

Deliverable 1 – Global Desktop research data

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General Research – how intergovernmental organisations support global financial literacy

Organisation	Overview	Points of note:
<p>OECD</p> <p>http://www.oecd.org/</p>	<p>A 34 member Paris based organization, the Organisation for Economic Cooperation and Development is an international policy making promotion body where governments share common goals and issues to “improve the economic and social well-being of people around the world.”</p> <p>Currently the OECD is working with the Government of Indonesia in a number of areas and there are identified areas of previous research where data is published.</p>	<p>The OECD is the most active in promoting global financial literacy and education through research and cooperation with members and partner countries..</p> <p>The OECD International Network on Financial Education (INFE) has developed a financial literacy survey instrument. Last year this was piloted in 14 different countries</p> <p>http://www.oecd-ilibrary.org/finance-and-investment/measuring-financial-literacy_5k9csfs90fr4-en</p> <p>Additionally, the OECD are working on a major data gathering exercise in schools across 65 countries to evaluate financial literacy amongst 15 year olds. The results will be published in the next PISA study, due for release end-2013 or early-2014. Initial results have been published in a working paper and provide some data rich indications of the levels of financial literacy in 14 member countries. The working paper of initial results can be downloaded here:</p>

		<p>http://www.oecd.org/daf/fin/financial-education/measuringfinancialliteracy.htm</p> <p>On financial Literacy, the OECD is leading with a 65 country data gathering programme called “PISA 2012 Financial Literacy Assessment”. This will question 15 year-olds on their knowledge of personal finances and ability to apply it to their financial problems. This is the first large-scale international study to assess the financial literacy of young people.</p> <p>THE OECD also have a program that looks at gender differences in Financial Literacy.</p> <p>OECD definition of financial literacy</p> <p>“Knowledge and understanding of financial concepts, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life.”</p> <p>There is a joint OECD/World Bank Financial Education forum being held 13-14 June 2013 in Moscow, Russia:</p>
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		<p>http://www.oecd.org/daf/fin/financial-education/russiaoecdworldbankfinancialliteracyprogramme.htm</p> <p>On Financial Education, The OECD has a dedicated Financial Education program. They have a global database of what financial education programs are being run globally and can be accessed here:</p> <p>http://www.financial-education.org/gdofe.html</p> <p>Two guides worth studying in delivering the National Financial Literacy strategy are their guides Financial Literacy Framework and Improving Financial Education Efficiency :</p> <p>http://www.oecd-ilibrary.org/education/pisa-2012-assessment-and-analytical-framework_9789264190511-en</p> <p>http://www.oecd.org/daf/fin/financial-education/improvingfinancialeducationefficiency.htm</p> <p>The OECD regularly host conferences and seminars on</p>
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		<p>financial literacy and other related topics that are aligned to their goals. The next most relevant is the 16 – 17 May in Prague:</p> <p>http://www.oecd.org/daf/fin/financial-education/czechrepublic-oecdconferenceonfinancialeducation.htm:</p> <p>For further information, contact details:</p> <p>For further information</p> <p>Ms. Flore-Anne Messy Tel: +33 1 45 24 96 56 flore-anne.messy@oecd.org</p>
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Organisation	Overview	Points of note:
<p>World Bank</p> <p>http://www.worldbank.org/</p> <p>http://go.worldbank.org/X11B8AFTK0</p>	<p>Under the IMF, the World Bank’s main aim is to reduce poverty reduction, principally through capital lending for major projects. The World Bank also conducts other activity associated with poverty reduction and assist with the development of the wealth of member nations.</p> <p>Under the Financial and Private Sector Development Division, in 2010 the World Bank launched a Global Program on Consumer Protection and Financial Literacy to help countries achieve <i>“concrete measurable improvements in consumer protection in financial services.”</i></p> <p>The Global Program focuses on four areas:</p> <ol style="list-style-type: none"> 1. Accessible, understandable and comparable information on financial products 2. Improving business practices to help eradicate predatory marketing and increase regulation of intermediaries 3. Promoting means and mechanisms of consumer redress in cases of financial institutions mistakes 4. Promoting consumer confidence in using financial services <p>The programme aims to <i>“bring together both public and private sector agencies--financial supervisory agencies,</i></p>	<p>The website contains a number of useful reports and relevant information. Some useful highlights:</p> <p>An excellent report titled Consumer Protection and Financial Literacy Lessons from Nine Country Studies by Susan L. Rutledge offers a good analysis and recommendations following a study of nine Eastern European countries. Ms Rutledge reinforces that there is a direct relationship between effective consumer protection and financial literacy levels. Financial literacy is covered on pages 30 – 35.</p> <p>The report also concludes that there is little correlation between the impact of financial literacy programmes on consumer behaviour, and that a national survey is the first step to measure this. Citing a 2008 survey conducted in Russia, national surveys should be carried out every 3 – 5 years to measure impact and improvements in financial literacy. Qualitative research should also be conducted to reinforce the research findings, such as mystery shoppers.</p> <p>The same author, Susan Rutledge, has published a “Good Practices for Financial Consumer Protection.”</p> <p>This programme has looked at improving school age financial literacy in Brazilian schools, and in 2007, the Brazillian Government formed the “Group for Pedagogical</p>

	<p><i>industry associations and consumer organizations—to find the best solutions for each country.” The Program focuses on three types of financial services:</i></p> <ol style="list-style-type: none"> 1. Credit 2. Savings 3. Payment systems <p>Contact details:</p> <p>Aurora Ferrari Email: aferrari@worldbank.org Phone: 1 (202) 473-3547</p> <p>Johanna Jaeger Email: jjjaeger@worldbank.org Phone: 1 (202) 458-9782</p> <p>Siegfried Zottel Email: szottel@worldbank.org Phone: 1 (202) 458-8714</p> <p>The World Bank also has an OKR – Open Knowledge Repository, where there are numerous research papers available as open source information.</p>	<p>Support (GAP) to define the best strategy for integrating financial education in the school curriculum” comprising representatives from the Government (Central Bank, Securities Commission, Pensions Secretary, Insurance, Superintendent, the Council of education. Later, the private sector joined the initiative (through nonprofit organizations related to Banking, capital markets, etc.). Amongst the tools introduced is” The financial education textbook”, which has 72 cases that teachers will incorporate in different subjects (history, math, etc.). Students complete exercises with their parents (such as making a family budget)</p> <p>Another resource that offers some useful insight is an action plan to improve the consumer protection and financial capability in Azerbaijan. The author makes the point that responsibly developing financial capability needs to be backed up by the appropriate legislative framework s.</p>
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Organisation	Overview	Points of note:
<p>IMF</p> <p>http://www.imf.org/external/index.htm</p>	<p>The IMF was set up in 1944 by 29 countries to help stabilise the international payment system and exchange rates. Today it has 188 members and its stated objective are “to promote international economic cooperation, international trade, employment, and exchange rate stability, including by making financial resources available to member countries to meet balance of payments needs.</p> <p>The IMF conducts a significant amount of research with member countries that measure all elements that contribute to these objectives, and this includes research into “Financial Sector Surveillance” due to its direct correlation with the economic health of a nation, and in many cases, reducing poverty.</p>	<p>The IMF has a rich source of very detailed technical information that could be useful to BI in developing the correct policies and education programmes to promote greater financial literacy, but has limited statistical information.</p> <p>A selection of interesting case studies is included in a Financial Sector Surveillance study on low income countries.</p> <p>The IMF also cover aspects of financial Literacy in their Financial Sector Assessment Program. They regularly examine topics such as Investor Protection, Disclosure, and Financial Literacy, publishing online their findings in Technical Notes.</p>

Organisation	Overview	Points of note:
<p>Financial Literacy and Education Trust http://www.finlitedu.org/</p>	<p>Financially supported by the Russian Federation, a World Bank and OCED trust fund that was set up in 2008 to “support the advancement of financial literacy and capability programs.” Their main goals are to:</p> <p>“develop a comprehensive definition of financial capabilities, review current research and information on existing programs and use this to develop and test measurement and evaluation methods.</p> <p>This is expected to lead to standard methods to measure knowledge and capabilities, design and operate financial education programs and evaluate their effectiveness in enhancing the ability of individuals to effectively manage their interactions with a wide range of financial services and products. The knowledge derived from this effort will be widely disseminated to enhance the capacity of countries to develop effective financial literacy and education strategies.</p>	<p>The Financial Literacy and Education Trust primarily carries out very specific global research in financial literacy and capability.</p> <p>The website has a wealth of research information on many regional and demographic variations in financial literacy. For example, financial literacy levels in the USA, various surveys and reports on the financial literacy cover a number of subject samples, such as levels of financial literacy in the military, the “older population” and female financial literacy. The search facility is here:</p> <p>http://www.finlitedu.org/database/?clear</p>

Organisation	Overview	Points of note:
<p>Child and Youth Finance International</p> <p>http://childfinanceinternational.org/index.php/asia/indonesia</p>	<p>A Dutch based international organisation that partners with governments, financial service providers and educators to reach 100 million children in 100 countries by 2015. That means ensuring they have financial access and holistic financial education. That every child leaves primary school with their own bank account.</p> <p>Bank Indonesia is listed as a partner in Indonesia</p>	<p>A relatively young and forward thinking organisation that has clear focus – to get children across the world financially literate.</p> <p>Most recent campaign was “Global Money Week” which involved games and interactive learning in schools to promote financial literacy:</p> <p>http://childfinanceinternational.org/global-money-week</p> <p>Child and Youth Finance International have two conferences this year that would be worth attending given BI’s key stakeholder group is school age children</p> <p>International Summit in Istanbul 7 – 9 May:</p> <p>http://childfinanceinternational.org/summit-and-awards</p> <p>Regional Meeting in Manila 4 December:</p> <p>http://apac.childfinanceinternational.org/</p>

Country: Canada

Research Question	Answer	Points of note:
When Government recognized improving financial literacy as a national priority	2009	
The reasons why and the challenges at the time	Global downturn of 2008 High debt-to-household-income ratio	The Government backed “Financial Consumer Agency of Canada” offers this explanation: <i>“The growing focus on policies to tackle low levels of financial literacy is being driven by a strong need to foster sustainable, long-term economic growth”.</i>
The approach and strategy adopted	Appointment of a Financial Literacy Task Force and 18 month survey, producing 5 areas of focus and 30 recommendations to improve Canada’s financial literacy.	
How national financial literacy efforts are currently conducted; means used, measurement	No further data collected since 2009	
Current levels of Financial literacy reported in public domain	No recent data available	
Use of a national financial literacy index and how it's findings are applied for continuous improvement		

Overview

Canada has been active in promoting Financial Literacy with Canadian citizens through legislation, policy and funding since 2009. Initially, a Financial Literacy Task Force was formed, mandated to:

“Provide advice and recommendations to the Minister of Finance on a national strategy to strengthen the financial literacy of Canadians. This strategy will outline the following:

- *the overall objectives, as well as a focused, concrete plan of action for strengthening the financial literacy of various segments of the population;*
- *ways to leverage existing resources to enhance financial literacy in Canada;*
- *the best means of promoting financial literacy in Canada;*
- *a framework for collaboration among all stakeholders including government organizations at all levels, which would maximize financial literacy efforts in Canada and reduce duplication;*
- *ways in which the different stakeholders should collaborate to advance the state of financial literacy research in Canada; and,*
- *methods of assessing the progress made in implementing a national strategy, including identifying appropriate timelines and milestones for achievement.”*

The task force of 13 members was drawn from business and education sectors, community organizations and academia. They published their findings in December 2010 and the full report can be read [here](#).

<http://www.feic-icf.ca/en/files/Task%20Force%20Final%20Report.pdf>

A relevant, high level synopsis of the report concluded that the proposed Canadian financial Literacy Strategy should have five main areas of focus:

1. Shared Responsibility
2. Leadership and Collaboration
3. Lifelong Learning
4. Delivery and Promotion
5. Accountability

During its mandate, the Task Force commissioned Statistics Canada’s 2009 *Canadian Financial Capability Survey*, the largest of its kind in the world, to collect and collate information about Canadians financial habits, behaviours and attitudes. The survey found that:

- Only 51 percent of Canadians had a budget. Those with higher levels of education were more likely to have a budget;



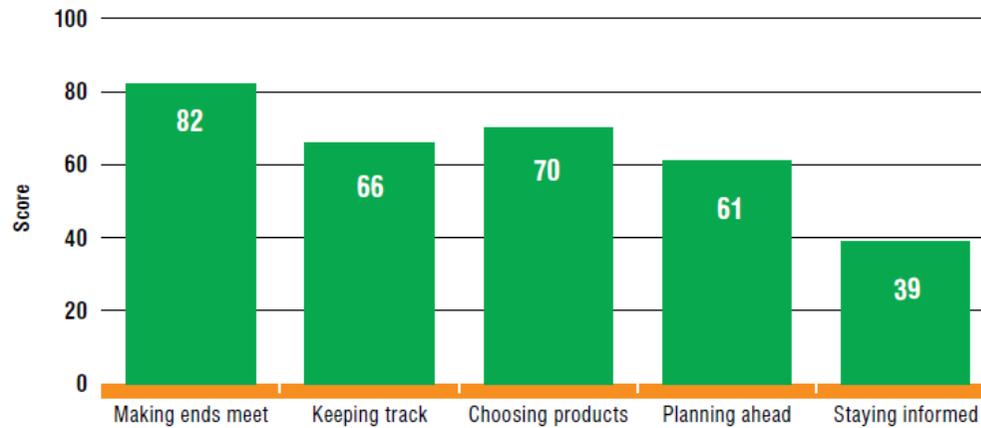
- Thirty-one percent of Canadians were struggling to meet their bills and payments;
- Of those Canadians who were planning to purchase a home, 48 percent had saved less than five percent of the cost of the home. Fifty-two percent of Canadians who were planning to purchase a home were not expecting to incur any costs other than the down payment;
- Seventy percent of Canadians were fairly or very confident that their retirement income would provide the standard of living they hoped for, although just 40 percent had a good idea of how much money they needed to save in order to maintain their desired standard of living in retirement; and
- Financial advisors are the most likely source (at 54 percent) among Canadians seeking advice on financial matters.

From this information and benchmarking global best practices and technical expertise, the results of the 100 question survey was then used to form the Canadian National Financial Literacy Index, which principally which analysed five key areas:

1. Making ends meet
2. Keeping track of money
3. Choosing products
4. Planning ahead
5. Staying informed and getting help

The analysis revealed very mixed levels of Financial Literacy, and are comparable to findings of similar exercises conducted in the United States, the United Kingdom and New Zealand. More detailed analysis revealed evidence that Canadians who have trouble in one area of financial literacy often have trouble in one or more other areas.

Figure 1: National Average Scores, National Financial Literacy Index (2009 data)



For each of the five areas above, the National Index gives a score between 0 and 100, where 100 is the highest score of anyone in the country and 0 is the lowest.

The report covered a number of recommendations on how financial literacy in these areas can be improved, including development and delivery of public education initiatives. In total, the report conclude with a total of 30 recommendations. The most recently announced recommendation to be followed is earlier this month with the passing of Royal Assent to the [Financial Literacy Leader Act](#), paving the way for appointment of a leader to deliver the recommendations and improve Financial Literacy in Canada.

All the Task Force research papers can be found [here](#), which includes a report on low income households titled “[Money management on a shoestring](#)”.

Financial Literacy in Canada

The most active organisation in promoting financial literacy and regulating the financial services legislation and policies of the Government of



Canada is the [Financial Consumer Agency of Canada \(FCAC\)](#). It is an independent entity that works “to protect and inform consumers of financial products and services.

The FCAC is responsible for:

- ensuring that the market conduct of federally regulated financial entities complies with federal legislation and regulations
- promoting the adoption of policies and procedures designed to implement legislation, regulation, voluntary codes of conduct and public commitments by federally regulated financial entities
- monitoring federally regulated financial entities’ compliance with voluntary codes of conduct and their own public commitments
- informing consumers about their rights and responsibilities when dealing with financial entities and about the obligations of payment card network operators to consumers and merchants
- providing timely and objective information and tools to help consumers understand, and shop for, a variety of financial products and services
- monitoring and evaluating trends and emerging issues that may have an impact on consumers of financial products and services.

Some interesting tools and activities worth looking at are:

1. Your Financial Tool kit – a self assessment toolkit to help evaluate the gaps in an individual’s financial literacy and a series of learning modules <http://www.fcac-acfc.gc.ca/ft-of/home-accueil-eng.html>
2. Budget Calculator – a really simple and easy tool to help individuals work out their household budget.

It was established in 2001 by the Federal Government, but has been active in following the recommendations of the Financial Literacy Task Force. [Social and Enterprise Development Innovations \(SEDI\)](#) is a Canadian charitable organisation that works with community groups “living in Poverty” across Canada to expand economic opportunity. Their programs come under three main policy areas: Savings and Investment, Entrepreneurship and Financial Literacy. Under the Financial Literacy program, the administer a small grants scheme to community organisations seeking to improve



financial literacy in low income areas. The source of funding for these grants is TD Canada Trust - the personal, small business and commercial banking operation of the Toronto-Dominion Bank (TD) in Canada. Another very useful part of the Financial Literacy program is the Canadian Centre for Financial Literacy - a website where recipients of funding and other organisations can promote their activities and work. It is a “one stop shop” of resource for grass roots delivery of financial literacy activities, including [facilitator guides](#) for those conducting financial literacy sessions. The SEADI also conduct research on the effects and impacts that financial literacy intervention has achieved.

A website called “Get Smart about Money” is run by the Canadian Investor Fund, another not for profit organisation. It appears to target the younger working population, encouraging them to plan for the future, including major expenditures.

<http://getsmarteraboutmoney.ca/en/Pages/default.aspx>

Partnerships with providers are also active in Canada. Visa run a website with similar information, including some children’s games:

<http://practicalmoneyskills.ca/>

Country: UK

Research Question	Data	Points of note:
When Government recognized improving financial literacy as a national priority	In late 2003, UK government set the FSA four objectives as a national priority. One of these was to promote public understanding of the financial system, with the aim of ensuring financial services consumers have a fair deal.	
The reasons why and the challenges at the time	There were a number of financial services scandals in the late 90's, including several mis-selling scandals and collapses in the pensions market (Equitable Life). Better regulation and improving consumer confidence in the capital markets and retail financial services became a political and institutional priority.	
The approach and strategy adopted	2005/6 – 2 reports commissioned and published: A nationwide baseline survey on financial capability An extensive report setting out how to raise financial capability and change habits and increase consumer confidence.	<p>Baseline survey: http://www.fsa.gov.uk/pubs/other/fincap_baseline.pdf Delivering Financial Capability in the UK; Delivering Change: http://www.fsa.gov.uk/pubs/other/fincap_delivering.pdf</p> <p>The main areas of weakness that required people to change were:</p> <ul style="list-style-type: none"> • Many people are failing to plan ahead • Many people are taking on financial risks without realising it • Problems of debt are severe for a small proportion of the population, and many more

		<p>people may be affected in an economic downturn</p> <ul style="list-style-type: none"> The under-40s are, on average, less financially capable than their elders
How national financial literacy efforts are currently conducted; means used, measurement	<p>Following the baseline survey around £10 million a year across a seven-point plan. The priority areas were:</p> <ul style="list-style-type: none"> New parents Schools (a programme being delivered by pfeg) Young Adults Workplace Consumer communications Online tools Money advice 	
Current levels of Financial literacy reported in public domain	In the 2006 report findings, it was recommended that the baseline survey is repeated every 4 – 5 years.	
Use of a national financial literacy index and how it's findings are applied for continuous improvement	Currently there is there is no further published data	

Overview



There have been recent changes in how the UK regulates the Financial Services Industry. Formerly the Financial Services Authority (FSA), the organisation split on 1 April 2013 following the granting of Royal Assent of the Financial Services Act 2012. The new [Financial Conduct Authority](#) is responsible for supervising the City, the banking system and the insurance system. The new [Prudential Regulation Authority](#) carries out the regulation of financial firms, including banks, investment banks, building societies and insurance companies.

In the UK, Financial Capability is the chosen technical expression for financial literacy. Taking the two primary activities in developing financial capability, these appear to be divided between two bodies:

- Consumer protections, scams, enforcement, complaints and compensation is led by the new [Prudential Regulation Authority](#)
- Improving financial literacy and public education efforts appears to still be led by the [The Money Advice Service](#).

[The Money Advice Service](#) is an independent body set up by the FSA in 2010 and is the rebranded **Consumer Financial Education Body** (CFEB). It still appears to be the main public facing government mandated public education entity. According to their website, they are “funded by a levy on the financial services industry. We provide a free, independent and unbiased money advice to enhance the public’s knowledge and understanding of financial matters and to improve people’s ability to manage their money well.”

<https://www.moneyadvice.org.uk/>

In terms of continuing the baseline financial capability study of 2006, it is unclear who is now responsible or if there is any current or planned activity to gather more data to build on the financial capability index.

Other organisations involved in improving and assisting with Financial Literacy

Independent financial advice

Established in 1939 as an emergency war service, [The Citizens Advice Service](#) is the most established and accessible means of getting completely free and independent information to help UK citizens today make informed decisions about their situation. Through a network of Citizens Advice Bureaux (CAB), advice services are delivered from over 3,500 community locations in England and Wales, including high street offices, doctors' surgeries, courts and prisons. The CAB's provides “ free, independent, confidential and impartial advice to everyone on their rights and responsibilities and helps people resolve their legal, money and other problems by providing advice and information, and by influencing

“policymakers.” Around 28,500 people work across the Citizens Advice service; 7,000 paid staff and 21,500 volunteers. Advice can also be sought on their website adviceguide.org.uk and through their telephone helpline. The Citizens Advice Service is a registered charity and funded through donations.

The Citizens Advice Service publishes statistical trends every quarter to monitor what people seek advice on. Over 60% of enquiries are money related. The latest breakdown:

Problems by category	Q3 2012/13 (thousands)	% of total problems
Benefits and tax credits	569	37%
Debt	456	29%
Employment	117	8%
Housing	109	7%
Relationships and family	72	5%
Consumer (excl financial) 3	59	4%
Legal	55	4%
Financial services & capability	28	2%
Immigration and asylum	18	1%
Health and community care	18	1%
Tax	11	1%



http://www.citizensadvice.org.uk/index/aboutus/factsheets/cab_key_facts.htm

Financial Education

MyBnk. MyBnk is a charity who delivers financial and enterprise education directly to schools and youth organisations.

<http://mybnk.org/about/what-is-mybnk/>

The Personal Finance Education Group (Pfeg) is the UK's leading financial education charity. The Pfeg is involved in developing teaching tools, school curriculum content and policy development campaigning.

<http://www.pfeg.org/>

In partnership with Barclays bank, one of their prominent financial education campaigns, [My Money Week](#), will be running June 3 - 9

Country: The Netherlands

Research Question	Data	Points of note:
When Government recognized improving financial literacy as a national priority	2007, with the commissioning of a public survey conducted among 4,280 Dutch citizens. This survey was conducted by CentiQ	The CentiQ is the “platform of partners that seek to increase the financial insight and financial skills of consumers and promote informed financial decision making among consumers. By joining forces in the CentiQ platform partners want to better reach, inform and help consumers to become “wiser in money matters.”
The reasons why and the challenges at the time	In recognition that a complex fully functioning society needed to have well informed financially independent citizens	
The approach and strategy adopted	Setting up of Platform Wijzer in geldzaken (Wiser in Money Matters Platform)	
How national financial literacy efforts are currently conducted; means used, measurement	In 2009, the DNB (Dutch Central Bank) published the findings of research that looked at financial literacy levels in the Netherlands	The paper titled Financial literacy and retirement planning in the Netherlands by Maarten C.J. van Rooij, Annamaria Lusardi , Rob J.M. Alessie examines attitudes to savings for retirement and has developed a model of two sets of questions to measure financial literacy and to be able to distinguish among different levels of financial knowledge. These questions can be found in their research paper (p 605 – 607) http://www.financialliteracyfocus.org/alusardi/Papers/JOEP1437.pdf
Current levels of Financial literacy reported in public domain	No data available	
Use of a national financial literacy index and how it's findings are applied for continuous improvement	No data available	

Overview

[The Dutch Ministry of Finance](#) is responsible for both regulation and promoting financial literacy in The Netherlands, executed by two bodies:

Regulation

Set up in 2002, [The Netherlands Authority for the Financial Markets](#) (AFM)- *Autoriteit Financiële Markten* - is the autonomous financial services regulatory authority for the Netherlands. Although operationally independent, it comes under the “political responsibility of the Ministry of Finance. Their three main areas of responsibility:

- Increasing market accessibility
- Promoting efficient operations in the financial markets
- Increasing consumer confidence

Financial Literacy

The Wiser in Money Matters Platform, or [Platform Wijzer in geldzaken, is](#) an initiative between the Dutch Government and “more than 40 organisations combine their powers to make the consumer “wiser in money matters”. Their main aim is to increase the financial knowledge of Dutch citizens so they can make better informed financial decisions. [The partners](#) include a wide and collaborative cross section of government institutions, industry organisations, professional associations and consumer organisations.

The platform has three main areas of focus:

1. Finances in Order – providing consumers with the tools to help evaluate their own personal financial needs



2. The habits of a lifetime – targeting the 6 – 18 year olds through a combination of education, financial capability training and youth communication.
3. Concern for the future – encouraging planning for future risk and life events.

Their website detailing activities and tools appears very informative, but the majority of the pages are of course in Dutch. The icons however give you a general hint what each page is talking about e.g. house, credit cards.

Country: South Africa

Research Question	Data	Points of note:
When Government recognized improving financial literacy as a national priority	Not known, but in 2012, South Africa commissioned and published its first ever baseline survey of financial literacy levels.	Financial Literacy in South Africa: Results of national baseline survey 2012
The reasons why and the challenges at the time	Not documents	
The approach and strategy adopted		
How national financial literacy efforts are currently conducted; means used, measurement	Primarily through services providers and grass roots NGO's	
Current levels of Financial literacy reported in public domain	Only the 2012 baseline study	
Use of a national financial literacy index and how it's findings are applied for continuous improvement	Not yet fully developed	

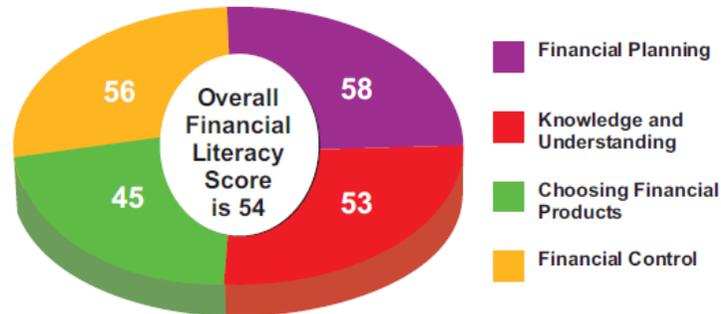
Overview

The Financial Services Industry in South Africa is regulated and promoted by the independent Financial Services Board (FSB). This was established in 1990, initially to supervise and regulate the non-banking financial services industry. A number of additional acts have expanded and increased their role to include market conduct in the banking industry (in 2004) and the Financial Intelligence Centre Act (2001) to combat money laundering. The FSB also regulate the South African Stock Exchange.

<http://www.fsb.co.za/>

The FSB commissioned and conducted a National Financial Literacy survey in September and October 2011 with a representative sample of about 3 000 South Africans. Using the OECD framework, the survey focused on four main areas, or “core domains; Financial control, financial planning,

Knowledge and Understanding and Choosing Financial Products. The overall financial literacy score is 54. The National Treasury have taken these findings and under its chairmanship of the national consumer financial education committee. They are now developing a strategy to improve financial literacy levels through targeted programs to address areas of weakness identified in the study.



In terms of current or recent activity to improve financial literacy in South Africa, there are three areas identified from this research:

Similar to Canada, Visa has been active promoting financial literacy in South Africa. In 2009, teaming up with leading educators, they conducted a [financial literacy road show](#) that used a play and traditional story telling techniques to reach 127,000 South Africans. The main message was how to run a bank account, use of PIN, scams and security etc.

[FinScope](#) is a regional organisation in Africa that covers 14 countries plus Pakistan. FinScope is funded by DIFD “syndicate members” . FinScope’s mission is to:

Conduct representative study of consumers' perceptions on financial services and issues, which creates insight to how consumers source their income and manage their financial lives. The sample covers the entire adult population, rich and poor, urban and rural, in order to create a segmentation, or continuum, of the entire market and to lend perspective to the various market segments.

FinScope explores consumers' usage of informal as well as formal products and builds a picture of the role that the informal sector can play in the financial markets of developing countries.

In [South Africa](#), [FinScope](#) has previously with the National Treasury and eight financial services providers to research and gather data relating to the Financial needs, preferences and behaviours of South Africans. This in turn assisted government develop relevant policies. A lot of their research



focused on accessibility as well as general financial literacy. Their latest published report from 2009 can be found here:

http://www.finscope.co.za/documents/2009/Brochure_SA09.pdf

[Operation Hope](http://www.operationhope.org/southafrica) is an America NGO that is “A Global Leader for financial Dignity”. Its main activities are programs to help individuals understand and plan debt management, buying a house and other major life changing financial management. Operation Hope is active in South Africa building a group of 250 volunteers and professionals that will teach financial literacy at grass roots levels in the community.

<http://www.operationhope.org/southafrica>

Operation Hope in South Africa is working in partnership with Citi Group, the IFC and the Nelson Mandela Children’s Fund.

Country: Australia

Research Question	Data	Points of note:
When Government recognized improving financial literacy as a national priority	First Signs of need to improve national financial literacy was probably between 1992 and 1994 when the Australian Government negotiated and introduced compulsory superannuation contributions.	Quite simply, the introduction of compulsory superannuation savings had to be explained to the population. The initial minimum contribution deducted by employers was 3% of basic income, increasing to 9% in 2002. It is set to increase to 12% in 2013.
The reasons why and the challenges at the time	The Government recognised the demographics and amount held in savings would not be enough to support the population through retirement	<p>According to sources in Wikipedia:</p> <p>The proposed solution was a "three pillars" approach to retirement income:</p> <ul style="list-style-type: none"> • A safety net consisting of a means-tested Government age pension system • Private savings generated through compulsory contributions to superannuation • Voluntary savings through superannuation and other investments
The approach and strategy adopted	In 2005 the Australian Government established the Australian Financial Literacy Foundation. Their responsibilities were transferred to the Australian Securities and	<p>2007 published report "Financial Literacy; Australians understanding money."</p> <p>http://www.financialliteracy.gov.au/media/209293/australians-understanding-money.pdf</p>

	<p>Investment Commission (ASIC) following a comprehensive study titled “Financial Literacy; Australians understanding money.” This study interviewed “7,500 Australians aged 12 to 75 to build a better understanding of how we think about and manage our money.”</p> <p>ASCI then developed and launched their National Financial Literacy Strategy, which is currently very active and reviewed every two years</p>	<p>In short, the study revealed a nation confident about budgeting and day to day financial management, but less confident and knowledgeable about investments and more complex long term savings provision.</p> <p>2011 published Australians National Financial Literacy Strategy:</p> <p>http://www.financialliteracy.gov.au/media/218312/national-financial-literacy-strategy.pdf</p> <p>In short, in developing the strategy, the Australian Government realised that improving literacy goes beyond education – it must influence and drive behaviour change “to improve financial outcomes”. In developing their strategy, they researched United Kingdom, New Zealand, the Organisation Economic Co-operation and Development (OECD)</p>
<p>How national financial literacy efforts are currently conducted; means used, measurement</p>	<p>The Australian Government appear to work in partnership with the ANZ bank to measure financial literacy</p>	<p>The ANZ bank conduct financial literacy surveys every two to three years.</p>
<p>Current levels of Financial literacy reported in public domain</p>	<p>The ANZ conducted its first financial literacy survey in 2003. Since then in 2005, 2008 and 2011. The surveys are conducted by Morgan</p> <p>The Commonwealth Bank also promote and track financial literacy as part of their sustainability and community initiatives.</p>	<p>The ANZ survey results are published on their website:</p> <p>2011, 2008, 2005,</p> <p>Commonwealth Bank resources:</p> <p>http://www.commbank.com.au/about-us/sustainability-and-community/community/financial-literacy.html</p> <p>The Commonwealth Bank are also are active in promoting</p>

		<p>financial literacy at school age children with their campaign “One Million Kids.” Since 2009, their aim is to involve over one million kids in games and activities that will help improve their financial literacy. The One Million Kids campaign:</p> <p>http://www.onemillionkids.com.au/what-is-omk/</p>
Use of a national financial literacy index and how it's findings are applied for continuous improvement	It is assumed that the findings by the ANZ bank surveys are considered as part of the two yearly review of the national financial literacy strategy	

Overview

[The Australian Securities and Investment Commission](#) is the national body responsible for regulating the corporate, markets and financial services industries. From their website:

“We contribute to Australia’s economic reputation and wellbeing by ensuring that Australia’s financial markets are fair and transparent, supported by confident and informed investors and consumers.

We are an independent Commonwealth Government body. We are set up under and administer the Australian Securities and Investments Commission Act (ASIC Act), and we carry out most of our work under the Corporations Act.

The Australian Securities and Investments Commission Act 2001 requires us to:

- *maintain, facilitate and improve the performance of the financial system and entities in it*
- *promote confident and informed participation by investors and consumers in the financial system*
- *administer the law effectively and with minimal procedural requirements*
- *enforce and give effect to the law*
- *receive, process and store, efficiently and quickly, information that is given to us*



- *make information about companies and other bodies available to the public as soon as practicable.”*

In 2008 the ASIC assumed responsibility for delivering the national financial literacy strategy. This is delivered through activities that adhere to seven core principles:

- inclusiveness
- engagement
- diversity
- knowledge and empowerment
- improving outcomes
- partnerships
- measurement

The ASIC, though a partnership with ANZ, conduct financial literacy research surveys approximately every two years. The other main public facing areas of activity is improving financial literacy through direct awareness and through supporting teaching initiatives. These public facing areas have websites that support these activities:

MoneySmart is a very easy, informative website that helps individuals understand how to manage their money, as well as the fundamental principles behind financial products. Consumer protection also falls under MoneySmart. Individuals can check or report on scams, file complaints and seek advice. The ASIC has a Consumer Advisory Panel whose role it is to advise if policy or legislative changes need to be considered.

<https://www.moneysmart.gov.au/managing-your-money>

MoneySmart Teaching is the public education execution activity delivering the Australian Financial Literacy Strategy. It contains a wealth of information to assist those who are teaching financial literacy to Australians to the following stakeholder groups:

- Primary Schools
- Secondary Schools
- Indigenous students



- Gifted and Talented Students
- Parents
- Community educators
- Workplace educators

There is a pilot scheme running in schools that includes financial literacy in the general curriculum. This site provides full teaching materials as well as other resources and videos on “hot topics”, for example “Consumerism and teens.

<http://teaching.moneysmart.gov.au/>



Other useful references:

The European Financial Inclusion Network:

<http://www.fininc.eu/index,en.html>

The International Forum for Investor Education:

http://www.ifie.org/index.php/resources-clearinghouse/45-financial-and-investor-education-programs#Financial_Literacy