -that is to say individuals who meet at least one of the following criteria:</p> <ul style="list-style-type: none"> • Low income, • Non-native speaking background, • Intellectual, psychiatric, physical, sensory or neurological disability, • Serious or chronic illness, • Poor reading, writing and numerical skills, • Homeless, • Very young/ old age, • Indigenous background, • Originating from a remote area
Type of teaching and learning approaches used	E-learning (online users' guide, web links, contacts and other sources of further information)



	Settings: at home, at worksite, advice centre, adult education centre
Outcomes and goals	<p>The project offered accessible and interactive online learning material to teachers in the primary, secondary, and high school, as well to trainers in adult education in “Teacher’s corner”. Dolceta produced 8 modules on different topics in 27 country versions. All the modules were developed by all the partners of Dolceta project, in their own manner, but taking in consideration a common framework, delivered by an international/ European team, which designed the template of each module.</p> <p>The modules themselves are not conceived as a whole course, rather as additional resources for specific issues:</p> <ul style="list-style-type: none"> • Consumer rights • Financial services • Products safety • Teachers’ corner • Sustainable consumption • Services of General Interest • Financial Literacy • Food safety <p>Each module is:</p> <ul style="list-style-type: none"> • Available in all the official languages of the 27 Member States. • Created by experts in the consumer protection, law and regulation at European and national level for each topic, in pedagogy and in on-line learning. • Tested with a mixed group of around 10 learners and/or teachers in each Member State, drawn from the target groups. • Reviewed and evaluators by international experts.

NAME OF THE PROJECT	The Europa Diary/ European Consumer Diary
Organisation and type of organization (e. g. public/private)	Non-profit associations including consumer protection agencies: Generation Europe (contractor/lead partner) in cooperation with 27 national partners (Public Authorities)
Where it is located	EU-wide
	The Europe Diary targets on students in secondary school and aims to provide basic knowledge in areas such as consumer rights and obligations, product safety, managing personal finances, credit, advertising and online security for schools. Furthermore the Dairy was developed to support the dialogue between young people, the private and public sectors about European integration. The Europe Diary underlines that young adults need



	to be provided with objective information, written in a user-friendly format, to be able to make informed decisions on their finance.
Length of project	The Europa Diary first appeared in 1995, an initiative of Generation Europe Foundation. In 2004 Generation Europe Foundation successfully responded to a call for tenders put out by the European Commission's Directorate-General for Health and Consumer Affairs (DG Sanco). In terms of this public support the project was able to reach all of the EU Member States.
How it is funded	DG Sanco and eight other DGs participated in the funding: DG Communication, DG JLS, DG Relex, DG Research, DG Trade, DG Enlargement, DG Development, and DG Environment.
The type of people the programme is aimed at and how many?	<p>The Europa Diary site offers concise information for secondary school students (aged 15-18 years) and teachers about the EU institutions and relevant issues.</p> <p>48.000 schools were invited in the 27 member states to order online, Generation Europe together with its national partners produced and delivered a total of 2,814,250 educational diaries, together with 94,428 teachers' kits, in 29 editions to over 18,000 destinations in 27 countries.</p> <p>In 2011 the most recent edition of the Europa Diary counted 4.3 million copies, 27.000 schools.</p>
Type of teaching and learning approaches used	<p>E-learning tools as well as printed toolkits and handbooks</p> <p>E-learning tools are:</p> <ul style="list-style-type: none"> • The European Union: Presents information about the development of the EU • My studies, my future: Informs about opportunities education either at university or in vocational school • My rights, my choices: Provides information on opportunities to mount money and to do a "financial health check on finance" • My environment: Informs about way to save the environment • My health, my safety: Discussed the question what to choose for the best given that food is now so plentiful. • Beyond our borders: Explains how the international trade works <p>Setting: at home or in the Classroom with the support of a teacher</p>
Outcomes and goals	<ul style="list-style-type: none"> • Online toolkit: http://ec.europa.eu/consumers/europadiary/uk/index_en.htm • Printed toolkits and handbooks • Inform schools across the European Union about the publications of the Europa Diary and invite them to order copies • Questionnaire was developed in order to get feedback from teachers using the diary. This questionnaire is available printed in the Teachers' Kit as well as online. • Initiated contacts with the Committee of the Regions • Continuing research and consultations with DG SANCO, DG ENVT, DG COM, DG RTD, DG RELEX, DG TRADE, DG DEV, DG JLS, DG



	ENLAR, organisations concerned with consumer affairs and young people
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5 RECOMMENDATIONS TO IMPROVE ADULT EDUCATION IN EUROPE

Analysing the current measures taken and commitments given in the field of financial education, financial education has become one of the key topics in the field of education. Despite its importance the actions taken to improve the status quo are mostly isolated and insufficiently coordinated between the national and European institutions. To make a more efficient use of the resources spent on financial education, an overarching coordination has to be established, which would help programmes to become more complementary and less redundant.

Similar challenges are to face in the implementation on the specific national level. Although some projects proofed to be fruitful in some countries, they can't be directly adopted in countries with a different socio-economic situation. There are no *"one size fits all-approaches"*. Therefore, it is important to expand the exchange between stakeholders in socio-economically similar countries. In this way a sustainable and beneficial cooperation can be created to ensure an ongoing exchange of suitable programmes and solutions.

The programmes and initiatives aiming to increase financial literacy face problems in regard of their sustainability. As mentioned above, there are many programmes that proofed their impact to increase financial literacy, but after the end of the project period the created structures are forces to stop their work due to ceasing funding. It will be vital to establish an infrastructure for financial education providers which offers them more opportunities to extend their project, if they proofed to be effective; or creates an incentive structure for providers to continue their work in follow-up projects.



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