

Insurance Europe response to OECD public consultation on financial literacy and education

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Introduction

Insurance Europe is supportive of the substantial work done by the OECD in the area of financial literacy and education and welcomes the opportunity to contribute to the drafting of its Recommendation on Financial Literacy and Education.

Financial literacy and education should be recognised as an important policy issue and should therefore feature on the agendas of all national governments. One of the main challenges for the future from a policy perspective is to move from raising awareness of financial issues to actually changing individuals' behaviour. Changing peoples' behaviour can be done by integrating financial literacy components into school curricula, as it not only facilitates change by developing financial capability and responsibility from an early age, but also ensures that the widest possible audience is reached. At the same time, it is also important to ensure people are equipped with the appropriate financial education tools during significant life events later in life.

■ National strategies for financial education

Insurance Europe shares the OECD view that financial education should be made available to individuals from the earliest possible age and that it be taught in schools. Financial education is a lifelong process that — if built into school curricula from an early age — will allow children to acquire the knowledge and skills needed to build responsible financial behaviour throughout each stage of their education. With the demographic challenge of ageing societies, it is ever more important for individuals to be prepared for financial risks and to have a good retirement plan. Insurance Europe therefore welcomes the recommendation that all national governments develop appropriate national strategies for financial education and incorporate them into school curricula.

Furthermore, Insurance Europe appreciates the explicit identification of insurance as an important component of financial education strategies and the need to promote a culture of responsibility based on the understanding of the concept of risk and the ways to mitigate it.

Insurance Europe would also encourage policymakers, government institutions and regulatory bodies at European and international level to play a greater role in supporting the development and implementation of national strategies for financial literacy and education, including insurance education. At the EU level, for example, the European Commission could come forward with a Recommendation to encourage the adoption of national financial education strategies in EU member states and the incorporation of financial literacy components into school curricula. With sufficient combined commitment to the objectives of financial education and literacy, and continued coordination and cooperation between private and public bodies, both the economy and society in general will reap the benefits of increased financial awareness.

■ Use of digital tools

Insurance Europe would support and encourage the greater use of digital tools as an additional way to reach and engage the public on financial education. As demonstrated by the examples in our publication on ["Financial education in a digital age"](#), technology-based tools can contribute to raising financial literacy levels and help overcome some of the barriers to financial education by making it faster and more convenient to access information and by reaching a wider potential audience. As technology develops further, the range of interactive online tools will continue to grow, prompting new and innovative ways of engaging individuals. It will be crucial therefore for all stakeholders involved in financial literacy and education to embrace and capitalise on the growing trend of digitalisation to maximise the impact of their initiatives.

■ Role of the workplace

Insurance Europe would also suggest that the OECD Recommendation considers the role of the workplace as one of the places where financial education can be an effective tool. Employee benefits can be an important component of the financial situation of workers and it should therefore be recommended to provide quality information about how their individual choices interact with such collective schemes.

■ Ensuring effective delivery

Insurance Europe welcomes the recognition by the OECD in the draft Recommendation of the needs of vulnerable groups in society. Reaching these groups may require new and innovative ways of dealing with financial education that recognises their specific circumstances.

It is therefore welcome to see that the OECD seeks to ensure the effective delivery of financial education programmes by using a large variety of channels and means to ensure that a wide audience, including vulnerable groups, are appropriately and effectively reached, particularly as such groups may for example have limited access to digital tools.