OECD/INFE Webinar: Financial resilience and financial literacy: opportunities and challenges of digital delivery

19 January 2021
FINANCIAL RESILIENCE AND FINANCIAL LITERACY:
OPPORTUNITIES AND CHALLENGES OF DIGITAL TOOLS

Flore-Anne MESSY
Head of the Consumer Finance, Insurance and Pensions Division, OECD
Opening Remarks

19 January 2021 | 1 p.m. CET (Paris time)
Outlines:

1. Impact of increased (financial) digitalisation
2. Limited financial literacy and resilience and groups at risks
3. OECD tools to support digitalisation for all and improve financial resilience
Digital financial services

- offer great opportunities for greater financial inclusion but may also pose new risks and challenges for consumers and regulators, including risks of financial exclusion for some groups

Digital delivery

- is increasingly supporting financial education outcomes, with opportunities for greater reach and effective delivery, but also challenges related to digital exclusion

>> The COVID-19 crisis accelerated these trends
USE OF DIGITAL FINANCIAL SERVICES ACROSS ECONOMIES

Based on students’ self-reports

Source: PISA 2018 financial literacy assessment.
PISA data reveal disparities in access and use of digital financial services

- **Girls** vs. **boys**
- **Socioeconomically disadvantaged students** vs. **advantaged**
- **Low-financial literacy students** vs. **high-financial literacy**
LIMITED FINANCIAL LITERACY ACROSS ECONOMIES

Financial literacy score (expressed in percentage of maximum possible score)

OECD-11 (62)
Average (60.5)

Hong Kong, China (71.1)
Slovenia (70)
Austria (68.5)
Germany (66.1)
Estonia (63.5)
Indonesia (63.5)
Portugal (62.3)
Poland (62.1)
Korea (62.1)
Czech Republic (62)
Moldova (59.8)
Malaysia (59.7)
Russia (59.6)
Hungary (58.8)
Croatia (58.6)
Bulgaria (58.5)
Peru (57.6)
Georgia (57.6)
North Macedonia (56.1)
Montenegro (54.5)
Colombia (53.5)
Romania (53.4)
Italy (53)

Knowledge
Behaviour
Attitude

Availability of a financial cushion in case of income loss: Percentage of people who could continue to cover living expenses for a given period of time if they lost their main source of income, without borrowing or moving house.
The COVID-19 crisis revealed new groups with limited financial resilience:

- recently lost job/income
- Youth/labour market entrants
- MSMEs

... in addition to ‘traditional’ vulnerable groups:

- Low-income/low wealth buffer
- Women
- Elderly
MAKING FINANCIAL DIGITALISATION WORK FOR ALL: AN ONGOING JOURNEY…

Since 2017, the OECD supported governments in strengthening **digital financial inclusion**, **digital financial literacy**, and **financial consumer protection in the digital age**, especially for specific target groups like young people and the elderly.
Recommendation on Financial Literacy
adopted by OECD Governments and Brazil on 29 October 2020

One-stop-source to design, implement and evaluate effective financial literacy initiatives
Covers digital aspects and COVID aspects to promote resilience
Addresses inequalities and (new) groups at risks
.... MADE EVEN MORE RELEVANT WITH THE ACCELERATION OF DIGITALISATION AND EMERGING INEQUALITIES

NEW OECD REPORT!
Released today

New work stream and G20/GPFI deliverable on Supporting financial resilience and transformation through digital financial literacy
WEBINAR SERIES | Financial resilience and financial literacy: immediate needs and long-term approaches

1. 5 November 2020: Financial resilience and financial literacy during the COVID-19 crisis

2. 2 December 2020: Challenges and lessons beyond the COVID-19 crisis

3. Today: Digital financial literacy & financial resilience

- How can digital financial education improve financial literacy and sustain financial resilience?
- How can digital financial literacy benefit the most vulnerable?
## COVID-19 RESPONSES
- Supporting the Financial Resilience of Citizens throughout the COVID-19 Crisis
- Financial Consumer Protection responses to COVID-19
- Global Financial Markets policy responses to COVID-19
- Strengthening Seniors’ Financial Well-being throughout the COVID-19 Crisis and its Aftermath

## (DIGITAL) FINANCIAL INCLUSION
- Policy Guidance on Financial Empowerment for Vulnerable Groups
- G20 Fukuoka Policy Priorities on Aging and Financial Inclusion
- G20/OECD INFE Policy Guidance Digitalisation and Financial Literacy
- Advancing the Digital Financial Inclusion of Youth

## SAVING, INVESTMENTS, INSURANCE
- Financial Education, Savings and Investments: An Overview
- Financial Education for Long-term Savings and Investments
- The role of financial education in supporting decision-making for retirement
- OECD/INFE policy framework for investor education
- Improving Financial Education and Awareness on Insurance and Private Pensions

## WOMEN AND GIRLS
- OECD/INFE Policy guidance on addressing women’s and girls’ needs for financial awareness and education
- Women and Financial Education: Evidence, Policy Responses and Guidance

## YOUNG PEOPLE
- PISA 2018 Results Are Students Smart about Money?
- Policy handbook on financial education for young people in the Commonwealth of Independent States

## CORE COMPETENCIES FRAMEWORKS
- OECD/INFE Core Competencies Framework on financial literacy for Youth
- G20/OECD INFE Core Competencies Framework on financial literacy for Adults
- IOSCO-OECD Core Competencies Framework on financial education for investors
- OECD/INFE Core Competencies framework on Financial Literacy for MSMEs
DIGITAL DELIVERY OF FINANCIAL EDUCATION

HIGHLIGHTS FROM THE OECD/INFE REPORT

Andrea Grifoni
Policy Analyst Consumer Finance Insurance and Pensions Division, OECD
Financial resilience and financial literacy: opportunities and challenges of digital tools
19 January 2021
<table>
<thead>
<tr>
<th>OECD/INFE Policy Guidance Note on Digitalisation and Financial Literacy (July 2018)</th>
<th>Harnessing the opportunities offered by digital tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendation of the OECD Council on Financial Literacy (Oct. 2020)</td>
<td>Use of appropriate digital tools to support learning</td>
</tr>
<tr>
<td>The impact of COVID-19</td>
<td>The need to switch to digital, maintain (and increase) access to digital financial literacy resources and trainings</td>
</tr>
<tr>
<td>Dedicated data collection</td>
<td>Questionnaire on digital delivery of financial education: <strong>over 70 case studies received from more than 40 OECD/INFE members</strong></td>
</tr>
<tr>
<td>----------------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
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<tr>
<td>Scope of analysis</td>
<td><strong>Focus on digital tools that support and encourage positive financial behaviours</strong>, such as website with financial education resources, tools and calculators, social media, online trainings, quizzes and games, mobile apps, and any innovative use of technology applied to financial education</td>
</tr>
</tbody>
</table>
The advantages brought by the use of digital tools in financial education

<table>
<thead>
<tr>
<th>For individuals, digital financial education initiatives can..</th>
<th>For policy makers, digital initiatives allow to..</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improve access to financial education and facilitate learning opportunities</td>
<td>• Increase the reach and scale up successful traditional interventions</td>
</tr>
<tr>
<td>• Support the reinforcement of core competencies and enhance money management skills</td>
<td>• Meet social distancing requirements</td>
</tr>
<tr>
<td>• Incentivise positive financial behaviours through personal goal setting, feedback mechanisms and reminders</td>
<td>• Potentially lower the costs linked to traditional delivery</td>
</tr>
<tr>
<td></td>
<td>• Increase opportunities for data collection and analysis</td>
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<td>• Adapt more easily to address developments in financial markets and the economy</td>
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</table>
..and the challenges

<table>
<thead>
<tr>
<th>For individuals</th>
<th>For policy makers</th>
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</thead>
<tbody>
<tr>
<td>• Lack of <strong>digital skills</strong></td>
<td>• <strong>Adapting the content</strong> to digital formats (materials might need a rethink, classes might need to be shorter)</td>
</tr>
<tr>
<td>• Lack of the necessary <strong>digital infrastructure</strong> - broadband internet or smartphones-</td>
<td>• <strong>Training the trainers</strong> and equipping them with a new skillset and competencies</td>
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<tr>
<td></td>
<td>• Finding new ways to engage with and motivate the target audience</td>
</tr>
<tr>
<td>• The superior <strong>autonomy and self-motivation</strong> that can be required to learn online</td>
<td>• Addressing the possible lack of digital skills among the target group</td>
</tr>
<tr>
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<td>• Taking into account <strong>personal data protection issues in a digital environment</strong>.</td>
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</table>
The initiatives designed by OECD/INFE members

Digital delivery is chosen to meet *complementary* objectives

- Improve access to information
- Improve access to training
- Developing skills and confidence
## Improving access to information

<table>
<thead>
<tr>
<th>Websites</th>
<th>Source of FE resources, in many cases champions at the national level thanks to consumer branding and mass communication campaigns</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Essential references during the unfolding of the COVID-19 crisis</td>
</tr>
<tr>
<td>Apps</td>
<td>Facilitate access to information and related financial education material (lending market rates, Croatia Nat. Bank; insurance coverage, Portugal Ins. Supervisor)</td>
</tr>
<tr>
<td></td>
<td>Meet the needs of the visually impaired (Reserve Bank of India)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social media, messaging apps and chatbots</th>
<th>Social media presence to reach the general public but also for ad hoc campaigns (such as on digital security, Bank of Portugal)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>FE messages sent through popular messaging apps (Nat. Bank Ukraine)</td>
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<tr>
<td></td>
<td>Chatbots on social media (IFEC Hong Kong, China)</td>
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</tbody>
</table>
Moving from face-to-face to digital:

• As a response to Covid-19, for ex. in schools (OeNB Austria, Bank of Italy, Peru SBS)
• To extend the reach of successful programmes (Sorted Sessions CFFC NZ)

In combination with traditional delivery to reach vulnerable audiences (elderly BaFin Germany and IFEC Hong Kong, China)

E-learning platforms (Brazil, Portugal, Mexico)
Developing skills and confidence

Budgeting tools and personal finance apps

Austria (m€ins: budgeting app and desktop version)

Luxembourg (app to manage pocket money and involve parents and kids)

Morocco (budget tool with double track)

Peru (set of tools for families on budgeting)

Use of gamification

CONSOB Italy: game to teach in schools

Sweden FSA: apps and physical games for children

Ukraine National Bank: online game to learn about cybersecurity and money
Sources informing the design of digital financial education initiatives

**Guidance, data and research**
- **International guidance**: OECD/INFE, European Commission, national authorities (US CFPB)
- **Financial literacy data**
- **Monitoring and evaluation evidence** from traditional delivery
- Use of **behavioural insights**

**Information Technology expertise**
- Both internal and external

**Consultation with stakeholders and external experts:**
- Existing FE committees members, academia and NGOs, **experts in digital learning**

**Private sector initiatives**
- **Mapping and dialogue with private sector**

**Testing with focus groups**
- 23 initiatives were tested with **focus groups**
Monitoring

- Almost all digital financial education initiatives include automatic monitoring: access to and interactions with websites (through the use of Google Analytics or via periodic reports from IT providers), number of downloads for apps, etc.
- This can be complemented by information collected during registration processes

Evaluation

- Qualitative: through feedback from users, or through focus groups in the pre-launch phase
- Quantitative only by a few members: one experimental design, a few examinations linked to classes or training, and a few cases in which impact is measured through national financial literacy surveys
Digital delivery is increasingly chosen, also in support of traditional delivery, to reach complementary financial education objectives, not only as a response to COVID-19.

Public authorities recognise that the effectiveness of digital delivery requires an adaptation of the content and the pedagogical approach: this is reflected in the variety of sources used and the expertise applied.

However, only a limited number of institutions make full use of behavioural insights and have mapped the resources of or consulted with the private sector.

There appears to be scope for improvement in the monitoring and the evaluation: new measures beyond number of hits/donwloads could be considered and there are few impact evaluations.

Takeaways
Next steps

Data collection informing this report

Work on Financial Resilience

Lessons learnt from the COVID-19 response

Development in 2021

OECD/INFE Guidance on Digital Delivery of Financial Education
OECD WEBINAR
Financial resilience and financial literacy: opportunities and challenges of digital tools

Session 1: Digital delivery of financial education, design and practice

Moneysmart
start here
• ASIC promotes confident and informed participation of investors and consumers in the financial system

• Since 2000, ASIC has been providing consumer education to help Australians make informed decisions about financial products and services and to identify and avoid scams
  • FIDO released in 2000
  • Moneysmart released 2011
  • Next gen Moneysmart released 2020
News for consumers and investors

ASIC issues alert on misleading reports online

We’ve seen an recent doubling and reporting on phone. Phishing is a technique used by fraudsters to gain personal information for the purpose of identity theft, by using deceptive email messages that appear to come from legitimate businesses. Watch out—some texts are extremely genuine.

Loving your paperwork at tax time? If you’re both a taxpayer and a business owner, you’ll need to keep your documents in order. Otherwise, look before you leap into the tax season.

Thinking about ways to reduce your tax? If you’re looking for a way to reduce your tax liability, you may want to consider investing in a super fund.

More organisations disclosed

We’ve talked to 20 names of overseas businesses that have made misleading phone calls to Australians and do not hold a licence from us. These types of businesses try to fool you with corporate sounding names but they’re really active in scams.

Cloud, everything, everything, everything! It’s our Microscopy update. However, we recently won an international award for communicating scientific information. Get your glasses urge.

Unclaimed money from shares

Thousands of TIO shareholders lost

If you receive shares you might want to check if you’ve been previously acquired and if there is unclaimed money for you to collect. Some TIO shareholders also get shares. We’ve just published the names of shareholders with shares that were acquired in the company.

In self-managed super right for you?

ATCO, technical research, is now available to all staff members and staff at foothills. Self, it’s a knowledge sharing...
After detailed research with over 1,000 Australians, ASIC released a new version of Moneysmart to meet the needs of consumers

- Simpler
- Less cluttered
- Start here
Managing your money after a bushfire

Help with financial decisions after a bushfire

Get help from a financial counsellor after the bushfires

Video: Get help from a financial counsellor after the bushfires

If you're feeling overwhelmed with financial decisions after the bushfires, a free financial counsellor can help you
38% of Australian households experienced indicators of financial stress due to COVID-19

Australian Bureau of Statistics household financial resources report June 2020
In 2020, more Australians were paying attention to their finances

• Switching or deferring home loan repayments

• Increasing their savings

• Engaging with their retirement savings more
What’s next?

• Measuring impact

• Understanding users – e.g. changes in demographics

• Greater collaboration across a wide range of partners
OECD/INFE Digital delivery of financial education, design and practice

The impact evaluation of a mobile app to support budgeting behaviours

January 19, 2021
Dr. Rebecca Kong
Manager, Research and Experimentation
Mandate

- The Financial Consumer Agency of Canada protects financial consumers in Canada through:
  - Supervision of federally regulated financial entities
  - Strengthening the financial literacy of Canadians
Financial Consumer Agency of Canada

Strengthen Canadians knowledge, skills, and confidence to make responsible financial decisions in an increasingly digital world.

Transforming research into action

Mobile budgeting intervention

Budget Planner

Refund to Savings
Mobile budgeting intervention: Objective

A budgeting intervention delivered through a mobile app

Purpose:

Does providing financial education messaging via a mobile platform lead to sustained changes in behaviour?

Tracked through:

- Knowledge
- Confidence
- Behaviours
Mobile budgeting intervention: Objective

Incorporates:

- Plain language
- Concrete examples
- Behavioural insights
Mobile budgeting intervention: Design and Evaluation

**Quiz 1:** Identification of non-budgeters

**Quiz 2:** Empowering budgeting habit

**Quiz 3:** Comparison with Quiz 1

**Treatment group**

**Control group**

<table>
<thead>
<tr>
<th>Time 1</th>
<th>Budgeters</th>
<th>Non-budgeters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time 2</td>
<td></td>
<td></td>
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<tr>
<td>Time 3</td>
<td></td>
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</tbody>
</table>

 Quiz 3: Baseline comparison
The mobile budgeting intervention was overwhelmingly successful.

**Knowledge**

- Increase: 10 percentage points

**Confidence**

- Increase: 15 percentage points

**Behaviours**

- Increase: 14 percentage points
Mobile budgeting intervention: Follow-Up

FCAC invited pilot participants to complete a follow up study 18 months later to evaluate the long-term success of the intervention.

Objective

- Do budgets help achieve goals?
- What are the barriers of non-budgeters?
- Are there differences between budgeters vs non-budgeters?

Results

- 54% of those who began budgeting during the pilot were still budgeting 18 months later.
- Budgeting is linked with positive money management outcomes.
Financial education can have a **sustained impact** on financial behaviours.
A free interactive tool that allows you to create a personalized budget
## Budget Planner: Design

### Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>Savings</td>
<td>$300.00</td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Debt repayment</td>
<td>$0.00</td>
</tr>
<tr>
<td>Housing</td>
<td>$1,000.00</td>
</tr>
</tbody>
</table>

**Housing - This amount is within the average range (35% or less of income)**

- Mortgage payment: $1,000.00 monthly
- Home equity line of credit: $0.00 monthly

### Display totals

<table>
<thead>
<tr>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
</tr>
<tr>
<td>Savings</td>
</tr>
<tr>
<td>Expenses</td>
</tr>
<tr>
<td>Outgoing</td>
</tr>
</tbody>
</table>
Budget Planner: Design

Incoming and outgoing money

Where your money goes

Comparison to your average Canadian

- Housing
- Food
- Savings
- Personal care
- Recreation
- Education
- Transportation
- Communications
- Insurance
- Clothing
- Medical
- Fees
- Gifts and donations
- Pets
Initial results:

- Early online surveys indicate that 87% of users found the tool easy to use
- 90% planned to use it again in the future, and more than
- 80% are likely to pass it on to others
Refund to Saving

Nudges Canadians to deposit their tax refunds into a savings account

- Active saving behaviour is tied to increased financial well-being
- Tax refunds are often the greatest financial lump-sum people see in a year

Preliminary analysis show that 10.5% of participants plan to save their refund
Takeaways

- Financial education delivered through an interactive platform can lead to sustained behaviour change

- Evaluation is integral to ensuring the interventions, policy and programs achieve their objectives and to identify areas where they can be improved

- FCAC is continuing to explore innovative ways of reaching consumers with a focus on action-oriented opportunities
CONTACT US

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Join us on LinkedIn

youtube.com/FCACan

instagram.com/FCACan
THANK YOU
Digital financial literacy as a G20 priority

Magda Bianco
Banca d’Italia
Push in Digital Financial Services

Fintech industry in Covid times July 2020/July 2019

- Digital lending: -8%
- Insurtech: 13%
- Wealth tech: 24%
- Digital capital raising: 16%
- Digital payments: 21%

If you are offered different payments methods, what do you prefer?

2019
- no prefer.: 24%
- card or other cashless: 49%
- cash: 27%

July 2020
- no prefer.: 21%
- card or other cashless: 54%
- cash: 25%

ECB (2020), Study on the Payment Attitudes of Consumers in the Euro Area
Opportunities or new gaps in inclusion and resilience?

Fintech-Driven (Digital) Financial Inclusion Index

Sahay et al. (2020); The promise of Fintech. Financial inclusion in the Post Covid-19 Era, IMF WP
Italian G20/GPFI Presidency

Close gaps in financial inclusion

Exploit pandemic as opportunity to increase transformative resilience
Italian G20/GPFI Presidency

• Inclusive supervision and consumer protection

• Digital financial literacy for households and MSMEs (vulnerable)
Digital tools in financial education

Opportunities and challenges

01 Opportunities
Costs, numbers of audience, monitoring...

02 Challenges
Risks of exclusion, effectiveness, impact on behavior
Thank You
Financial education now matters more than ever

Maria Lúcia Leitão | Head of the Banking Conduct Supervision Department, Banco de Portugal
19 January 2021

Session 2: Digital financial education to address the needs of the most vulnerable

Financial resilience and financial literacy: opportunities and challenges of digital tools
DIGITAL DELIVERY TAKES CENTRE STAGE

Banco de Portugal has acted swiftly to mitigate the impact of COVID-19 on bank customers by disseminating relevant information on public initiatives aimed to:

- Address credit repayment risks
- Encourage digital payments
- Spread precautionary procedures
- Prevent cybersecurity risks
- Promote basic bank accounts
Awareness campaigns on COVID-19 CREDIT MORATORIA

- Disseminating and updating the ongoing review of credit moratória regimes

✓ On the Banco de Portugal’s Bank Customer Website and Twitter page

✓ On the National Plan for Financial Education’s website and Facebook page

https://cliente bancario.bportugal.pt/en/
Awareness campaigns on CONTACTLESS PAYMENTS

- **Disclosing information** on the **new limit of up to €50** when using **contactless payments**

  - On the Banco de Portugal’s **Bank Customer Website** and **Twitter** and **Instagram** pages
  - On the National Plan for Financial Education’s **website** and **Facebook** page

Awareness campaigns on STRONG CUSTOMER AUTHENTICATION

• Releasing a video to draw attention to the adoption of safety procedures (two-factor authentication) when paying online (e.g. e-commerce payments)

✓ On the Banco de Portugal’s Bank Customer Website¹ and on Twitter and Instagram pages

✓ On the main free-to-air TV channels to reach the general population

¹ https://clientebancario.bportugal.pt/en
Awareness campaigns on CYBERSECURITY RISKS

• The Banco de Portugal #toptip campaign shifted from the classroom to just a click away, in partnership with the Ministry of Education
  — Webinar: “Navigate Safely - Digital Payments” reaching around 1,500 teachers from all over the country

• The Banco de Portugal joined the European Cybersecurity Month (in October) in cooperation with the Portuguese National Cybersecurity Centre
Awareness campaigns on BASIC BANK ACCOUNTS

- Remembering that access to this basic bank account requires customer initiative

✓ On the Banco de Portugal’s **Bank Customer Website** and **Twitter** and **Instagram** pages

To reach wider and more vulnerable audiences relying on videos projected at the branches of key public services – a new project

Basic bank account
PROMOTING FINANCIAL RESILIENCE TAKES PRIORITY

- It requires a medium-term strategy, a comprehensive approach, customized training sessions with adapted education action and the support of relevant partners

- The COVID-19 pandemic and its impact on households and companies brought financial resilience to the top of the financial consumer protection agenda
FOR THOSE WHO ARE DIGITALLY INCLUDED...

- E-learning training sessions with Moodle assessment within the scope of the National Plan for Financial Education project to promote financial education in the workplace

— Following a pilot training course dedicated to the staff of the Portuguese Institute for Employment and Vocational Training (July – September 2020) new initiatives are to be implemented
✓ FOR THOSE WHO NEED IN-PERSON TRAINING

- Online sessions to train the trainers who will work closely with more vulnerable and non-technical audiences within the scope of the National Plan for Financial Education protocol with the Portuguese Institute for Employment and Vocational Training
  - The 6th and the 7th certified training courses for trainers were conducted through virtual sessions instead of face-to-face (October – November 2020)
... not forgetting MSMEs

- Online sessions to train the trainers who will train entrepreneurs and managers of MSMEs within the scope of the National Plan for Financial Education protocol with the Public Agency for Competitiveness and Innovation and the Portuguese Tourism Agency (Ministry of Economy)

  - The most recent certified training course for trainers was conducted online instead of face-to-face (September 2020 – November 2020)
Thank you!

Maria Lúcia Leitão | mleitao@bportugal.pt
19 January 2021

Session 2: Digital financial education to address the needs of the most vulnerable

Financial resilience and financial literacy: opportunities and challenges of digital tools
Financial resilience and financial literacy: opportunities and challenges of digital tools
2064 initiatives reached about 1,2 million people

- 315 events (15%)
- 187 orientation sessions (9%)
- 1562 Marketing actions (76%)

- Employees and entrepreneurs;
- Investors;
- Young adults and adolescents;
- Vulnerable groups.
MAIN SUBJECTS COVERED IN WIW

Educação Financeira
Investimentos
Dívidas
Sandbox
Poupança
Reserva Emergência
Mercado Acionário
Pensão Privada
Sandbox
Dívidas ASG
Investimentos
Educação Financeira
“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”
## PARTNERSHIP FOR WIW 2020 – PILOT PROJECT

### Regulator, Entities and Fintech together for innovation in Financial Education

<table>
<thead>
<tr>
<th>Regulator</th>
<th>Leader and WIW sponsor</th>
<th>Public servers also participate in the event using the new technology</th>
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<tbody>
<tr>
<td>ANBIMA</td>
<td>Entity of firms</td>
<td>Members are banks, asset managers, brokers, securities dealers and investment advisers</td>
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<tr>
<td></td>
<td></td>
<td>Support investors to expand access to educational programs and content.</td>
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<tr>
<td>PLANEJAR</td>
<td>Entity of financial planners</td>
<td>Affiliate to Local CFP® Certification</td>
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<td>Provided CFP® Volunteers and entities selection for the event</td>
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<td>n²</td>
<td>FinTech/EdTech</td>
<td>Created the new model and developed the technology</td>
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<tr>
<td></td>
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<td>Provided the voucher that enabled the technology customization for the event.</td>
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Event expects up to 1,300 investors connected to 200 CFP® through the platform

Social assistance entity which provides adolescents and young people with a full education and entry into the world of work.

Social Assistance Entity focused on generating work and income. It has already inserted more than 88 thousand people in the labor market.

Remote and asynchronous services:
- **Connection** based on both Investors’ and CFP®s’ interests
- **Orientation** based on Investors’ needs

Up to 200 Financial Planner CFP®s available for the event
The Voucher

- Customization is based on a User Type (Investor or CFP®) matrix with 3 pillars:
  1. Educational Information
  2. Orientation
  3. Financial Market viewing

- The regulator or entity is free to define the right voucher setup based on their local needs and regulation.
The APP is customized

Content is also customized

- Hub of videos from different channels and providers
- Learning sections
- Podcasts
- Lives streaming
Connection based on CFP® and User interests.
Remote (not real time) service.
Fixed number of days and interactions
Features: text, audio, video and files
Interactions starts from a User's need.

The APP is customized
Content is also customized
The APP is customized

Content is also customized

- Allows investor to be closer to the market players, regulators, agencies and entities.
- Information, webpages, education programs, all in one single place.
More than 170 CFP® volunteers
More than 180 participants access the platform
More than 90 participants received personalized orientation

CFP® from 10 States and 17 Cities provided orientation for participants from 12 States and 23 Brazilian Cities

• 21% decided to write its own 1st Question.
• 22% choose “How to do a Financial Planning?” as for the 1st Question.
• 21% choose “I have R$X to invest. What should I do?” as for the 1st Question
• USING CREATIVITY IT IS POSSIBLE TO SCALE THE ORIENTATION

• WORKING IN PARTNERSHIP IN “MANDATORY”

• SUPPORT SOCIAL BUSINESSES
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Digital financial education to address the needs of the most vulnerable

Examples and insights from research in Flanders

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Global Webinar – 19 January 2021
This presentation

In line with the evidence-based education paradigm, using randomized controlled trials, we test on a small scale educational interventions before implementing them at a larger scale.

Insights from various research projects:
- Wikifin Research Chair to financial literacy
- Financial literacy @ School (funded by Flemish Science Organisation)
- EUFin.eu (funded by European Commission)
- Baloise Insurance Research Chair
- Financial literacy skills among the poor (funded by Flemish government)

All presented materials available from www.financiele-geletterdheid.org
This presentation

Examples
- Group formation in online instruction
- Differentiated instruction
- Online parental involvement through digital homework
- Parental tutoring
- Other materials

Research
- Effectiveness of the insights (from RCTs)
- Lessons learnt
Classroom heterogeneity

Today’s classrooms have become increasingly diverse

Classroom diversity particularly pronounced in financial literacy education (OECD, 2017)

Digital tools can help us to cope with this classroom heterogeneity
Digital tool: Online escape room

www.financiele-geletterdheid.org
Digital tool: Online escape room

<table>
<thead>
<tr>
<th>Key 1</th>
<th>True</th>
<th>False</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Portuguese euro coin looks exactly the same as a Belgian euro coin.</td>
<td>⬜ ⬜ ⬜</td>
<td>⬜ ⬜ ⬜ ⬜</td>
</tr>
</tbody>
</table>

[Image of Euro coins]
**Digital tool: Online escape room**

**Coins and banknotes** are cash money. There are eight different euro coins. They all have an identical European side and a national side which is different in every country. Besides that, there are seven different euro banknotes: € 5,00 - € 10,00 - € 20,00 - € 50,00 - € 100,00 - € 200,00 en € 500,00. The banknotes are identical on both sides for every country. From 2018 on, no more banknotes of € 500,00 are printed.

With coins and banknotes, we can pay in 19 European countries that belong to the euro-zone. Euro coins and euro banknotes are a legal paying method. This means that every trader has to accept euro coins and euro banknotes.

Exceptionally, traders are allowed to refuse a payment with cash:
- if your euro banknote is disproportionate to the purchase: you can not purchase a small thing with a big banknote and vice versa;
- if there is a suspicion of false money: for instance, when you hold a banknote against the light, you have to see a window with a portrait, a water mark and the security wire;
- if the banknote is damaged. You can change a damaged banknote in the bank.

Exceptionally, traders are obliged to refuse a payment with cash:
- the payment in cash may never exceed € 3 000,00;
- the purchase of a house or a terrain can never one paid in cash.
Impact of group formation in digital tool?

**Homogeneous group formation**

Student pair formation according to their ability (grades in mathematics)

- High High
- High High
- Med Med
- Low Low

- Low Low

**Heterogeneous group formation**

Random student pair formation

- Med High
- Low High
- Low Low
- Low Med
- High High
Impact of differentiated instruction in digital tool?

Three different versions of the didactic material

<table>
<thead>
<tr>
<th>Level</th>
<th>Basic instructions in all modules of the material</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Additional instructions in first module of the material</td>
</tr>
<tr>
<td>Med</td>
<td>Additional instructions in all modules of the material</td>
</tr>
</tbody>
</table>

Calculation 1

You go abroad to study for 1 year. Your parents give you a prepaid card. The card costs € 15.00 per year. Every month, your parents transfer an amount to your account (for free). You withdraw this amount every month. This costs you € 4.00 per withdrawal. Every two months, you consult your balance and you pay € 0.50 per text message. How much will your prepaid card cost your parents after 1 year?

Always use two digits after the comma!
Evidence from large scale RCTs

The program is highly effective in increasing financial literacy

- Heterogeneous effects of differentiation practices
  → Struggling students benefit from homogeneous group formation & differentiated instruction
This presentation

Examples
- Group formation in online instruction
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- Other materials

Research
- Effectiveness of the insights (from RCTs)
- Lessons learnt
Parental involvement

What is the effectiveness of a digital homework assignment?

→ As often claimed: Does it harm the most vulnerable students?

Do students learn more if the financial literacy homework is completed together with the parents (cf. socialisation theory)?
Digital tool: Digital Homework Assignment

• Preparatory exercise
• Attractive innovative format
  • Online quiz
  • Video & pictures

Huiswerk over betaalmiddelen

Beste leerling

Je school werkt mee aan een onderzoek rond financiële geletterdheid in samenwerking met KU Leuven, Universiteit Antwerpen en Wikifin. In het kader van dit onderzoek vragen we je om, voor de lessen over financiële geletterdheid, dit korte huiswerk te maken.

In dit huiswerk bekijk je een filmpje over betaalmiddelen en daarna maak je een korte quiz over de manieren om je aankopen te betalen. De quiz vul je samen met (een van) je ouders in. Daarna is er nog een korte vragenlijst die enkel door (een van) je ouders ingevuld moet worden.

Scan deze QR code of ga naar de volgende link om het filmpje te bekijken en de quiz in te vullen:

De vragenlijst voor je ouders duurt minder dan 5 minuten. Alle antwoorden in het huiswerk

Huiswerk met ouders voor de les betaalmiddelen

Financial Literacy @ School

Dit huiswerk helpt je om je voor te bereiden op de lessen van financiële educatie die je binnenkort zal volgen op school. Dit huiswerk maakt je samen met één van je ouders. Na de quiz volgt een korte vragenlijst voor een van je ouders. Daarna kan je de oplossingen van de quiz en je score bekijken.

De antwoorden van het huiswerk en de vragenlijst voor ouders worden enkel gebruikt voor onderzoek en worden anoniem geëvalueerd. De antwoorden hebben geen invloed op je schoolresultaten.

Bekijk het filmpje over betalen op de site van Wikifin en beantwoord onderstaande vragen samen met een van je ouders.

1. Hoe betalen je ouders vaak in het grootverenhuiskwartier?
   - met contant geld
   - met een debetkaart
   - met een creditkaart

2. Maken je ouders voor bopazede zaken gebruik van een domiciliering?
   - ja
   - nee
Digital tool: Digital Homework Assignment

• Clear instructions for student to involve parent
• Additional incentive for parental involvement through questions on parental common practice

Do your parents use direct debit for certain payments?
- Yes
- No
Evidence from large scale RCTs

Parental involvement matters for behaviour

→ Homework with parents has largest effects on behaviour scores

Parental involvement helps disadvantaged students

→ Positive effects for students with low SES

→ Increases learning effects for students from families with low communication levels about the course topic

Parental involvement increases family communication

→ Homework with parents increases the probability of students speaking with their parents about the course topic
This presentation

Examples
- Group formation in online instruction
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Research
- Effectiveness of the insights (from RCTs)
- Lessons learnt
Can parental tutoring at home achieve the same learning effects as teacher-led instruction in the class at school?

~ COVID-19 crisis
Digital tool: Digital urban trail on financial literacy

Course: digital urban trail (www.Financiele-geletterdheid.org)
Evidence from large scale RCTs

1. The digital program is highly effective in increasing financial literacy

2. When compliance can be enforced, a complementary parental tutoring session at home can achieve the same knowledge gains as an additional class at school.
   → Knowledge about the topics higher for teacher-led class
   → Parental tutoring results in higher persisting learning effects

3. Spill-over effects to parents: Parents also experience knowledge gains from tutoring their children
   → Parental involvement in education also offers learning benefits for parents
This presentation

Examples
• Group formation in online instruction
• Differentiated instruction
• Online parental involvement through digital homework
• Parental tutoring
• Other tested online materials

Research
• Effectiveness of the insights (from RCTs)
• Lessons learnt
Digital tool: learning path

- Interactive & adaptive digital learning path (www.Financiele-geletterdheid.org) with different levels of feedback
- Topic: saving & investing
- Independent work in groups of two students
- Detailed instructions for teachers
Je bent een losbol

Je koopt zomaar alles waar je zin in hebt.

Dat is toch niet zo slim. Er kan wel wat misgaan in je leventje waardoor je plots geld nodig hebt. Je moet echt proberen wat geld opzij te leggen.

Je bepaalt best eerst hoeveel je wil sparen en hoeveel je aan de kant moet leggen voor onvoorziene uitgaven. Houd ook bij hoeveel geld je nog hebt telkens wanneer je uitgaven gedaan hebt.

TIP

Trek van het zakgeld dat je krijgt in het begin van de maand het bedrag van je smartphone-abonnement en het bedrag van je clubabonnement af. Het overblijvende bedrag kan je vrij besteden.

De berekeningswijze is dus:

te besteden bedrag =
maandelijks zakgeld
  - maandelijks smartphone-abonnement
  - maandelijks clubabonnement
Conclusion

→ Promising digital tools

→ Importance to test rigorously such that financial literacy education is provided in an evidence-based way
Knowing more?


Digital financial education to address the needs of the most vulnerable

Examples and insights from research in Flanders

Prof. dr. Kristof De Witte
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Global Webinar – 19 January 2021
Millennials’ Engagement with Online Financial Education Resources and Tools

Annamaria Lusardi
The Global Financial Literacy Excellence Center (GFLEC) at the George Washington University School of Business

OECD-Webinar-January 19, 2021
Three questions

1. How do Millennials use online financial education resources?
2. What are Millennials’ engagement drivers?
3. What do we learn from the research?
Data sources

- Data was collected via Amazon’s Mechanical Turk online platform in January 2019.

- Sample includes 1,885 individuals between the ages of 18 and 37.

- We compared our data to the 2015 National Financial Capability Study (NFCS) and 2018 TIAA Institute-GFLEC Personal Finance Index (P-Fin Index).

- NFCS is a triennial survey first conducted in 2009 with the goal of assessing and establishing a baseline measure of financial capability among American adults. The NFCS includes observations of 27,564 American adults in 2015.

- The P-Fin Index, a joint project between GFLEC and the TIAA Institute, is conducted every year and measures knowledge and understanding that enable sound financial decision-making and effective management of personal finances.
Our research shows rising awareness and usage of online financial education resources, but there are wide differences in usage across the various platforms.

Millennials’ engagement with online financial education resources are influenced by

- features of financial information
- awareness of and trust in those resources
- influence of social networks
- occasions for seeking personal finance information
Millennials’ use of online financial education resources

- 92% either frequently or sometimes seek out financial education resources online
- Among them, informational websites, personal finance blogs and informational videos are used most often
- Only a small percentage of Millennials use robo-advisers and online personal finance courses
Difference in usage based on financial literacy

Percentage of financially literate and not financially literate Millennials using different online financial education resources frequently or sometimes

- 55% of Millennials are financially literate
- Various online platforms attract different users with specific needs
Drilling down: Attractive features of online money management information that was helpful

Reasons for why the online financial information was helpful

- It was easy to understand (53%)
- It was easy to find (26%)
- It was free (18%)
- It was entertaining (2%)
- Other (1%)

Note: This question was only asked to the subsample of interested Millennials who were engaged with online financial information or mobile apps to learn more about personal finance topics and money management and said the information they found was helpful.

- 92% said they would like to increase their money management skills
- Among those, 87% looked online or used mobile apps to learn more.
- Most of them found the information helpful because it was easy to understand, easy to find, and free of charge.
Awareness of and trust in online resources

"I usually do not trust most financial information online."

- One-in-five respondents indicated a lack of trust; another 27% were unsure.
- We find a positive correlation between trust and financial literacy.
Influence of social networks (1)

• Two-thirds of Millennials say they talk with their family and friends about money matters.

• Millennials who received financial education are more likely to discuss money matters with others.
Influence of social networks (2)

Seeking personal finance information online if recommended by family and friends

- 42% model their financial behavior after their parents
- The more financially literate, the less likely they are to follow their parents
- Almost 40% of Millennials are completely or very likely to seek personal finance information online if their families or friends recommend it
Occasions for seeking personal finance information online

A financial decision with a consequential outcome is an incentive to seek personal finance information online.
Recommendations from this research

• Online information should be easy to find and understand

• To address distrust of online financial information, effective messaging about the quality of financial education resources is important.

• Engagement strategies for financial education resources should not only target individuals but also their networks of family, friends and work colleagues.

• Engagement campaigns focused on a financial situation with consequential outcome may be more likely to spark Millennials to look for and use financial education resources.
Thank You!

More info at www.gflec.org