



## THE ROLES OF DIFFERENT SECTORS IN IMPLEMENTING FC/IE:

# SETTING THE STAGE

2018 IFIE-IOSCO Global Investor Education Conference  
11 April 2018 – Tokyo, Japan

**Flore-Anne Messy**

Head of the Financial Affairs Division, OECD

and Executive Secretary

of the OECD International Network on Financial Education



# OUTLINE

---

Why?

Who and  
How?

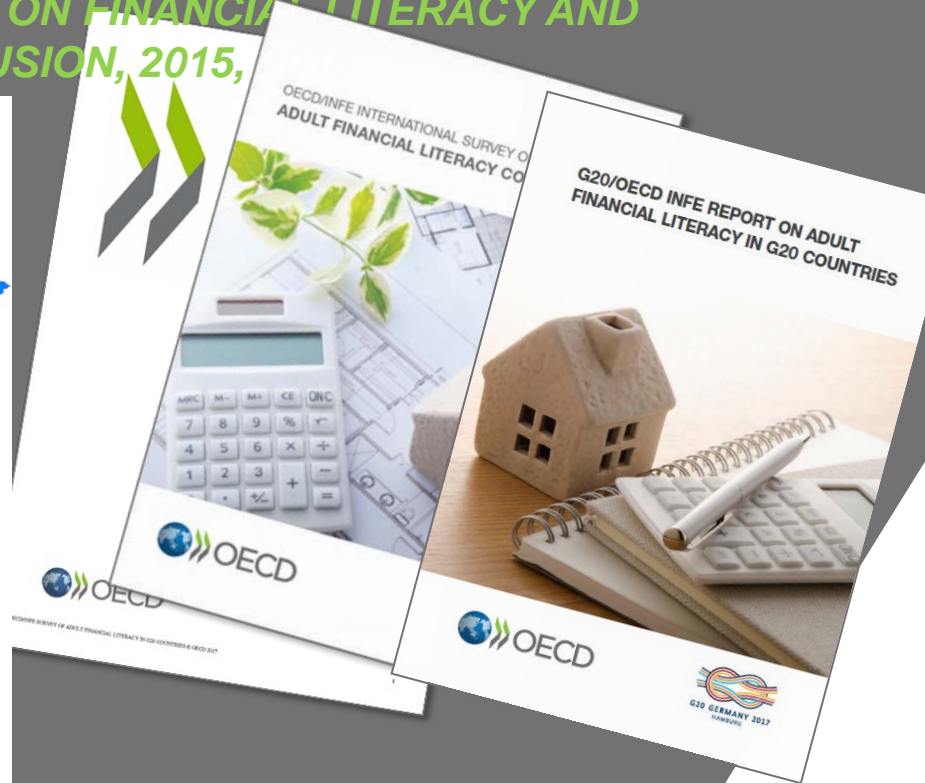
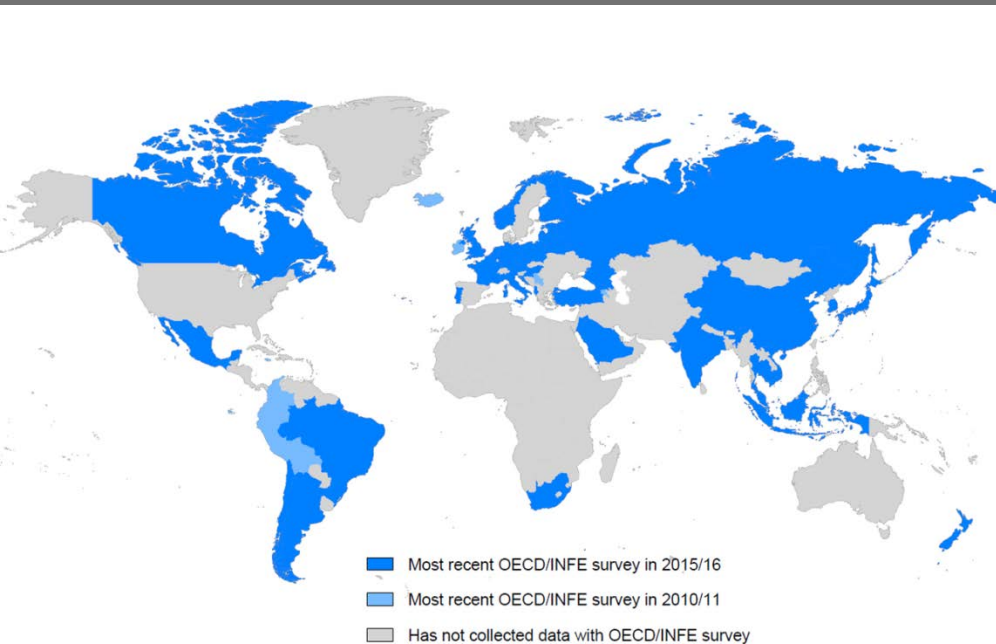
Key  
success/failure  
factors

# WHY ?



## 10 YEARS AFTER THE GFC LEVELS OF FINANCIAL LITERACY ARE STILL LOW

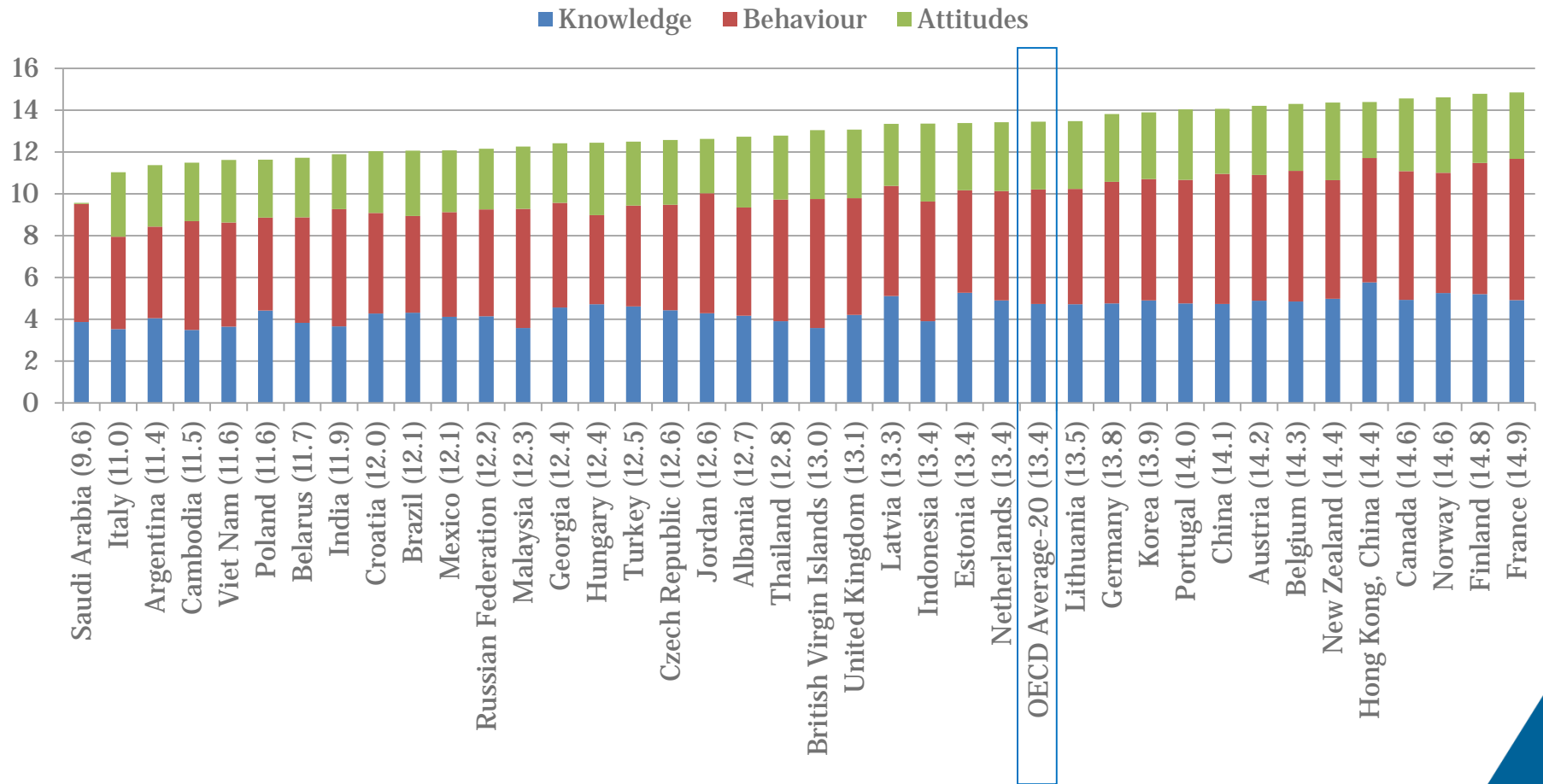
*SOURCE : OECD/INFE SURVEY ON FINANCIAL LITERACY AND FINANCIAL INCLUSION, 2015,*





# We cannot afford to wait 10 years more : Low levels of financial literacy globally with variations

Sum of average financial knowledge, behaviour and attitudes scores

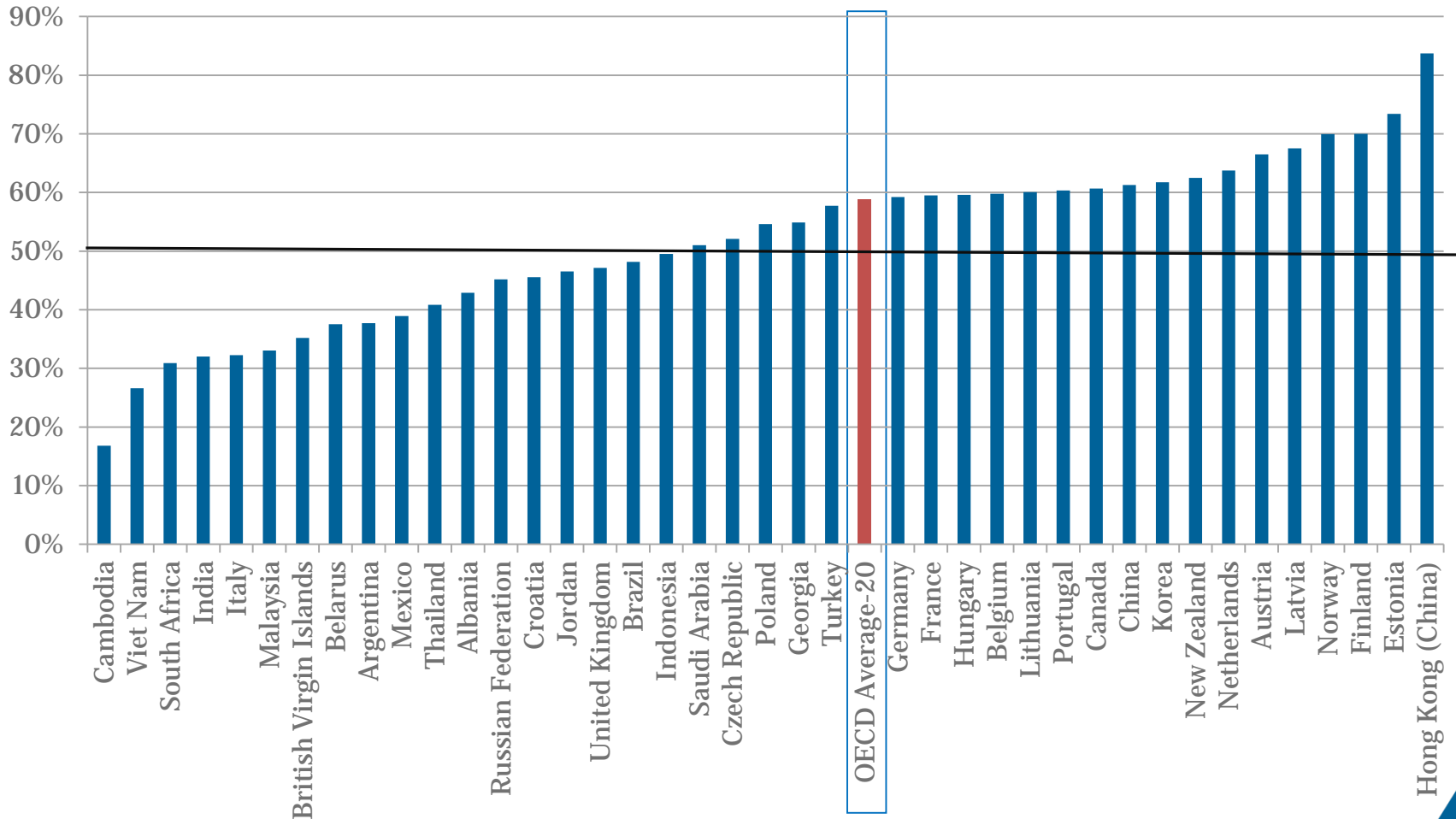


Source: OECD/INFE financial literacy and inclusion survey. The combined financial literacy score (sum of the three components) is reported in brackets next to the country name



# Great variation in financial knowledge, but less than 6 in 10 adults on average can answer correctly 5 basic questions

Percentage of adults who can answer correctly at least 5 financial knowledge questions out of 7



Source: OECD/INFE financial literacy and inclusion survey



# WHY ? YOUTH/STUDENTS' FINANCIAL LITERACY IS NOT MUCH BETTER....

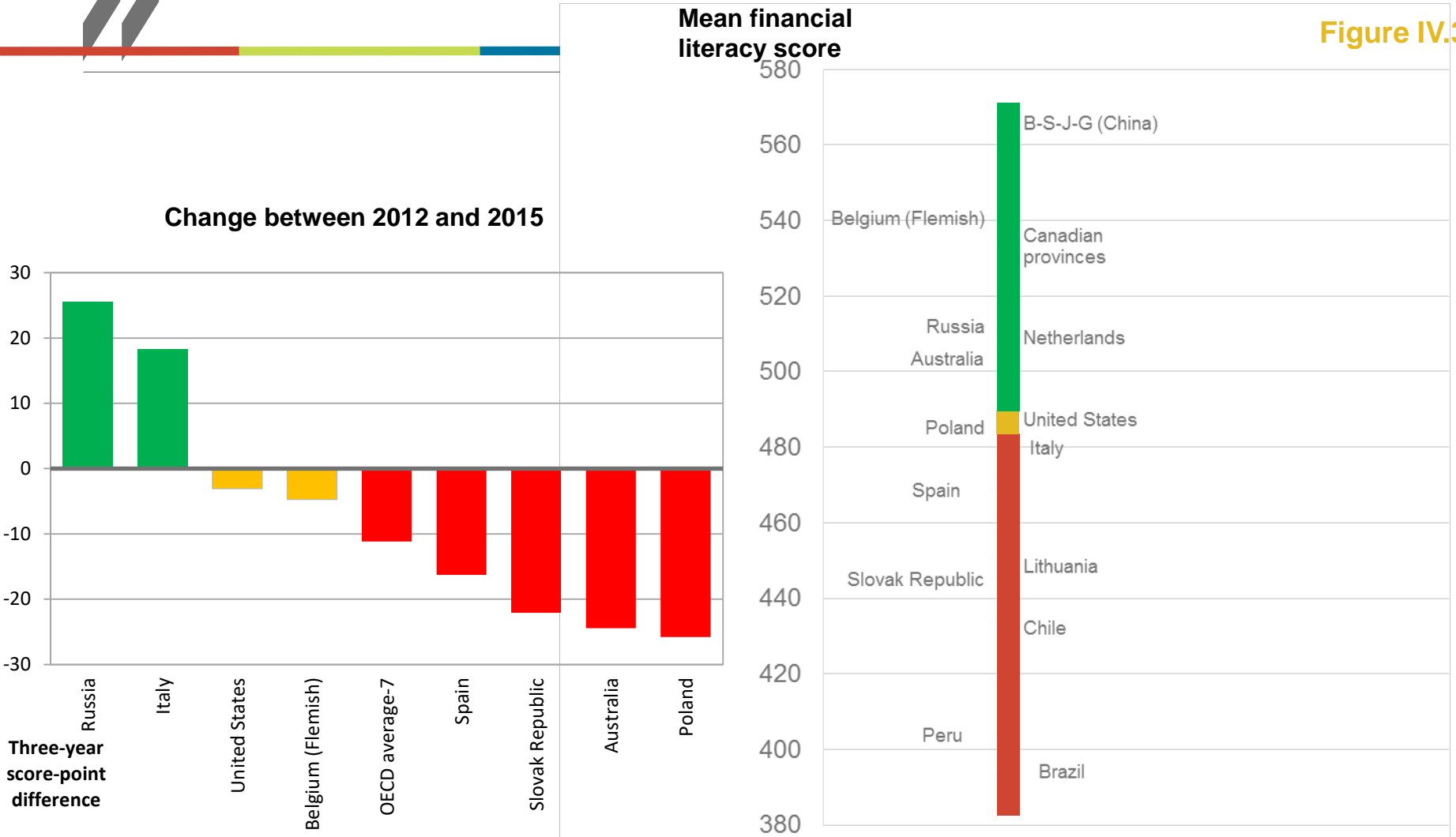
*SOURCE: PISA FINANCIAL LITERACY, 2017*





# Students' mean performance in financial literacy

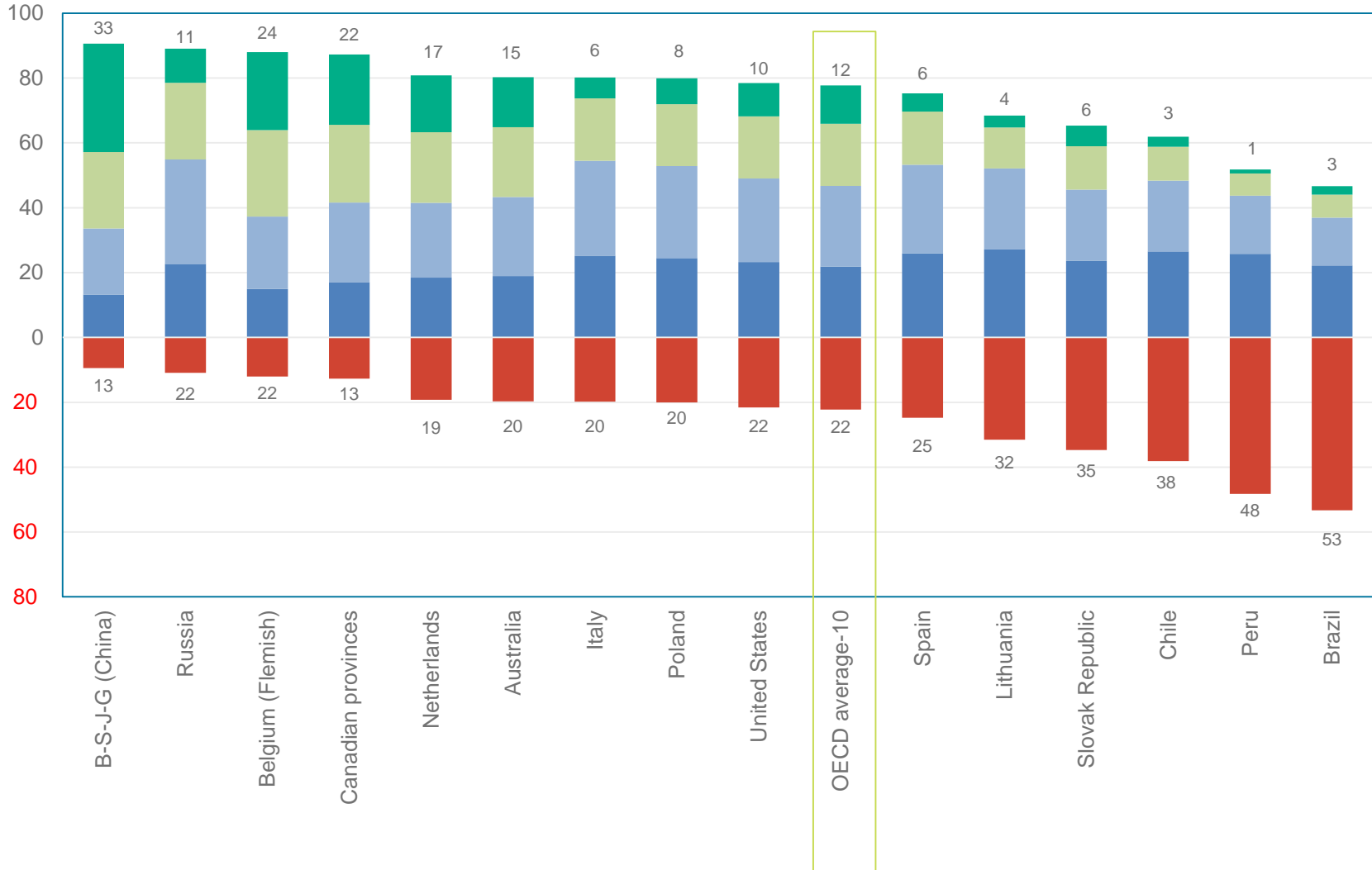
Figure IV.3.2





# Students' financial literacy by proficiency levels

Figure IV.3.6





# WHY?

## Financial digitalisation brings new challenges, fast.. (G20/OECD Report 2017)



Risks have emerged due to the spread of digital innovation..

- **Market driven:**
  - New types of fraud and misselling and safety and confidentiality of data
  - Increasing use of digital profiling
  - Easier access to short-term credit (notably) and questionable market practices reinforce behavioural biases
- **Regulation and supervision driven:** Uneven protection within (inadequate disclosure and redress mechanisms) and across countries (variety of providers, cross border selling, regulatory arbitrage)
- **Consumer driven:** increased digitalisation of life coupled with remaining low digital and financial literacy



...potentially impacting consumers and investors

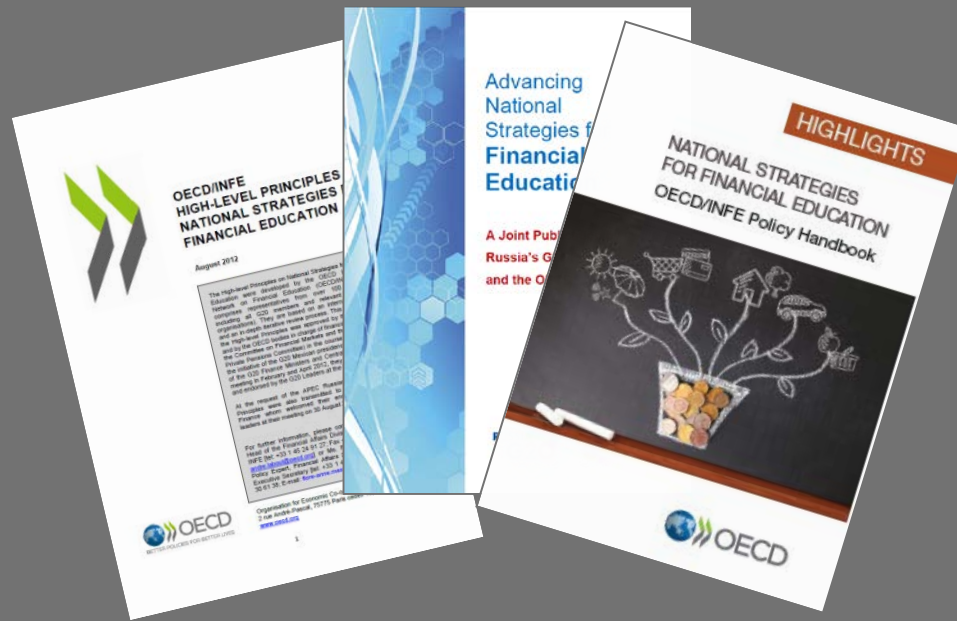
- **Lack of trust, privacy, security**
- **New types of exclusion :**
  - for particular groups : elderly, women, MSMEs,
  - from particular policies : insurance, credit
- **Over-indebtedness** of particular groups (potentially especially young)
- **Risky « investment strategy »**



# HOW and WHO?

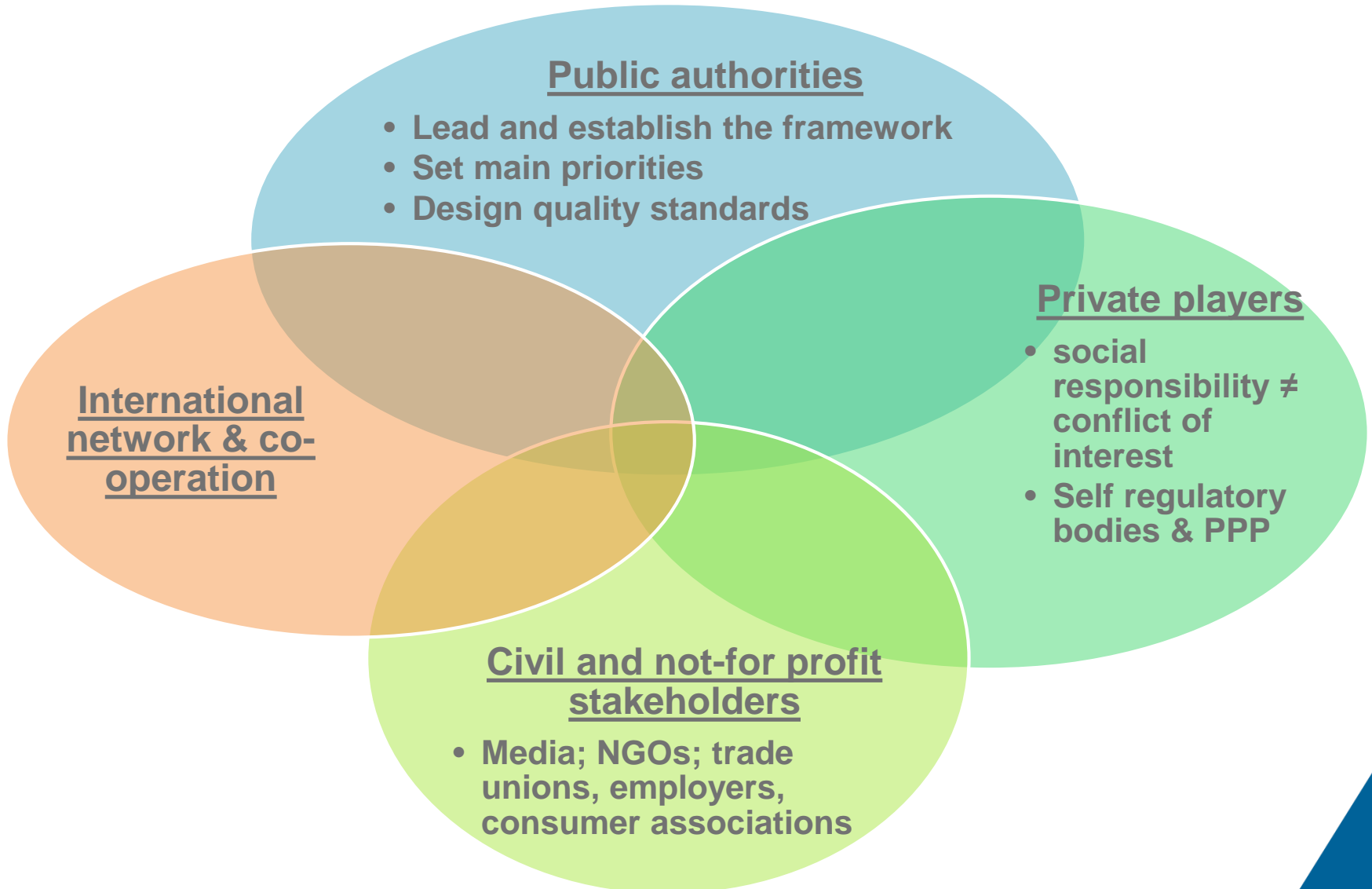
## A FRAMEWORK AND CODES OF CONDUCTS:

### *NATIONAL STRATEGIES AND THE ROLE OF DIFFERENT STAKEHOLDERS*



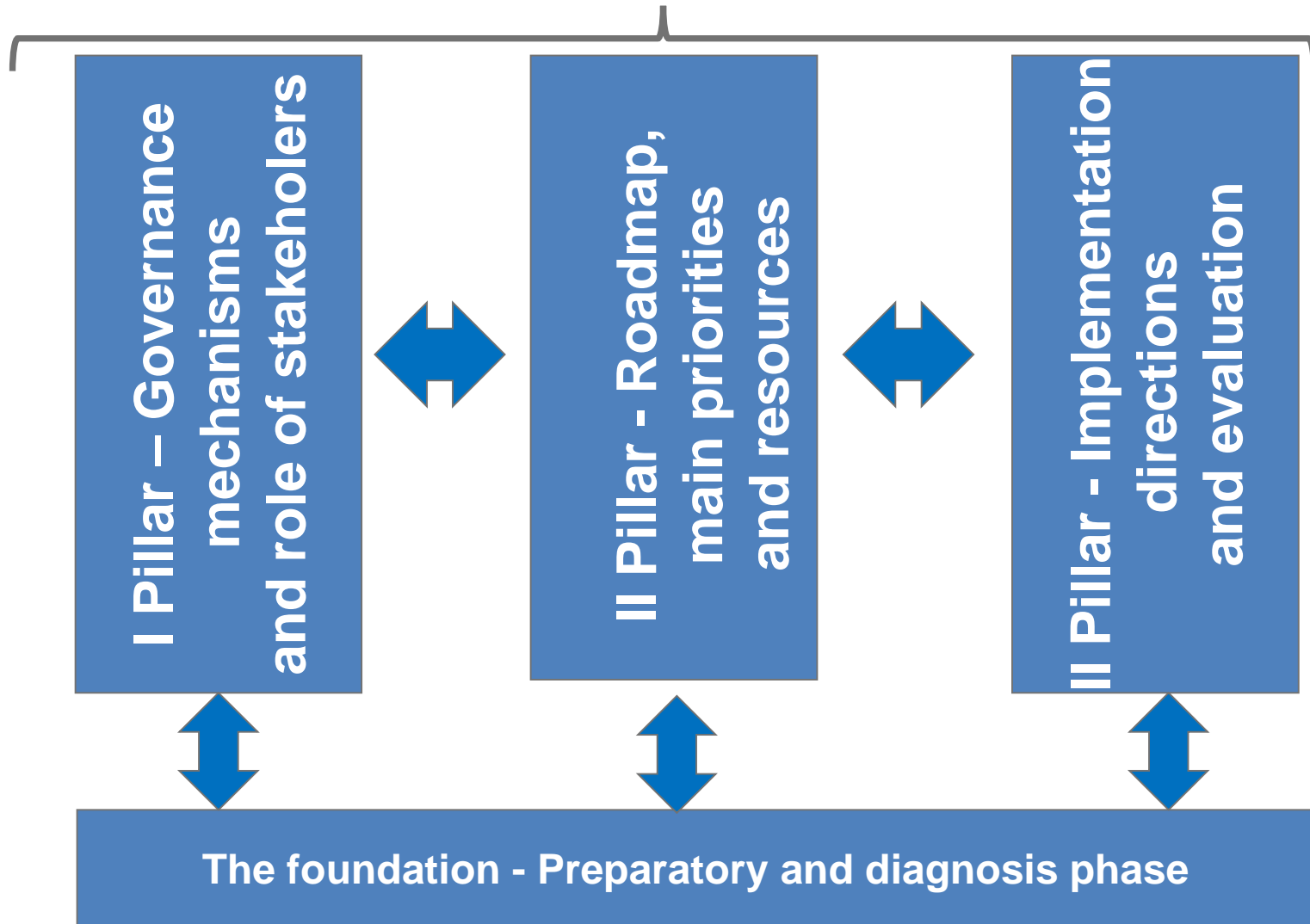


# A role for each stakeholder with **no one-size-fits-all model of cooperation**





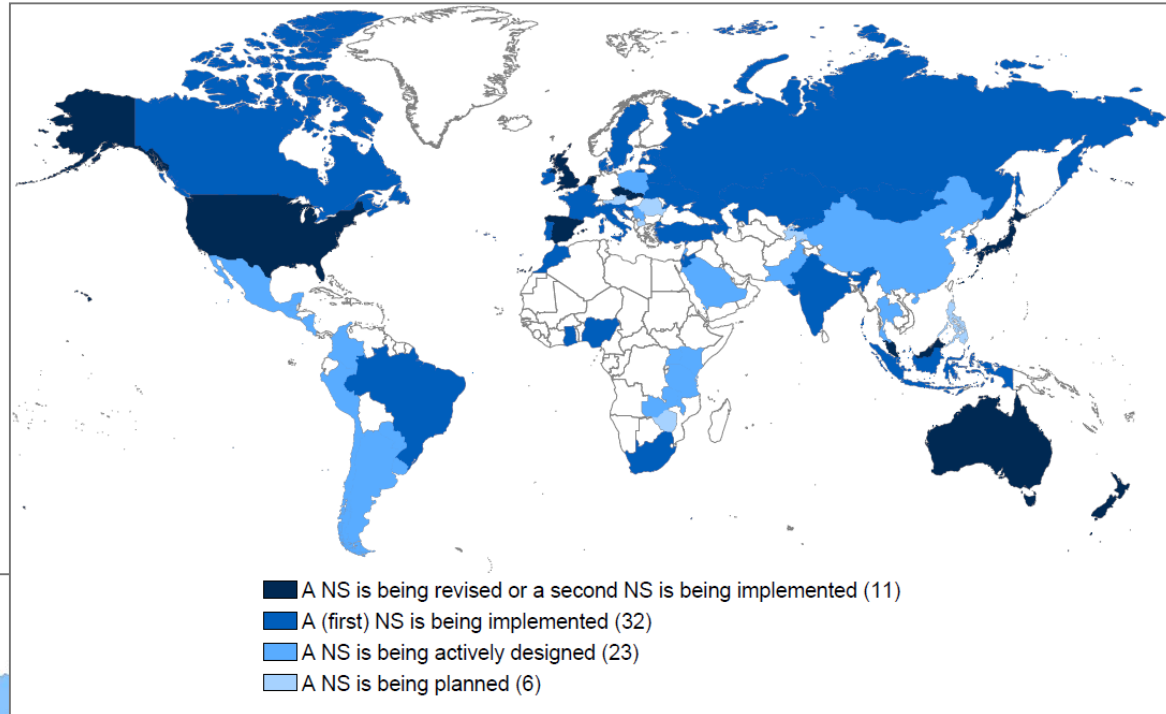
# but the need for a common framework : National Strategy for Financial Education



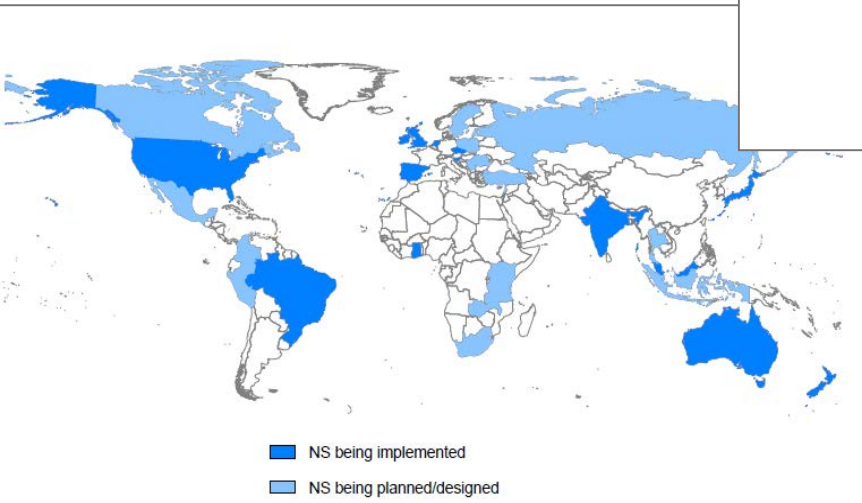


# Policy action is already taking place : Steady development of national strategies

## Status of national strategies in 2018



## Status of national strategies in 2012



*This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area*



**With some implementation issues :**  
The role(s) of private stakeholders  
in financial education is essential but....



### **Key benefits**

- Expertise on financial and/or education issues
- Expertise in marketing/communication
- Reach and proximity to consumers
- Resources & appetite

### **Challenges to be addressed**

- Conflicts of interests especially with digital delivery
- Focus on short-term initiatives
- Some consumers may be left out
- Non-coordinated initiatives
- Evaluation?



# Key criteria for private sector involvement

## OECD/INFE Guidelines for private and non-for-profit stakeholders in financial education

### Objectivity



Address consumer needs

Balanced, impartial unbiased education

No marketing activities

Not linked to commercial priorities

### Quality of resources and trainers



- **Use resources that are:**

- Tailored
- Targeted
- Appropriate
- Accurate
- Up to date
- Accessible

- **Trainers should be competent and confident**

### Monitoring and evaluation



Systematic, independent, evaluation is essential

Learning from previous success (and failure) saves time and money



# KEY SUCCESS/FAILURE FACTORS





# What determines success or failure?

**Don't be shy...**

1. Get the **data** and get it out there : Cost of financial illiteracy and of inefficient financial education!
2. Seek a **clear mandate** and identify **common objectives**
3. Set **criteria for collective success** and monitor them
4. Think **short and long term**
5. Secure a **budget** or find the money where it is...
6. Engage **with key (private) stakeholders** from the start and keep them involved
7. Identify and train « **champions** »
8. Recognise **contribution/achievements** of all involved
9. **Communicate, communicate, communicate...**
10. ....**be modest : FL is only part of the response to promote financial wellbeing for all**



# THANK YOU!

✉ [Flore-anne.messy@oecd.org](mailto:Flore-anne.messy@oecd.org)

[www.financial-education.org](http://www.financial-education.org)

