



INVESTOR EDUCATION IN TIMES OF HIGH INFLATION, FINANCIAL REPRESSION & MARKET VOLATILITY: *OECD PERSPECTIVE*

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How public, private and not-for-profit stakeholders can develop financial education...

...in the context of the current macro-economic landscape

High inflation, rising interest rates, market volatility

...and taking into account current trends

Legacy of COVID-19, digitalisation, sustainable finance



OECD International Network on Financial Education

Global network

- Established in 2008. It comprises **270 public institutions (ministries of finance, central banks and financial supervisors) in more than 130 countries and economies**

Areas of work

- **Collection and analysis of data** on the financial literacy of adults, students, MSMEs
- Encouraging a strategic approach: **national strategies for financial literacy**
- **Analysis of recent trends:** digitalization, financial resilience, sustainable finance...
- Supporting **key target groups:** youth, women, MSMEs, seniors...
- **Global Money Week**

Contribution to global fora

- G20/ Global Partnership for Financial Inclusion, APEC,

Regional platforms and technical assistance projects

- Asia, Latin America, South-East Europe, MENA, ASEAN
- **European Union:** Austria, Bulgaria, Cyprus, France, Greece, Poland, Portugal





Integrated and multi-dimensional approach to **consumers' financial well-being**

**OECD Recommendation on
Financial Literacy (2020)**

Financial
Education

**G20 Principles
for Innovative
Financial Inclusion
(2010)**

**G20 High-Level
Principles for Digital
Financial Inclusion
(2016)**

Financial
Inclusion

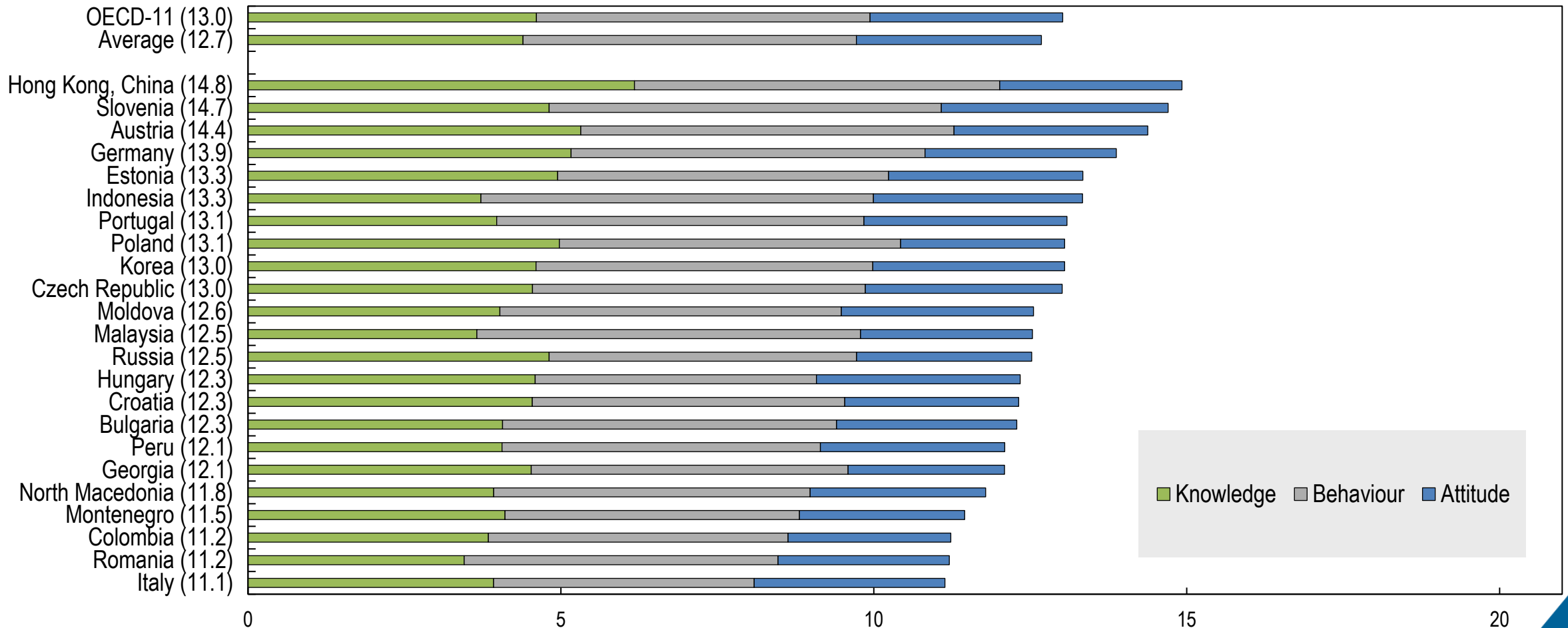
Financial
Consumer
Protection

**Updated G20/OECD
High-Level Principles on
Financial Consumer
Protection (2022)**



Limited financial literacy

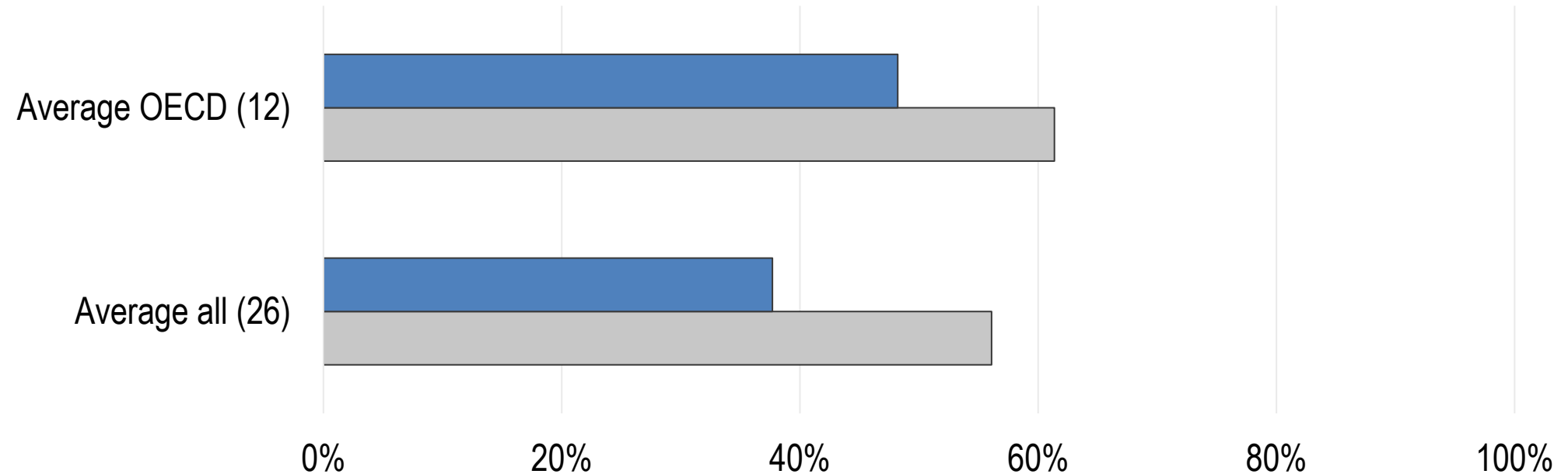
Financial literacy score (out of 21)



Source: OECD (2020), OECD/INFE 2020 International Survey of Adult Financial Literacy



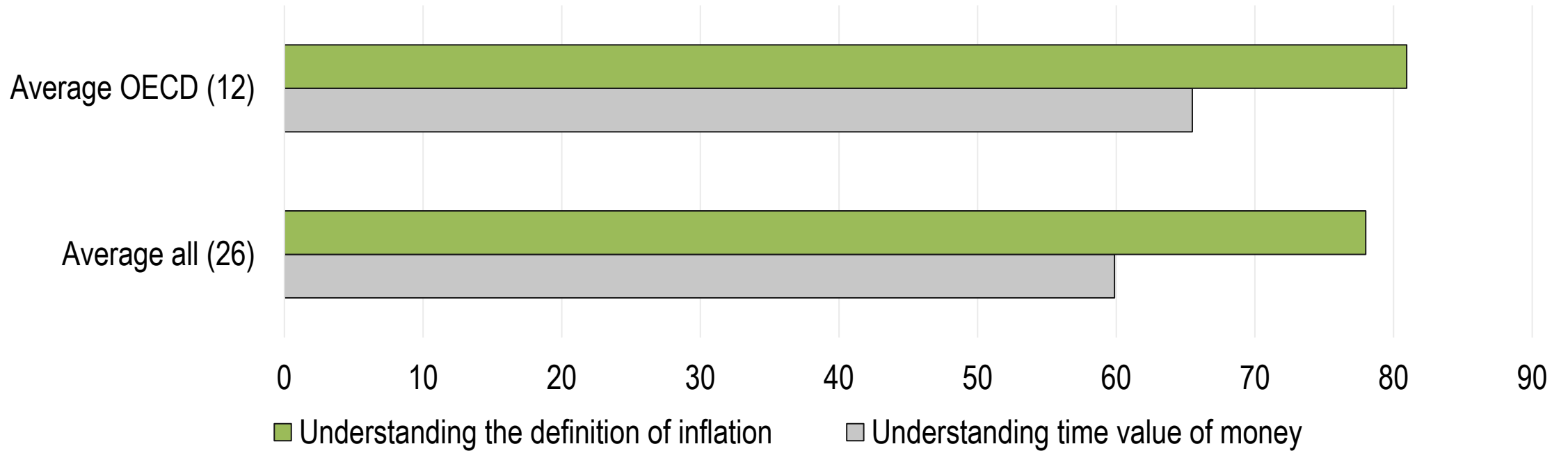
Limited financial resilience



- If lost main source of income, would be able to cover living expenses, without borrowing or moving house, for at least three months
- Would be able to cover a major expense, equivalent to one month of income, without borrowing or asking family/friends to help



Limited understanding of inflation



Source: OECD (2020), OECD/INFE 2020 International Survey of Adult Financial Literacy

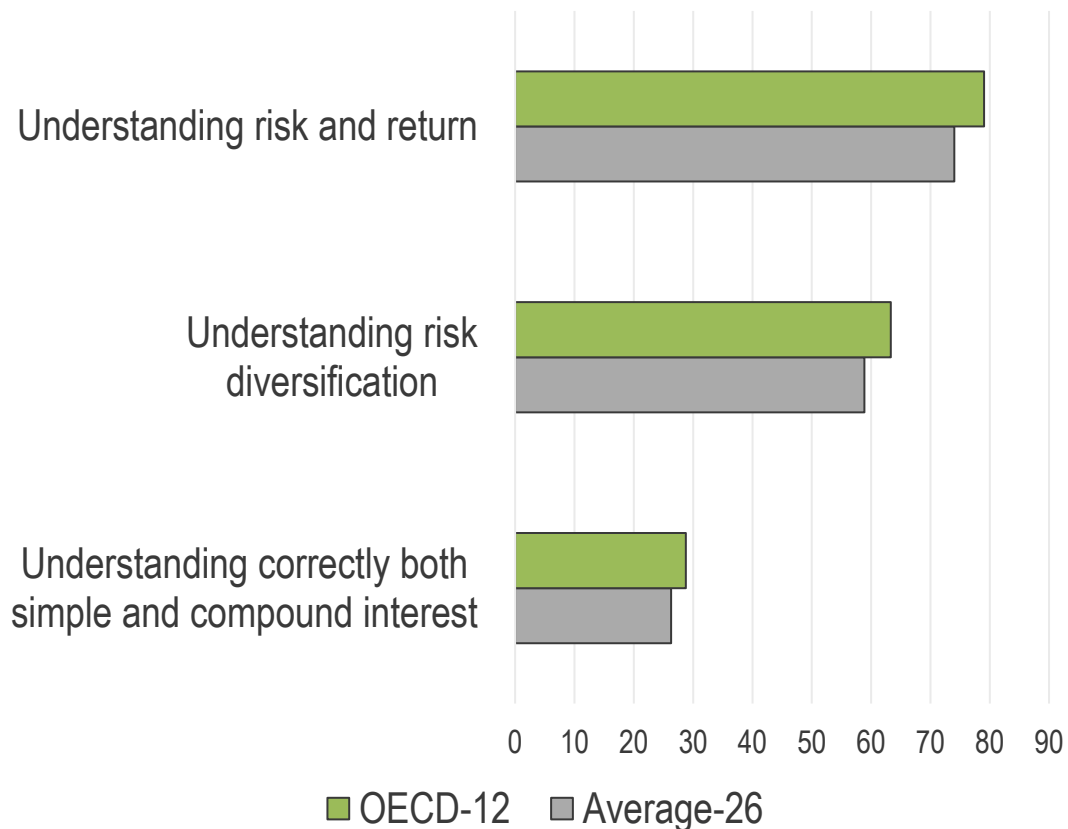
Compounded effect:

- Inflation is higher for lower-income households
- Understanding of inflation is lower for lower-income households



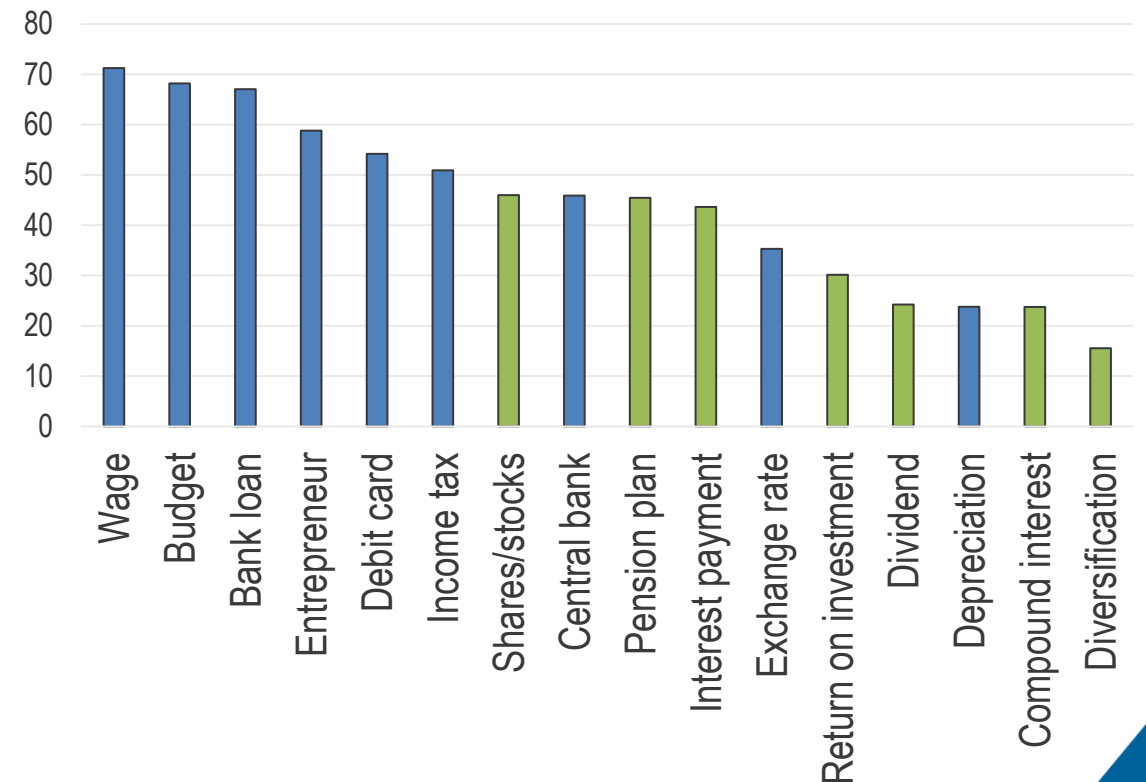
Limited knowledge of concepts around savings and investments

Percentage of adults who gave correct answers to each financial knowledge question



Source: OECD (2020), [OECD/INFE 2020 International Survey of Adult Financial Literacy](#)


Percentage of students who reported that they had learned this term in school over the previous 12 months and know what it means; OECD average-13



Source: PISA 2018 financial literacy assessment.



OECD/INFE work on savings, investments, retirement and pensions


OECD Working Papers on Finance, Insurance and Private Pensions No. 39

Financial Education for Long-term Savings and Investments: Review of Research and Literature


**Adele Atkinson,
Flore-Anne Messy,
Lila Rabinovich,
Joanne Yoong**

Financial Education, Insurance and Private Pensions, OECD Working Paper No. 39, 2015


<https://dx.doi.org/10.1787/5jrtgzfl6g9w-en>





OECD Pensions Outlook 2016



CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR INVESTORS




OICU-IOSCO 



Financial Education, Savings and Investments

AN OVERVIEW

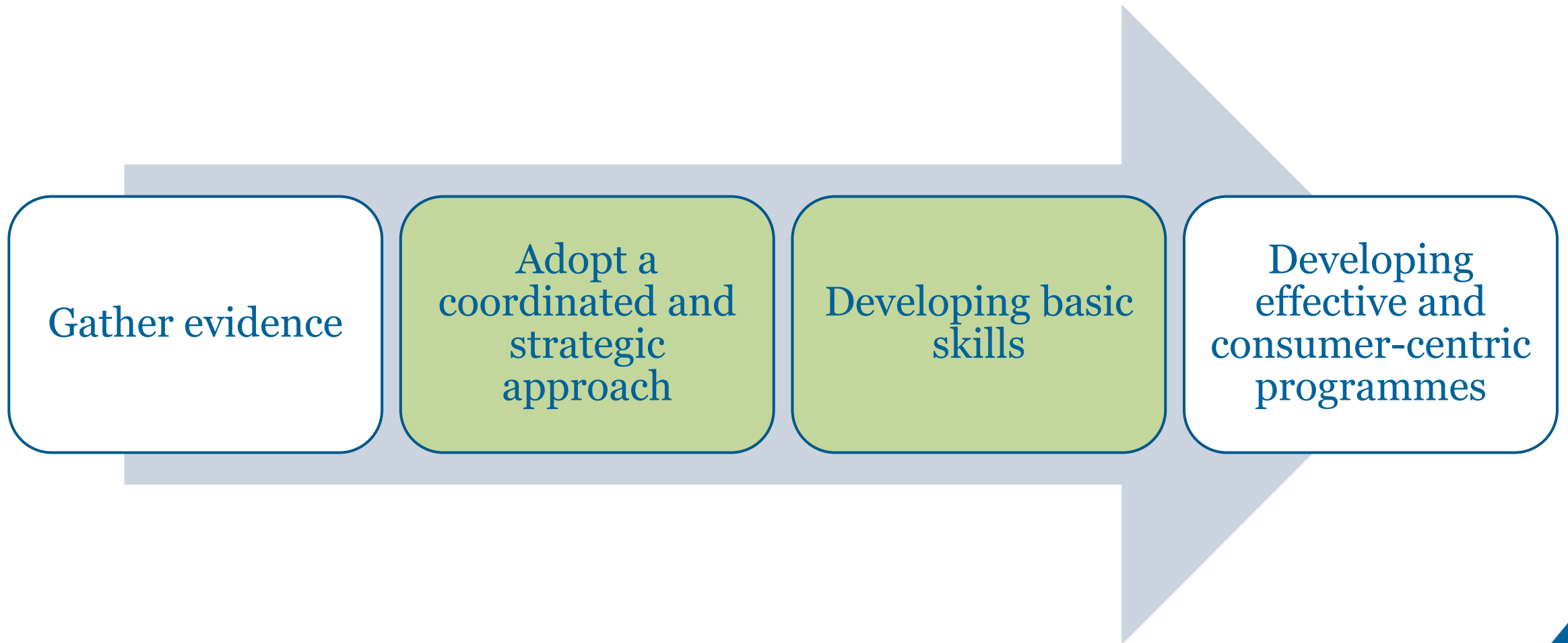
Sue Lewis, Flore-Anne Messy



OECD/INFE POLICY FRAMEWORK FOR INVESTOR EDUCATION



How can public, private and not-for-profit stakeholders develop financial education?





Adopt a coordinated and strategic approach

- **OECD Recommendation on Financial Literacy (2020):**
Role of National strategies for financial literacy
 - to provide a coordinated framework for reacting quickly and in a consistent way to developments in the financial landscape
 - To coordinate programmes to support decision-making about saving, investment, retirement and pensions (as well as insurance, credit, etc.)
 - To address all relevant target audiences according to their needs
 - To ensure meaningful involvement of public, private and non-profit sector, managing conflicts of interest



Developing basic skills

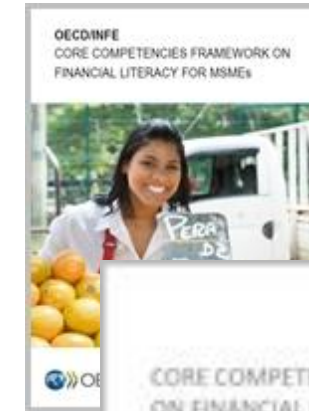
- **Strengthen basic financial skills** to allow people/ households in different situations to make the best choices for them...
 - Basic concepts: inflation, risk diversification, balance of risk and reward, etc
 - Impact on purchasing power, savings, existing and future debt
 - Promote understanding of the characteristics and risks products/services
 - Empower individuals to evaluate products/ services for their own situation
 - Promoting an active choice
 - Implications on society and the environment, and sustainability considerations
 - Behavioural biases
- ... **Using the current difficult times as a “teachable moment”**



Core competencies frameworks on financial literacy



- Core competencies refer to the aspects of knowledge, behaviours and attitudes that form the basis for sound financial decisions in order to support individual financial well-being
- Common framework(s) to
 - support the development, implementation and updating of national financial literacy strategies
 - support the design of financial education programmes
 - Support assessment and evaluation





Next steps

- New OECD/INFE working group on **financial literacy and sustainable finance**
- **International survey on financial literacy**: In 2022/23, the OECD-INFE will conduct a new global survey on financial literacy
- **Digital Financial Literacy** Measurement Pilot Exercise
- Publication of the **EU-OECD competence framework for children and youth**



THANK YOU

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www.oecd.org/financial/education