

Financial Education Plan 2013-2017

BANCO DE **ESPAÑA**
Eurosistema



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Foreword

The latest developments in our society, characterised by the growing complexity of markets, of financial relationships between individuals and companies, and of financial products and services themselves, highlight an increasing need to devote time and effort to the financial education of citizens, present and future consumers and users of such products and services.

The main contribution to the discussion of these issues stems from the initiatives taken at international level. Particularly significant were – and are – the efforts of the OECD – which has promoted the International Network on Financial Education (INFE) –, the Expert Committee of the European Commission, and also the G-20, which at its latest Summit categorically stated its commitment to the internationally agreed principles on financial education.

Building on these international principles, in 2008 the Banco de España and the Spanish National Securities Market Commission (CNMV) took it upon themselves to promote the first comprehensive project on financial education in Spain, to which other Central Government institutions, such as the General Secretariat of the Treasury and Financial Policy, and the Directorate General of Insurance and Pension Funds adhered at a later stage. The overarching goal of the Plan was, and remains, to enhance the population's financial literacy levels, in order to enable citizens to face the new financial environment confidently.

Elvira Rodríguez
CNMV Chairman

Luis M. Linde
Governor of the Banco de España

Introduction

When the Financial Education Plan (“the Plan”) was introduced, the “need and timeliness” of this project was underscored. Currently, all the international and multilateral organisations are committed, one-way or another, to the challenge of improving the financial literacy of citizens, for their own individual benefit and also for the sustainability of the financial system.

In the last few years, different initiatives of varying scope have been pursued under the Plan targeting a high number of citizens. These actions have involved the participation of a wide range of public and private institutions and social agents. Through various collaboration agreements, the foundations were laid to implement and develop a large proportion of the actions undertaken during the first cycle of the Plan.

Now that the first cycle of the Plan has been completed, the effectiveness of the different initiatives needs to be assessed on the basis of past experience, in order to streamline the resources available, follow through on the actions that have proved most effective and suggest new courses of action in the areas with most potential for improvement. This is the aim of this paper.

As in 2008-2012, the strategic guidelines for the period 2013-2017 are based on the following core principles:

- *Inclusiveness*: The Plan does not exclude any segment of the population, and covers all financial products and services.
- *Cooperation*: In its scope and characteristics, the Plan entails a public commitment by both financial supervisors and calls for close cooperation between them. Moreover, it is open to the participation of other agents and institutions that can contribute to this task.
- *Continuity*: Given the nature of its goals, the actions included in the Plan should be maintained over time.

These principles are complemented by others that define the initiatives to be carried out in this new cycle and the means by which they will be implemented, and they identify the main population groups to be primarily targeted by the efforts and actions considered under the 2013-2017 Plan. The principles are, namely:

- *Diversity*: The Plan should reach all segments of the population, taking into account their characteristics, their needs, and the appropriate channels of access for each group.
- *Knowledge and accessibility*: All citizens should have access to the information and tools they may need to strengthen their skills.

- *Measurement and evaluation:* Ongoing assessments of the work carried out should be performed in order to measure its effectiveness and to identify areas for improvement.
- *Coordination:* Financial education actions should be carried out in a coordinated manner, avoiding the overlapping of efforts, to ensure that such actions are both effective and resource-efficient.
- *Responsibility:* All the authorities and public and private institutions involved share responsibility for the implementation of this Plan and the achievement of its goals.

In application of these principles, and of the recommendations and principles on Good Practices issued by the OECD in 2005¹, this paper details which of the existing courses of action should be considered as a priority in the coming years, together with those new actions intended to effectively contribute to the achievement of the main goals of the Plan.

¹ *Recommendation on Principles and Good Practices for Financial Education and Awareness.*

Part I. Assessment of the period 2008-2012

1. WORKING GROUP

The CNMV-Banco de España Working Group has met frequently in order to set the objectives and study the actions to be taken, based on the assessment of the degree of achievement of previous goals and actions. Moreover, the Working Group has adopted the relevant decisions for their subsequent implementation and the coordination of collaborative actions among the different agents participating in the Plan.

After signing the collaboration agreement with the Directorate General of Insurance and Pension Funds, several representatives of this institution joined the Working Group as experts. Representatives of the General Secretariat of the Treasury and Financial Policy, cooperating with the Plan on a regular basis, also attend the meetings of the Working Group.

2. ACTIVITIES PERFORMED

In the five years since the inception of the Plan, numerous actions and projects have materialised, including most notably:

- The design and start-up of a benchmark portal for financial education. In May 2010, the website www.finanzasparatodos.es was opened to the public as the first visible milestone of the Financial Education Plan. Besides the contents intended for the different modules available on this website, its usefulness has since been enhanced with various practical tools for users, including a desk-top application for the comprehensive management of personal finances, calculators, specific-aim simulators and the like. The portal contents have been enriched, and the user interactivity options have been enhanced. Since its launch, the website has had more than 1.8 million visits.
- As part of the Collaboration Agreement signed with the **Ministry of Education, Culture and Sport**, the development and evaluation of a pilot Financial Education Programme in the school year 2010-2011 should be noted. This Programme was intended for 3rd Grade Secondary Education students, with nearly 3,000 students and 70 teachers of 32 schools from 14 Autonomous Communities, Ceuta and Melilla taking part in the project. Prior to the pilot test, the educational needs of the students were identified according to age groups, focusing on the concepts of saving, investment and debt, and on the development of basic skills relating to the acquisition of financial products. Moreover, a set of effective tools, such as video games or materials adaptable to other media, was defined to elicit the interest and motivation of both students and teachers.

To provide teachers with additional support, and to offer students a user-friendly, practical approach, traditional materials (educational guides) and multimedia resources available in the portal www.gepeese.es were developed.

The evaluation of the pilot programme, carried out by an external company, allowed several interesting conclusions to be drawn on teaching and learning about finances among the young. The evaluation was performed on the basis of OECD rules and recommendations on the assessment of financial education programmes. The aim of the evaluation was to analyse to what extent the intended goals had been achieved, and to identify the features of the project that had to be changed in order to optimise resources and provide for greater insight into the contents of the programme. The most relevant conclusions are presented below:

- Over the term of the pilot programme, an overall improvement in the students' technical capabilities was observed.
 - Owing to the interest in the contents of the programme, a significant number of teachers and regional authorities participating in the project suggested the possibility of including financial education in the school curriculum.
 - Also noteworthy was the favourable attitude of the students, who welcomed this training opportunity. In particular, the subject matters were considered very useful to help students in their everyday activities and understand the environment in which they live. The students perceived the connection between financial training and their everyday life, which was conducive to a positive change in attitudes and beliefs as regards financial matters.
 - Both students and teachers saw the various resources made available to them (e.g. the educational guides and the portal www.gepeese.es) as useful aids which, in turn, acted as supports to the more conceptual contents of the guides prepared to give structure to the course.
- Collaboration agreements were entered into with the **Spanish Banking Association (AEB)**, the **Spanish Confederation of Savings Banks (CECA)** and the **National Union of Credit Cooperatives (UNACC)** to act in different areas by means of educational programmes, contributions to the portal www.finanzasparatodos.es and links from the portal to their corporate websites. Additionally, for some cooperating credit institutions, educational and information materials were made available to financial consumers and to the staff of the branch networks.
- A set of printed cards with “Basic recommendations on household economics” was prepared. They were widely published in newspapers and magazines, and were made available to financial consumers in places open to the public, such as the offices of some collaborating credit institutions, consumer protection agencies and other specific locations (such as certain call shop – “locutorio” – networks).
- On the basis of the agreement signed with the **National Consumer Institute (INC)**, a specific programme of “training for trainers” was designed and taught in order to provide consumer professionals with the necessary skills in the areas of financial education and financial customer services. These professionals carry out their work in the relevant departmental offices of the regional Governments or in municipal consumer offices, where they provide training to the employees working there. This approach facilitates

cross-fertilisation of ideas and boosts the outreach and provision of financial training throughout the country. Notable in this connection is the role the INC and the municipal offices play, because they frequently address claims on financial products and services.

- Collaboration agreements were signed with several consumer associations – the **Andalusian/Spanish Consumers' Union (UCA/UCE)** and the **General Consumers' Union (ASGECO)** – to carry out training activities intended for specific consumer groups (young people, women, immigrants, elderly people) and professionals responsible for their education by means of campaigns, conferences and workshops.
- An agreement was entered in with the **Spanish Democratic Union of Pensioners and Retirees (UDP)** to pursue several courses of action focused on broad educational and informative activities for elderly people and retirees.
- In the area of insurance, an agreement was signed with Fundación **MAPFRE** in order to promote insurance literacy. To this end, the Fundación developed the web portal www.seguroparatodos.es.
- To address the financial literacy needs of the intellectually disabled, an agreement was signed with **Fundación ONCE**. On the basis of this agreement, training courses on personal finance and financial skills have been developed for associations of the disabled.
- In order to communicate and publicise both the Financial Education Plan and the web portal www.finanzasparatodos.es, a country-wide campaign was launched with presentations in the media. Moreover, in the framework of this initiative the promotion and the presence of the Plan in the social networks and the Internet were bolstered. The results of this advertising campaign, conducted between September and December 2011, were clearly positive. As a matter of fact, 51% of the 380,000 visits to the portal recorded in 2011 took place during that period.
- The first cycle of the Plan also witnessed increased levels of participation and cooperation with multilateral organisations, in particular with the **OECD's International Network on Financial Education**. Indeed, the definition of the actions included in the Plan is based on the OECD's recommendations and principles. In turn, this close collaboration led the sponsoring institutions to actively respond to the request of the Ministry of Economy and Competitiveness to participate and cooperate in the 9th Biannual Meeting of the INFE – the main financial education forum at a global level – and in the international conference on financial education (“The challenges ahead: from policy to efficient practices”) held in Madrid in May 2012.
- With the aim of increasing financial consumers' awareness of the importance of financial education, different information activities have been carried out, such as participation in a large number of meetings and events with a social content both at national level (fairs, seminars and congresses) and in more professional forums specialised in sharing experiences and initiatives at an international level. These initiatives include, in particular, the participation in the 2nd International Financial and Economic Education Workshop (Fogafin), in the I and II Conferences on Investor Education and Protection, organised by the Companies Superintendency of Ecuador, and in the annual CEMLA conferences on Economic and Financial Education in Latin America and the Caribbean.

- Also, in 2011, at the request of the European Economic and Social Council, a presentation of the Financial Education Plan, and of the progress achieved, was made in Spain in a review by this organisation before it issued its opinion on “Financial Education and Responsible Consumption of Financial Products”.

Part II. Future development of the Financial Education Plan

1. BENEFITS FOR CITIZENS AND FOR THE FINANCIAL SYSTEM

All citizens, whether present or future users of financial products and services, can benefit significantly from improvements in financial literacy, irrespective of their age or income. Life is full of decisions that bear on people's finances (starting a family, buying a home or a car, retiring), and it is important for all citizens to be aware of, and to learn to assess, the financial impact of their decisions.

Thus, a good level of financial literacy helps individuals and households to take more advantage of their opportunities, to achieve their goals, and to contribute to improving the financial health of society at large.

The social, economic and demographic changes in the last few years have made it increasingly difficult to make decisions with a financial impact. The reasons for these changes include the increase in per capita income – which comes hand in hand with a larger volume of savings –, the higher levels of indebtedness over the last few decades and, above all, in the run-up to the present crisis, the increase in life expectancy, and, more recently, the significant instability of the labour market.

Financial markets too have gradually become more complex, owing basically to the emergence of new distribution channels and financial products, especially in the past 20 years. Consumers are no longer limited to choosing only between different interest rates, loans and savings plans. Rather, they have a wide array of saving and financing choices with a large variety of financial instruments – some of them very complex –. And all this is set against a backdrop of increasing transfer of risk to financial consumers.

Consequently, the task of adequately managing and distributing individuals' and households' financial resources is increasingly complex, and they face more demanding knowledge and skill requirements than former generations. The recent financial crisis has highlighted some situations, which could possibly have been mitigated by higher levels of financial education among the population.

In this regard, financial education is becoming increasingly important as it is conducive to a better allocation of resources and a reduction of the risks associated with financial instability and, therefore, to an improvement in social welfare.

2 NATIONAL STRATEGIES FOR FINANCIAL EDUCATION

Between 2008 and 2009, the OECD – via INFE – conducted a survey among its member countries, including Spain, in order to evaluate the interrelations between financial education and the crisis. In their response, many countries indicated behaviours or problems derived from a lack of financial skills, largely caused by the challenges besetting individual and household economies as a consequence of the financial crisis. Despite the cultural and socio-economic differences among countries, it was found that many of the problems related to financial literacy were similar and that they may have a significant impact on countries' economic growth.

Governments' responses to this situation of widespread lack of financial culture include the development of national strategies for financial education. One of the first countries to develop a national strategy was the United Kingdom in 2003, followed by the United States, New Zealand, Australia and Canada. Today at least 25 countries, including Spain, have national strategies for financial education in place.

The objectives of these national strategies for financial education include, in particular, the following:

- Developing a framework tailored to the specific needs of the country.
- Identifying social agents to cooperate in and coordinate the various actions.
- Promoting efficient programmes that avoid the duplication of efforts.
- Making citizens aware of the importance of financial culture as a core skill.
- Including financial education as an objective of governments and legislators.

The importance of implementing national strategies for financial education has been enshrined in the approval by OECD/INFE (in particular by the Financial Markets Committee and the European Insurance and Pensions Committee) of a set of high-level principles on national strategies for financial education¹. Also, in 2012, under the Mexican Presidency, the G-20 declared its support for these principles, acknowledging the importance and relevance of the work carried out by the OECD and the INFE in the area of financial education.

The above principles represent core guidelines for the efficient development of national strategies for financial education, which recommend that public authorities at their highest level (Ministries of Finance, Economy and Education, central banks and financial supervisors and regulators) be involved in such plans.

3. MAIN LINES OF ACTION FOR THE PERIOD 2013-2017

The national strategy for the coming years will give priority to the actions detailed below, which may be expanded or adjusted should other priorities be identified.

¹ OCDE/INFE, *High level principles on national strategies for financial education*.

Financial education in the educational system

One of the key tasks of the Plan, which is part of the national strategy for financial education, is its implementation at schools. Accordingly, the CNMV and the Banco de España, within the framework of the agreement entered into with the Ministry of Education, Culture and Sports in September 2009, and following the actions taken in cooperation with the regional educational authorities and with industry associations, intend to continue their efforts to introduce financial education in the educational system.

Focusing financial education on young people and schools is not a new approach. The OECD first recommended in 2005 that financial education should start at school and as early as possible. The recently published *Guidelines on Financial Education at School and Guidance on Learning Framework* are aimed at assisting INFE member countries in designing, developing and implementing efficient financial education programmes in schools.

Younger generations will not only be faced with increasingly complex financial products, services and markets, but they are more likely to be exposed to more financial risks in adulthood than their parents. In particular, future generations will confront significant challenges in planning their retirement savings and the coverage of their healthcare needs.

The term “financial education” in schools refers to the teaching of financial knowledge, skills, behaviours, values and attitudes which will enable students to make judicious and effective financial decisions in their daily life, and prepare them to better address the basic financial challenges they will encounter over their life cycle.

Young people learn more readily and their exposure to misbeliefs and inappropriate habits, very common in many adults in this field, is lower. Moreover, today’s young people are the consumers of tomorrow’s financial products and services and, therefore, the investment in financial education will normally yield its returns over a longer period in the case of this population group.

The available evidence suggests that there is a significant statistical relationship between the level of financial literacy and the family’s educational and economic background. Mention should be made in this connection of the research by Bernheim, Garret and Maki (1997)², Lusardi and Mitchell (2007)³ and Van Rooij, Lusardi and Alessie (2007 and 2011)⁴.

In order to ensure equal opportunities, it is important that financial education be offered to those who would not otherwise have access to it. Therefore, schools should play a key role in delivering financial education, precisely because they are in the best position to provide it at an early stage to all population groups, thus making a decisive contribution to breaking the cycle of generational financial illiteracy.

Efforts are currently being focused on systematically introducing financial education in the educational system. Financial education is being imparted in many secondary

2 D. Bernheim, D. Garret and D. Maki (1997), "Education and Saving: The Long-Term Effects of High School Financial Curriculum Mandates", *Journal of Public Economics*, No. 87.

3 A. Lusardi and O. Mitchell (2007), "Baby Boomer Retirement Security: The Role of Planning, Financial Literacy and Housing Wealth", *Journal of Monetary Economics*.

4 M. van Rooij, A. Lusardi and R. Alessie (2007), *Financial Literacy and Stock Market Participation*, y (2011), *Financial Literacy, Retirement Planning and Household Wealth*.

schools in the current 2012-2013 school year. In this connection, at the beginning of the year, all national and regional educational authorities, as well as schools, were invited to join this initiative and to introduce financial education in their school curricula as they deemed most appropriate. For this purpose, the Plan sponsors offered the resources which are currently available to teachers and students, duly adapted and updated to include the improvements suggested in the assessment of the 2010-2011 pilot programme. The Plan must pay special attention to any proposed amendments to the school curriculum aimed at recognising and maintaining financial education as a stand-alone subject.

It should be noted that financial education is provided at schools in many countries⁵. Some major examples are as follows:

- In New Zealand, the Pensions Committee has been working with the Ministry of Education since 2004 to include financial education in the school curriculum. A new curriculum encompassing financial education at schools was issued in 2009 and this topic is currently taught through Language, Social Science, Mathematics and Technology to children aged 5 to 14.
- In Australia, financial education has been compulsory at school since 2005. This training is currently imparted to children aged 3 to 10, approximately, and is included in the subjects of Mathematics, Science, Humanities and Technology, among others. A reform of the school curriculum was under way in 2012-2013 and financial education will be included for students aged 10 to 12.
- In Scotland, financial education has been compulsory in the school curriculum since September 2008. It is taught through several practical activities in primary and secondary education and is not included in specific subjects.
- In the United Kingdom, economic welfare and financial education programmes are included in the subject PSHE (Personal, Social, Health and Economic Education). Additionally, the subjects of Citizenship and Mathematics make explicit reference to money and financial literacy. Effective September 2014, financial education will be a compulsory subject in the school curriculum.
- In Brazil, a pilot financial education programme, encompassing 900 state schools and 30,000 students, was implemented in 2010. The target is to reach more than 58 million students belonging to more than 200,000 schools.

The conclusion from the analysis of the subjects taught in these countries⁶ is that, albeit with cultural differences, the content is relatively similar in all cases. These common areas were those addressed in the PISA 2012 assessment⁷. Specifically, the common content areas included in the various financial education programmes are as follows:

⁵ This is the case, inter alia, of Australia, Brazil, Japan, Malaysia, the Netherlands, New Zealand, the United Kingdom, South Africa and the United States.

⁶ Pisa 2012 *Financial Literacy Framework*.

⁷ The PISA (*Programme for International Student Assessment*) Report for 2012 included for the first time a survey or assessment on the financial competencies of 15-year-olds, which will be re-assessed in 2015.

– Money and transactions

This content area focuses on a broad range of personal economy matters: everyday payments, spending, value for money, bank cards, cheques, bank accounts and currencies. The aim is, inter alia, for young people to learn that money is used to exchange goods and services, to identify the different methods of payment (in person or via the Internet), to calculate correct change, to understand that money can be borrowed or lent, and the reasons for paying or receiving interest, and to be aware of the difference between credit and debit cards.

– Planning and managing finances

This content area focuses on learning how to manage money both at short and long term. The aim is to be able to identify the various types of income, to understand the importance and role of taxes, to assess the impact of the different types of planning and to be aware of the benefits of saving.

– Risk and diversification

The aim is to understand the significance of financial gains and losses across a range of financial contexts and to acquire the ability to identify ways of managing, balancing and covering risks. Students learn why certain forms of saving or investment involve more risk than others and how to limit the risk to personal capital as well as the benefits of diversification.

– Financial landscape

The aim of this content area is to become familiar with the basic features of the financial world. It covers the rights and responsibilities of consumers in the financial marketplace and the main implications of financial contracts. This area also encompasses the consequences of changes in economic conditions and public policies, such as changes in interest rates, inflation, welfare benefits, etc.

In the period 2013-2017, the CNMV and the Banco de España will review and extend, if appropriate, the concepts and items included in the training resources currently available so as to ensure that all the aforementioned areas of knowledge are taught in schools.

Financial education for retirement and on insurance issues

A certain level of financial education is required before a culture of retirement savings through insurance and pension plans can be fostered. Saving for the future is increasingly necessary.

Several research studies and surveys highlight a lack of awareness among citizens of the importance of retirement savings. Individuals are not saving for retirement and those who are, are not saving enough. Additionally, insurance literacy should be promoted since it provides protection against the risks assumed by individuals.

The reforms currently under way in Spain to ensure the system's financial sustainability are aimed at increasing citizens' responsibility vis-à-vis long-term savings and pensions. The low birth rate and the higher life expectancy, combined with the crisis, make it necessary

to raise awareness among individuals of the need to supplement the public pension benefits they will receive upon retirement.

The risks citizens are more concerned about relate to situations, which have adverse financial impacts such as the loss of employment, or physical consequences, such as diseases. Risks, which entail not only financial but also emotional consequences, such as accidents, education and the future of our children, are increasingly important. Therefore, improving the insurance literacy of citizens and the social perception of insurance also enables individuals to carry out adequate financial and household planning.

In order to achieve these objectives, the Plan envisages that specific contents will be disseminated on pension plans, retirement savings, and insurance and retirement products. Furthermore, activities focused on financial education in these fields will be promoted and carried out through new agreements, if appropriate, or through the provision of training courses tailored to the specific needs of the population groups concerned.

Enhancing the network of Plan collaborators

In the period 2008-2012 contacts were intensified with public and private agencies and institutions which already had quality financial informational and education materials available to them and had designed or even implemented projects and initiatives featuring financial education and guidance for certain population groups as a key or significant element. However, this abundance of materials, tools and projects may prove ineffective unless it is adequately disseminated.

Accordingly, in order to improve the financial education infrastructure at national level, the various financial education projects existing in Spain will be mapped, so that maximum efficiency is achieved and duplication of dissemination efforts is avoided. This process will also provide an opportunity to exchange experiences on effective programmes implemented by other agencies or institutions and, if appropriate, to implement them.

This requires ongoing coordination and consultation and, as far as possible, the sharing of educational resources. These coordination and consultation efforts will eventually translate into:

- A larger target audience and, therefore, a larger impact of the actions taken.
- An exchange of successful and unsuccessful initiatives: learning from each other.
- An exchange of resources, which will maximise their use at a low cost.
- An enhanced impact of messages: messages will be more effective if all the parties involved share a common objective.

In this respect, the adoption of principles or codes of conduct will be encouraged and promoted so as to minimise any conflicts of interest arising from private financial education initiatives or projects.

Boosting current collaboration agreements under the Plan and signing new agreements

As mentioned in Section I.2 of this report, collaboration agreements were entered into with various associations, including those of financial institutions, consumers and elderly people and retirees. The ultimate purpose was to carry out training activities targeted at specific population groups (young people, the elderly, immigrants), through training sessions, campaigns, conferences, etc.

The initiative for the new period 2013-2017 is twofold, namely:

1. To boost current collaboration agreements by implementing new training actions targeted at young people, the elderly and immigrants, with the involvement of the network of Plan collaborators.
2. To enter into new collaboration agreements with institutions or foundations engaged in promoting the financial literacy of the disabled or of investors in general, or with educational associations, the purpose of which is to foster financial education in schools.

In this connection, the implementation of the principles developed in the Financial Education Plan will be taken into account in order to ensure the effectiveness of the various initiatives and actions.

Consolidation of the *finanzasparatodos* brand

Another objective for the period is the design of a sustainable strategy of social presence aimed at raising public awareness of the existence and objectives of the Financial Education Plan. A pre-requisite for the *finanzasparatodos* project to become a benchmark for financial education in Spain is that citizens be aware of its existence, its usefulness and the neutrality of its approach, guaranteed by the public nature of the sponsoring institutions.

The *finanzasparatodos* logo and brand will become the public image of the Financial Education Plan. Likewise, the gepeese logo and brand will be identified with the section of the project targeted at young people aged 14 to 20.

These objectives will be achieved using social communication tools to provide greater coverage, exposure and visibility to the *finanzasparatodos* brand image and to the actions implemented under the Plan.

Since new communication channels have emerged, information should be provided to citizens using their preferred means of communication. These new means of communication constitute an opportunity to build relationships and dialogue with the population on financial issues. The *finanzasparatodos* and gepeese profiles will be present and increasingly used in social networks.

These actions are aimed at enhancing the interactivity of the portal, offering more specialised information, facilitating user segmentation based on information needs and allowing more dynamic targeting of portal contents.

The ultimate objective is to increase the number of users consulting or surfing the website, which will translate into improved financial knowledge and skills.

Assessment and research

In order to allow adequate national strategies to be adopted for financial education, the experts suggest that the actual needs of the population be identified through analyses of population groups and survey tools, such as national surveys.

These surveys on financial literacy may help surveyors identify the areas of knowledge that need reinforcement and establish a baseline against which to measure the effectiveness of financial education programmes and the progress achieved in the level of financial knowledge.

As mentioned above, the surveys conducted in many OECD countries conclude that the levels of financial literacy are very low in all cases. In Spain, several surveys have been carried out to date by professional and consumer associations; the results are similar to those obtained in other countries and disclose that the level of financial literacy of the Spanish population is still poor.

The CNMV and the Banco de España are considering launching a formal survey at national level, using the methodology recommended by the OECD⁸, which will serve as a starting point for monitoring the progress in adult financial literacy in the coming years.

The questionnaire would cover, in addition to matters relating to financial attitudes and knowledge, other aspects aimed at identifying behaviours exhibited by financial consumers in areas such as money management, short- and long-term financial planning, and financial product choice.

In this connection, cooperation with the Spanish National Consumer Affairs Institute (INC) will be explored, since this agency has several tools for compiling annual statistics, which may be appropriate for this purpose.

All the actions implemented under the Plan generally require ongoing assessment. Therefore, it is of paramount importance to establish effective assessment methodologies as well as specific objectives, which are, as far as possible, quantifiable. The results obtained will be used as a basis for conducting specific research work aimed at improving the financial literacy of citizens.

⁸ *Measuring Financial Literacy: Questionnaire and Guidance Notes for Conducting an Internationally Comparable Survey of Financial Literacy.*

Conclusions

This document describes the actions implemented in the last five years and those to be taken in the period 2013-2017.

There is no doubt that financial education has progressively gained importance in the current economic and social environment and that it needs a further boost from public and private institutions, with the cooperation of all social or voluntary agents.

In fact, in the current crisis period individuals feel more motivated to learn, since their perception of their own personal risk has increased and their expectations regarding the results of their financial decisions have changed.

Therefore, the actions to be taken in the next period are expected to contribute not only to increasing the level of financial literacy of citizens, but also to changing their financial attitudes and behaviours. Citizens are influenced by certain trends or factors, such as emotions (they make decisions based on how they feel, rather than on what they actually know), overconfidence, overestimation of their own financial knowledge or of the advice of third parties with a lower or similar level of knowledge, or their actions are influenced by the immediate or recent past. Knowing how markets operate or the features and risks of financial instruments are useless if individuals do not behave rationally.

Hence, financial education will continue to help families and individuals adapt their investment decisions and choice of financial products to their risk profile, needs and expectations, which will also have a positive impact on financial stability.

This Plan, conducted under the collaboration agreement between the Banco de España and the CNMV, highlights the need for and timeliness of pressing forward with a comprehensive financial education policy. Additionally, the experience of initiatives implemented in other countries and the role played by the OECD as a coordinator and conveyor of global principles and good practices for financial education confirm that we are on the right track.

Table 1. Summary of actions taken and results achieved in the period 2008-2012

| Financial Education Plan 2008-2012 | | | | | | |
|--|--|---|--|---|--|--|
| All citizens | | | | | | |
| Segments and Groups | Education System | | Adult population | | | |
| | Secondary School Students | University and vocational training students and other young people | Professionals/Employees/Self-employed/Entrepreneurs | Parents with young children | Retirees | Immigrants/disabled/home-makers/unemployed... |
| Needs | Basic: Savings/Individual budgeting/Financial safety/Intelligent consumption/Bank relations/Indebtedness/Investment | Savings/Individual budgeting/Financial safety/Intelligent consumption/Bank relations/Indebtedness/Investment/Financial system | Retirement/savings/Insurance/loans/Investment products | Savings products/Investment/Fraud prevention/Financial safety | Savings products/Investment/Fraud prevention/Financial safety | Savings/Individual budgeting/Financial safety/Intelligent consumption/Bank relations/Indebtedness/Investment/Insurance/Loans/Retirement savings/Fraud prevention/Other, depending on specific population groups. |
| Specific and general collaboration channels | <ul style="list-style-type: none"> Education System Internet Social networks Events | <ul style="list-style-type: none"> Internet Social networks Events, seminars, fairs and lectures... Written press (general) Digital newspapers Advertising material: "finanzasparatodos.es" Specialised publications Other material and educational resources of CNMV, Banco de España and DGSYFP | <ul style="list-style-type: none"> Instructor training - the financial consumer Internet Social networks Events, seminars, fairs and lectures... Radio Written press (general) Digital newspapers Advertising material: "finanzasparatodos.es" Specialised publications Other material and educational resources of CNMV, Banco de España and DGSYFP Consumer and Professional Associations | <ul style="list-style-type: none"> Internet Social networks Events, seminars, fairs and lectures... Written press (general) Digital newspapers Advertising material: "finanzasparatodos.es" Specialised publications Other material and educational resources of CNMV, Banco de España and DGSYFP Elderly centres, consumer associations | <ul style="list-style-type: none"> Internet Social networks Events, seminars, fairs and lectures... Written press (general) Digital newspapers Advertising material: "finanzasparatodos.es" Specialised publications Other material and educational resources of CNMV, Banco de España and DGSYFP Immigrant centres, associations | <ul style="list-style-type: none"> Internet Social networks Events, seminars, fairs and lectures... Written press (general) Digital newspapers Advertising material: "finanzasparatodos.es" Specialised publications Other material and educational resources of CNMV, Banco de España and DGSYFP Immigrant centres, associations |
| Collaboration agreements and cooperating agents | Ministry of Education - Education Departments schools and their teachers | CNMV - Banco de España - DGSYFP | CNMV - Banco de España - DGSYFP CECA - AEB - UMACC - Ageco - UCA - UCE | CNMV - Banco de España - DGSYFP | CNMV - Banco de España - DGSYFP UDP - Ageco - UCA - UCE | CNMV - Banco de España - DGSYFP CECA - AEB - UMACC - Fundación ONCE - Fundación MAPFRE |
| Actions | Pilot Programme on Financial Education in the Pilot Secondary School (E.S.O.) (School Year 2010/2011) | Financial Education Portal: www.finanzasparatodos.es | | | | |
| | gepeee.es educational portal for young people and teachers | | Course for employees of regional Governments: Consumer Offices: "The financial consumer" - Training for trainers | gepeee.es educational portal for young people and teachers | | |
| | | Collection of 12 cards: "Basic recommendations on household economics" | | | | |
| | | Events, seminars and conferences | | | | |
| | | Other material and educational resources of: CNMV, Banco de España and DGSYFP | | | | |
| Results | Evaluation of Pilot Programme 2010/2011 <ul style="list-style-type: none"> Overall improvement of students' technical skills Students' and teachers' favourable attitude and interest in receiving/teaching this training Utility of the educational guides and the gepeee portal Little time to teach all contents (only Level I - Basic) | <ul style="list-style-type: none"> Significant increase in the number of visits to the finanzasparatodos.es portal: approximately 58,000 visits/month Increase in the number of visits to the gepeee.es portal: approximately 7,000 visits/month Increase in the number of followers in social network profiles Handing out of mouse-pads and bookmarks in fairs, events, seminars and workshops Handing out of approximately 1.5 million copies of cards on "Basic recommendations on household economics" | | | | |
| | | | | | | Course "The financial consumer" Evaluation was carried out by means of an on-line questionnaire. See highlights below: Level of satisfaction <ul style="list-style-type: none"> Después del curso se produce un aumento significativo en el nivel de confianza de los alumnos para manejar cuestiones sobre economía y finanzas After completion of the course the students' level of confidence to handle economic and financial issues increases significantly Requests for additional courses along similar lines to gain a deeper insight into the subject matters. All students respond that the course is up to their expectations. The course provides a practical view and helps address some claims. Course organization and contents <ul style="list-style-type: none"> Both the course and the speakers encourage participants to sign up for the training Significant involvement of the IIC and the Consumer Boards of each regional Government (Autonomous Community). Both the issues and the speakers encourage participants to sign up for the training The level of teaching is adequate Adequate balance between theoretical and practical contents of classes |

TABLE 1 (CONTINUED) - BREAKDOWN OF ACTIONS

ACTIONS

Events, seminars, fairs and lectures

- 2012**
- Annual fairs: Bolsalia (Madrid) and Forinvest (Valencia)
 - Salamanca Social Science Festival (S3F)
 - University lectures :UNED
 - Lectures and seminars: International Financial Analysts (AFI), Instituto de Empresa (IE) and Colegio de Economistas
 - Instituto de Empresa: Roundtable on Financial Literacy.
 - INC: Training activities on banking, investment, and insurance (Talavera de la Reina).
 - ESMA: Presentation in Budapest of the Financial Education Plan in a seminar for regulators and financial sector representatives
 - Banca d'Italia: Seminar on Financial Education in Schools. Presentation of the Plan and the FE Programme in the third year of E.S.O.
 - IIMV: Ecuador– Investor protection and Financial Education Conference.
 - OECD–Spain Financial Education Conference
- 2011**
- Annual fairs: Bolsalia (Madrid) and Borsadiner (Barcelona)
 - UNED: Conference on financial literacy – summer courses
 - Fogafin Colombia: II International Workshop on Financial Education
 - III Conference on Economic and Financial Education in Latin America and the Caribbean
- 2010**
- Annual Fairs: Bolsalia (Madrid) and Borsadiner (Barcelona)
 - UNED: Conference on financial literacy – summer courses
 - AFI– Financial Education Plan
 - Superintendencia de Valores de Ecuador: Financial Education Plan
- 2009**
- Ediciones Ferias (Annual fairs): Bolsalia (Madrid), Borsadiner (Barcelona) and Forinvest (Valencia)
 - UNED: Conference on financial literacy – summer courses
 - IDE–CESEM: Financial Education Course for the unemployed
 - Directorate General Consumption, Community of Madrid: Financial products
 - Directorate General Consumption, Community of Madrid: Financial consumer protection
 - Directorate General Consumption, Regional Government of Valencia: Financial consumer protection
 - Directorate General Consumption, Regional Government of Aragon: How to invest our savings
 - IFIE/IOSCO: Investor Education Conference
 - CECA (Spanish Confederation of Savings Banks): Financial Education Conference
 - Fundación Alternativas: Savings management and RSC
 - DG Public Health and Consumption, Regional Government of La Rioja: Course on financial products
 - OMIC Municipality of Toledo: Financial Consumption Conference
 - Caixa Galicia: Elderly people's role as financial consumers: products and rights
 - DG Consumption, Autonomous Community of Castile and Leon: Course on financial products
 - DG Commerce and Consumption, Autonomous Community of Valencia: Financial products
 - Consumer Institute of Castile La Mancha. Consumer protection in the financial and investment areas
 - Autonomous Community of the Murcia Region: Course on financial products
 - Autonomous Community of Galicia: Course on financial products
 - Regional Government of the Canary Islands: Course on financial products
 - Consumer Institute, Regional Government of Extremadura: Conferences on investor protection
 - Madrid's Association for the hearing–impaired: Relations with intermediaries
 - Women's World Bank: Financial Education Plan

- 2008**
- Annual fairs: Bolsalia (Madrid), Borsadiner (Barcelona)
 - UNED: Conference on financial literacy
 - Inversis León: Conference on global investors and markets: the Financial Education Plan
 - Presentation of the Financial Education Plan 2008 - 2012

Pilot Programme on Financial Education in the 3rd year of Secondary Education (E.S.O.)

- Preparation of materials (Educational Guides, levels I and II)
- Teacher training
- Participation in the International Student and Education Opportunities Fair (AULA)
- Assessment of the pilot programme

***gepeese.es* portal for young people and teachers**

- Development of games, workshops and other interactive resources for young people and teachers
- Social networks - *gepeese.es* profile: Tuenti, Twitter, Facebook

Financial Education portal: www.finanzasparatodos.es

- Development of tools and applications that can be downloaded from the *finanzasparatodos.es* portal
- Advertising of *finanzasparatodos* in general written press
- Advertising of *finanzasparatodos* in digital newspapers
- Search engine marketing (SEM)
- Social networks in *finanzasparatodos.es*: Facebook, Twitter, Tuenti
- Advertising in Spotify
- "*Finanzasparatodos*" mouse pads and bookmarks
- Participation in events, seminars and workshops publicising the Financial Education Plan and the *finanzasparatodos.es* portal

Collection of 12 cards: "Basic recommendations on household economics"

- Dissemination of the cards in bank branches, by means of press inserts, and in other specific web-accessible locations.

Other material and educational resources

- CNMV: "Investor Guides and Cards", "Investor's Portal", "Investor's Bulletin"
- Banco de España: Bank Customer's Portal (www.bde.es/clientebanca/home.htm)
- DGSYFP: Policy-holder's and participant's Portal (www.dgsyfp.meh/gaspar)

Table 2. Main lines of action for the period 2013 -2017

| OBJECTIVE | | | | |
|--|---|--|--|--|
| Contribute to improving the financial literacy of citizens | | | | |
| Main lines of action for the period 2013 -2017 | | | | |
| FE in the Educational System | Financial education for retirement and on insurance issues | Consolidation of the <i>finanzasparatodos</i> brand | Network of collaborators | Collaboration agreements |
| Financial education in schools is a key factor which will help achieve the objective of ensuring an adequate level of financial education of the population. This is a priority action in the strategy for the new period. | The higher life expectancy, combined with job instability and the lack of planning for retirement, and the importance of insurance as a protection against risk, make it necessary. | There is a need to raise public awareness of the existence and objectives of the Financial Education Plan, placing emphasis on the benefits of financial education and on its importance in fostering and contributing to the stability of the financial system. It is important to emphasize the role it plays in financial consumer protection as a complement to the supervision and regulation. | Many agencies and institutions already have financial education materials or projects in place. It is necessary to improve and organise the financial education infrastructure at national level. | The cooperation agreements already entered into with various institutions and associations should be boosted. Also, new agreements should be signed with foundations or associations in order to cover more population groups. |
| Work is being undertaken on the dissemination of the Financial Education Programme, so that it can be extended to the largest possible number of schools, including private and subsidised ones, in school year 2012-2013. | For the new period, specific training on insurance and retirement products will be fostered, for which purpose the collaboration of professionals and experts in these fields will be sought. | All the social marketing tools required to provide greater coverage, exposure and visibility to the <i>finanzasparatodos</i> brand and to the actions taken under the Financial Education Plan will be used. | The aim is to promote adequate distribution of these materials and projects and to avoid duplication of efforts in the dissemination of financial education. To this end, the various projects in place will be mapped and their effectiveness assessed. | Thus, more training actions targeted at young people, the elderly, the disabled, investors or secondary education students will be carried out. |
| For the new period, the aim is to involve all the agents, public institutions, regional authorities and educational organisations in the integration of financial education in school curricula. | The aim will be to raise awareness among the population of the need for retirement planning, for which the related materials and resources will be disseminated. | Among other communication instruments, the development of multimedia contents to be distributed through different channels will be fostered. There will be an increasing presence in traditional media and supports. Also, the Plan will increase social media presence through the www.finanzasparatodos.es website and www.gepeese.es profiles in Twitter, Tuenti and YouTube. | The mapping of the various projects will translate into close cooperation, coordination, consultation and resource sharing. | The level of financial literacy of a larger number of population groups will be increased. |
| ↓ | | | | |
| Assessment and research | | | | |
| All the actions implemented under the Plan require ongoing assessment. It is of paramount importance to continue to establish effective assessment methodologies as well as specific objectives which are, as far as possible, quantifiable. The results obtained will be used as a basis to conduct specific research work which will help go beyond the improvement of financial education and the provision of tools and information, the ultimate aim being to achieve a behavioural change in financial consumers. This will require research on the citizens' educational needs and on their attitudes and behaviours. Therefore, research should be promoted in the fields of financial education and of behavioural economics. | | | | |

