

# The European Asset Management Industry's Engagement in Financial Education Initiatives

A new EFAMA report on  
investor education  
initiatives

**2<sup>nd</sup> Edition**  
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## Table of contents

<b>Foreword</b> .....	4
<b>Naïm Abou-Jaoudé</b> , EFAMA President	
<b>Preface</b> .....	6
<b>Mairead McGuinness</b> , European Commissioner	
<b>Part I: Essential Perspectives</b> .....	8
OECD/INFE efforts to support consumers' and investors' financial literacy .....	8
<b>Flore-Anne Messy</b> , OECD	
IOSCO work in the area of investor education and financial literacy .....	13
<b>Martin Moloney</b> , IOSCO	
Financial education - A prerequisite for a robust investor protection framework .....	22
<b>Natasha Cazenave</b> , ESMA	
Financial education in Europe from an investor perspective .....	26
<b>Aleksandra Mączyńska</b> , Better Finance	
EFAMA perspective - A call for further action .....	30
<b>Marin Capelle</b> and <b>Bernard Delbecque</b> , EFAMA	
<b>Part II: EFAMA's Updated Guidelines for Investor Education Initiatives</b> .....	33
<b>Part III: Investor Education Initiatives</b> .....	40
Introduction .....	40
<b>Natalie Westerbarkey</b> , EFAMA's Investor Education Platform Vice-Chair	
Part III.A: National Association Initiatives .....	43
Austria – VÖIG's Initiatives on Financial and Investor Education .....	43
Belgium – BEAMA's Initiatives on Financial and Investor Education .....	46
France – AFG's Initiatives on Financial and Investor Education .....	50
Germany – BVI's Initiatives on Financial and Investor Education .....	55
Luxembourg – ALFI's Initiatives on Financial and Investor Education .....	58
Portugal – APFIPP's Initiatives on Financial and Investor Education .....	64
Slovakia – SASS's Initiative on Financial and Investor Education .....	69
Spain – Inverco's Initiatives on Financial and Investor Education .....	72
Sweden – Fondbolagens förening's Initiative on Financial and Investor Education .....	76
United Kingdom – The IA's Initiatives on Financial and Investor Education .....	80

Part III.B: Corporate Member Initiatives..... 86

    Allianz Global Investors – Initiatives on Financial and Investor Education ..... 86

    Amundi – Initiatives on Financial and Investor Education ..... 90

    BBVA – Initiative on Financial and Investor Education ..... 94

    BlackRock – Initiatives on Financial and Investor Education ..... 98

    Candriam – Initiatives on Financial and Investor Education..... 104

    Eurizon Capital – Initiatives on Financial and Investor Education..... 108

    Fidelity International – Initiatives on Financial and Investor Education..... 112

    Generali Investments – Initiatives on Financial and Investor Education ..... 116

**Annex: Overview of member initiatives..... 121**

**Contacts ..... 128**

## Foreword

### Naim Abou-Jaoudé

EFAMA President  
Chief Executive Officer  
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Eight years after the publication of EFAMA's first report on investor education 'Building Blocks for Industry Driven Investor Education Initiatives'<sup>1</sup>, I am pleased to present the second edition of the report, which highlights the sustained efforts made by many EFAMA members to promote financial literacy and investor education. This confirms our strong belief that the financial industry can play a useful role in this area through various concrete initiatives. We therefore absolutely agree with Commissioner McGuinness, who did us the honour of writing the preface to this report, that *"it will take cooperation from everyone involved, from both the public and the private sector, to make sure we're successful in supporting financial education for people across the EU."*

The report is divided into three parts.

The first part includes contributions by four leading experts and senior officials from the OECD, IOSCO, ESMA, and Better Finance. They all agree that investor education and financial literacy initiatives should be a priority for financial sector authorities. By helping retail investors developing their understanding of financial concepts and risks, these initiatives are key to strengthen investor protection, and, in this sense, help individuals to take informed saving and investment decisions, and boost their confidence in the capital markets. This section also includes an overview of EFAMA's position on investor education.

The second part of the report provides an updated version of the EFAMA guidelines for investor education initiatives, which were initially presented in the 2014 EFAMA Report. The goal of these guidelines is to offer guidance to encourage financial market participants to undertake investor education initiatives. They have been amended to reflect the experience of EFAMA members active in investor education initiatives, as well as the new joint EU/OECD-INFE financial competence framework for adults, which provides a useful conceptual basis to national public authorities and private bodies for their voluntary uptake in policies and educational tools.

The third part of the report is devoted to investor education initiatives undertaken by national associations and corporate members to improve the financial well-being of citizens and help them feel empowered and more in control of their own financial position.

Since 2014, much progress has been made in acknowledging the crucial role of financial literacy and investor education initiatives. As such, the 2014 EFAMA report may have had a useful role in contributing to this progress. Particularly notable was the decision taken by the European Commission to include in its new CMU Action Plan a specific action to empower citizens through financial literacy, acknowledging that *"sound financial literacy is the foundation of people's ability to make good financial decisions and their financial well-being."*

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<sup>1</sup> EFAMA, *Building Blocks for Industry Driven Investor Education Initiatives: EFAMA Report on Investor Education Initiatives*, March 2014 ([link](#)).

As noted by Martin Moloney in his contribution, an important goal of financial education and financial literacy initiatives is to help individuals “*understand how to take advantage of existing opportunities in the financial system.*” As outlined in another EFAMA’s report entitled ‘European Household Participation in Capital Markets: Assessing the Current State and Measuring Future Progress’, most European households do not invest in capital market products. By keeping most of their financial wealth in bank deposits, they miss out on opportunities to receive higher returns and to protect their savings against inflation. According to our estimations, the financial wealth of European households would have been EUR 1.2 trillion higher had they had gradually reduced the share of deposits in their financial wealth from 41% to 30% by investing in equity and bond funds during the 2008-2019 period.<sup>2</sup> The challenge of population ageing and people’s vulnerability to financial shocks are also strong reasons to treat financial education and financial literacy as a key policy priority.

To conclude, I trust that you will enjoy reading this new report from EFAMA, which I hope will encourage the launch of new investor education initiatives. It is indeed absolutely essential that the public and private sectors continue their efforts as there is a pressing need to achieve tangible progress in this area.

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<sup>2</sup> EFAMA, *Household Participation in Capital Markets*, September 2020 ([link](#)).

## Preface

### Mairead McGuinness

Commissioner for Financial Services, Financial Stability  
and Capital Markets Union  
European Commission



We need to talk about money and how to make money work for people. To get more people investing their hard-earned money, we need to address financial education, to empower them to make the financial decisions that work for them.

Changes in the financial system mean that financial literacy has never been more important. Companies are using AI to give financial advice. Crypto is everywhere, from the sides of buses to social media, promising high returns without warnings of the volatility involved. Sustainable finance means there are products that promise returns on investment that are not just financial, but environmental, too.

As policy-makers, a big part of our role is to regulate these changes and make sure that consumers are protected.

But we also want to make sure that people have the know-how and the confidence to manage their money in this changing world.

Financial education can empower consumers. We want to support people to make the choices that are right for them when it comes to how they save, invest and manage their personal finances. That will help people reach their goals in life, whether that's buying a house, saving for retirement, starting their own business, or even planning a holiday.

Unfortunately, financial literacy levels remain too low. Most people in the EU do not receive any formal financial education in school. Many are left to find their own way, relying on information from a myriad of sources including online or on social media. Access to information is one thing, but understanding financial products and being able – and confident enough – to ask the right questions is key to making the right choices.

Education remains the responsibility of national governments, but the European Commission can play a role in helping to improve levels of financial literacy across the EU.

In January this year, we published a new financial competence framework, developed with the OECD and EU Member States.

It outlines key areas of competence in financial literacy. Can someone draw up a budget? Do they understand concepts like interest rates when it comes to taking out a loan? Do they know what to look out for when considering an investment? Do they know how best to save for retirement?

On top of that, we've made sure to adapt the framework to today's world by including digital and sustainable finance – for example, being able to identify a product that matches someone's sustainability preferences.

The framework is publicly available. Both public authorities and private bodies can use it – whether that's to measure levels of financial literacy, design learning materials, or run financial education campaigns.

And it means that we can develop a common understanding of financial literacy – and how we can improve it – across the European Union.

Improving financial education is a win-win for consumers and industry alike. For prospective investors, better financial literacy will help them understand their own needs, set goals and seek out the right products. The industry will benefit from a broader customer base that is more informed about what's on offer, ensuring financial advice is more effective and delivering better services and outcomes for customers.

We value EFAMA's experience in the area of investor education and warmly encourage the European asset management industry to use this new framework for their own initiatives in the area of financial education.

Later this year, we will publish a strategy to boost retail investment in the EU. We will look at all stages of the journey for a retail investor. Financial education has a vital role to play here, as it can give consumers the knowledge and the confidence to participate in financial markets.

But boosting financial literacy is no easy task. It will take cooperation from everyone involved, from both the public and the private sector, to make sure we're successful in supporting financial education for people across the EU.

## Part I: Essential Perspectives

### OECD/INFE efforts to support consumers' and investors' financial literacy

#### Flore-Anne Messy

Head of the Consumer Finance, Insurance and Pensions Division, OECD; Executive Secretary of the OECD International Network on Financial Education (OECD/INFE); Secretary General, International Organisation of Pension Supervisors (IOPS), OECD



#### Current trends and challenges underpinning the continued need to focus on financial literacy

Financial literacy has become a long-term policy priority in many countries and economies and is globally recognised as an important complement to market conduct, prudential regulation, and financial inclusion.

Over recent decades, the financial environment has evolved, giving greater opportunities to individuals to access finance as well as manage and plan their financial future. At the same time, the financial landscape has become more complex and digital financial services have introduced new challenges and risk factors. Demographic, socio-economic and financial developments, such as rapid population ageing and the consequences of the financial, social and economic crisis have put increasing strain on welfare systems. These developments have been further compounded by the socio-economic crisis resulting from the COVID-19 pandemic. As a result of these trends, consumers are increasingly being expected to take greater personal responsibility for their own financial welfare. This implies that they need significant financial skills, particularly given that ill-informed financial decision-making may have a lasting impact, both on consumers and society.

In recent years, trends related to the evolution of the COVID-19 pandemic, financial digitalisation and financial sustainability continue to underline the relevance of financial literacy to support consumers and investors around the world.

The COVID-19 outbreak shed a new light on the need to improve individuals' and households' financial resilience and enhance preparedness against shocks. Besides the fiscal and regulatory measures put in place by governments to support consumers facing financial difficulties, sound money management and planning remain crucial elements of any financial strategy to face the consequences of the current and future crises. As COVID-19 related restrictions are eased and governments are phasing out many support measures, consumers need to strengthen their financial skills to cope with the current and future crises.

Moreover, pre-crisis trends in financial digitalisation are continuing and have been further accelerated during the pandemic. The greater use of digital financial services allowed government to provide support to vulnerable citizens, allowed consumers and business to continue transacting, and fostered overall digital financial inclusion. However, it also highlighted inequalities in the access to digital financial services and exposed new risks of exclusion among vulnerable consumers with limited digital

access and skills. Consumers need to be increasingly financially and digitally literate to navigate a fast evolving financial landscape.

In addition, sustainability concerns are becoming more relevant for personal finance and there is growing interest from retail investors in sustainable financial products and services. In some markets, regulation related to sustainable finance is rapidly developing, but overall the landscape of Environmental, Social, and Governance (ESG) products, taxonomies, labels and standards remains very diverse across countries and very complex. In such a context, existing and prospective retail investors need to develop considerable knowledge and skills in order to make sound financial decisions that account for their sustainability preferences and that allow them to navigate the complex ESG landscape. Personal finance decisions in this context cannot be addressed through financial education alone, and advances on the supply and regulatory side are likely to make it easier for retail investors to make their personal financial decisions.

Considering these trends, financial literacy together with appropriate financial inclusion and consumer protection measures is crucial to support citizens' financial resilience and financial well-being, and to ensure that they can benefit from the opportunities offered from rapidly evolving financial markets.

### The role of the OECD International Network on Financial Education

To address these issues and the limited levels of financial literacy around the world, the OECD established the International Network on Financial Education (OECD/INFE) in 2008. It now brings together over 270 public institutions from 130 countries and economies to collect evidence on financial literacy and develop policy analysis on financial education. OECD/INFE high-level principles, policy guidance and methodology on financial education have been endorsed in international fora like the G20 and APEC.

The OECD/INFE developed a number of policy instruments, policy analysis and practical tools to support the development of financial literacy policies and programmes for a variety of target audience, including for retail investors.

#### ➤ *The OECD Recommendation on Financial Literacy*

In October 2020, OECD Ministers adopted the 'OECD Recommendation on Financial literacy'<sup>3</sup>, during the OECD's Ministerial Council Meeting. The Recommendation presents a single, comprehensive, instrument on financial literacy to assist governments, other public authorities, and relevant stakeholders in their efforts to design, implement and evaluate financial literacy policies. It is part of a holistic approach to financial-consumer issues, where financial literacy, together with improved financial access, adequate consumer protection, and regulatory frameworks, are expected to support financial resilience and well-being. The OECD Recommendation was welcomed by G20 Finance Ministers and Central Bank Governors in July 2021.

This new Recommendation contains numerous provisions on how financial literacy can support financially resilient behaviours among the population in general and vulnerable groups in particular, with a view to fostering individual financial well-being. The Recommendation was adopted at a crucial time, during the COVID-19 crisis, and is an important part of national recovery strategies.

The core of the Recommendation is devoted to the development of national strategies for financial literacy, intended as sustained and co-ordinated approach to financial literacy that involve the cooperation with relevant stakeholders as well as the identification of effective governance mechanisms. In this respect, the Recommendation encourages Governments to identify clear roles

<sup>3</sup> OECD, *OECD Recommendation on Financial Literacy*, October 2020 ([link](#)).

and responsibilities for relevant stakeholders, in line with the stakeholders' expertise, strengths, interests and resources. While public authorities have typically a coordinating and leading role in national strategies, these should also involve relevant private and not-for-profit stakeholders. The participation of private and not-for-profit stakeholders should provide support to public strategies and programmes, particularly through national industry associations or self-regulatory bodies; it should contribute to the development of, and comply with codes of conduct for their involvement in the national strategy for financial literacy; it should clearly distinguish commercial and educational activities, ensuring that they do not promote their own products and services when implementing financial literacy activities; and should apply criteria of impartiality, objectivity, quality and fairness in the design and implementation of their financial literacy programmes.

In addition to provisions about developing and implementing national strategies for financial literacy, the Recommendation also includes suggestions about financial literacy and the various sectors of the financial landscape. In particular, the Recommendation encourages the development of financial literacy programmes to support decision-making about saving, investment, retirement and pensions that:

- Take into account national circumstances and the different extent of saving, investment, long-term and retirement planning challenges, and promote an understanding of the changes in the demographic, social, economic, financial and policy landscape, and their implications for individual financial decisions;
- Provide individuals with clear, straightforward information and appropriate tools to understand how to best use saving, investment, retirement and pensions products or their personal or household situation;
- Promote individual awareness of the financial risks related to saving and investment decisions, including the importance of risk diversification and of understanding the balance of risk and reward;
- Promote an understanding of the implications of saving and investment decisions on society and the environment, and of long-term economic and financial sustainability considerations in saving and investment decisions;
- Facilitate access to information on the complexities of saving, investment and decision making on retirement, including pension projections; and
- Promote people's understanding of personal behavioural biases, such as limited attention, short-termism, inertia, and overconfidence, which may have consequences for their ability to save, invest or make retirement plans.

Alongside the high-level provisions of the Recommendation, the OECD/INFE also developed some implementation tools to help policy makers and practitioners put in practice the suggestions of the Recommendation and develop financial literacy programmes. Some examples relevant for investor education are described below.

➤ **Financial competence framework for adults in the European Union – 2022**

The European Commission and the OECD/INFE jointly developed the 'Financial competence framework for adults in the European Union'<sup>4</sup>, which was published in January 2022. The framework

<sup>4</sup> EU/OECD, *Financial competence framework for adults in the European Union*, January 2022 ([link](#)).

promotes a shared understanding of the financial competences adults need to make sound decisions on personal finance. It is aimed at supporting public policies, financial literacy programmes and educational materials to be developed by EU Member States, educational institutions, industry and individuals.

Financially literate citizens can more safely and confidently participate in financial markets. Their active engagement is necessary for EU capital markets to grow and channel more funding to EU companies – more so in the aftermath of the COVID-19 crisis. This financial competence framework was developed in the context of the EU's 2020 Capital Markets Union Action Plan.

The Framework includes dedicated sections to competences that are relevant for investor education at large, such as saving, investing, longer-term planning and asset building, retirement, identifying risks, and balancing risk and reward. Moreover, the framework also draws the attention and contains sets of competences relevant for horizontal issues of particular relevance to investments, such as the digitalisation of finance and sustainable finance.

#### ➤ *Core Competencies Framework on Financial Literacy for Investors – 2019*

The 'Core Competencies Framework on Financial Literacy for Investors'<sup>5</sup> was jointly developed by the International Organization of Securities Commissions (IOSCO) and the OECD/INFE in 2019. It defines the knowledge, attitudes and behaviours that retail investors should ideally exhibit, as a way to support the development of investor education initiatives and help retail investors or prospective investors achieve the level of financial literacy needed to make informed investment decisions.

The Framework is aimed at providing jurisdictions with an important tool to support the development and implementation of investor education initiatives. The Framework could also provide guidance on areas that should be covered in investor education, help guide the content of investor education initiatives, and indicate areas to be assessed as part of an evaluation strategy. The investing environment, which may vary in different jurisdictions, is becoming notably more complex. It is therefore important for investors in any market to be equipped with core competencies that could help them make informed investment decisions. For example, knowing how to diversify investments, reduce risk or choose investments that are suitable for one's needs and objectives is essential for investors when purchasing investment products.

#### ➤ *OECD/INFE Policy Framework for Investor Education – 2017*

The Policy Framework was developed by the OECD/INFE in 2017, and in particular with the input of the policy makers members of the OECD/INFE Working Group on Long-term Savings and Investments.<sup>6</sup> It provides an analysis of the role of financial education in policies in supporting and encouraging long-term savings and investment, and in particular of investor education, and offers a high-level international policy framework to support governments in their investor education initiatives, aimed at both existing and potential investors, in advanced as well as emerging economies.

The framework takes into account both the diversity of national circumstances and the diversity among potential and existing investors, in particular when it comes to their levels of financial literacy and awareness and their behavioural biases. The framework aims to remove the potential barriers that can prevent (potential) investors from participating in financial markets and achieving financial well-being while also seeking behavioural change, such as by addressing inappropriate risk-taking or excessive

<sup>5</sup> IOSCO/OECD, *Core Competencies Framework on Financial Literacy for Investors*, September 2019 ([link](#)).

<sup>6</sup> OECD, *OECD/INFE Policy Framework for Investor Education*, 2017 ([link](#)).

risk aversion. The Framework is meant to be used as an international reference in the development and implementation of national initiatives on investor education, both as stand-alone policy tools and as part of national strategies for financial education, as well as by non-public stakeholders.

### Next steps and the way forward

Now more than ever, financial literacy policies and programmes to support consumers and investors are essential to support individual financial well-being. Financial literacy serves as a foundation for lifelong well-being, for an informed and safe participation in financial markets, for greater financial stability, and ultimately for a more inclusive and sustainable economy and financial system.

The OECD and its International Network on Financial Education remain committed to advancing financial literacy for all. In the next few years, the OECD/INFE will continue to promote the collection of financial literacy data among adults, young people and micro-small business owners to inform the development of programmes and strategies. It will also monitor the implementation of the OECD Recommendation on Financial Literacy and develop further analytical work on the implication of digitalisation and sustainability trends for consumers as well as elaborate implementation guidance to help policy makers and practitioners ensure that their efforts are as efficient and effective as possible. Improving the (digital) financial literacy of consumers and investors remains a long-term journey, and it requires the joint efforts of all relevant parties.

## IOSCO work in the area of investor education and financial literacy

### Martin Moloney

Secretary General  
International Organization of Securities Commissions



### Introduction

Investor education and financial literacy are integral to IOSCO's ongoing efforts to meet its core objectives of protecting investors and fostering investor confidence in the integrity of securities markets.

Capital markets play an important role in both the economy and society by enabling individuals and families to better finance their current and future financial well-being. This ecosystem requires a proper regulatory framework and market participants who play by the rules, but also retail investors who understand the products and services on offer. Investor education and financial literacy could help retail investors develop this understanding, while at the same time boosting their confidence in the capital markets.

This article briefly describes IOSCO's work to promote investor education and financial literacy and how it supports IOSCO's objectives. The article also presents some thoughts on the challenges ahead for investor education and financial literacy, including those related to the increasing use of information technologies in the financial sector.

As capital markets continue to evolve, retail investors have a growing range of new products and services to choose from, creating new challenges to investor protection and requiring investors to acquire new skills and knowledge, or to change their behaviour. Crypto assets and sustainable/ESG products are two recent examples of such evolving challenges.

Addressing the investor education and financial literacy needs of retail investors requires a global perspective, international cooperation and sharing of regional and local experiences. IOSCO is well placed to promote this work among its members and with fellow international organizations.

### IOSCO objectives

The International Organization of Securities Commissions (IOSCO) is the international body that brings together the world's securities regulators and is recognised as the global standard setter for the securities sector. The objectives of IOSCO include, among other,

- to cooperate in developing, implementing and promoting internationally recognised and consistent standards of regulation, oversight and enforcement to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
- to enhance investor protection and promote investor confidence in the integrity of securities markets; and
- to exchange information at both global and regional levels on members' experiences to assist the development of markets.<sup>7</sup>

<sup>7</sup> For a detailed description of IOSCO and its objectives, see the organisation's general presentation ([link](#)) and its By-Laws ([link](#)).

To achieve and develop these objectives, IOSCO conducts a range of activities and workstreams through its Board, Policy Committees, Task Forces, Regional Committees, the Growth and Emerging Markets Committee, and the Affiliate Members Consultative Committee, among others, in line with the priorities of the IOSCO Board.<sup>8</sup>

Investor education and financial literacy are part of the key components of investor protection, and, in this sense, they interact with other elements that help promote and achieve investor protection, such as regulation, surveillance and enforcement. Of course, investor education and financial literacy initiatives alone cannot achieve investor protection, but they can contribute to meeting this objective.

For instance, while regulations may require the disclosure of information (e.g., on the terms and conditions of the financial products and services offered to retail investors, the risks involved and the fees and commissions charged for those products and services; etc.) as well as the observance of suitability requirements for the protection of retail investors, just to mention a couple of examples, investor education and financial literacy initiatives can enhance the ability of retail investors to understand and assimilate the disclosed information, ask the right questions, and make better financial choices. Hence, investor education and financial literacy help achieve the objective of investor protection, and securities regulators have an important role to play in the process.<sup>9</sup>

In this context, IOSCO has a natural interest in promoting investor education and financial literacy initiatives, as one way to enhance investor protection and promote investor confidence in the integrity of securities markets, as is explained with more detail in the next section.

### IOSCO work on investor education and financial literacy

Of the 38 IOSCO Objectives and Principles of Securities Regulation<sup>10</sup>, Principle 3 states that “*The Regulator should have adequate powers, proper resources and the capacity to perform its functions and exercise its powers.*” According to the interpretative text that is provided in the ‘IOSCO Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation’, this includes investor education:

*“The regulator should play an active role in the education of investors. Investor education may enhance investors’ understanding of the role of the regulator and provide investors with the tools to assess the risks associated with particular investments and to protect themselves against fraud (and other abuses). Investor education and financial literacy programs can also be useful tools for the securities regulators in supporting their regulation and supervision. For example, investor education programs can complement regulations that enforce conduct standards, require financial institutions to provide clients with appropriate information, strengthen legal protections for consumers, or provide for redress. IOSCO recognises that there is no one-size fits-all model for investor education and financial literacy programs.”<sup>11</sup>*

<sup>8</sup> IOSCO, *2021-2022 Work Program*, February 2021 ([link](#)).

<sup>9</sup> For further analysis, see Gary Tidwell, *Investor Education: A Regulatory Perspective*, EFAMA, Building Blocks for Industry Driven Investor Education Initiatives, EFAMA Report on Investor Education, March 2014, who states: “Investor education is a key component of investor protection. Investor education can provide understandable explanations of products and processes and can play a key role in financial planning. Investor education can also alert investors to potential problems and to some ‘red flags’ of possible fraudulent activities. A robust investor education programme can provide investors and potential investors with a list of questions to ask, as well as helpful tools to assess investments and financial services professionals” ([link](#)).

<sup>10</sup> IOSCO, *Objectives and Principles of Securities Regulation*, May 2017 ([link](#)).

<sup>11</sup> IOSCO, *Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation*, May 2017, p.30 ([link](#)). Interestingly, Key Issue 6 under Principle 3 expands the statement by saying:

To support the work on investor education and financial literacy, IOSCO counts with a Committee on Retail Investors (Committee 8), who reports to the IOSCO Board. The members of Committee 8 not only represent different geographies of the world, but also both developed and emerging markets. Moreover, a Representative and an Observer of the IOSCO Affiliate Members Consultative Committee (AMCC)<sup>12</sup> also sit on Committee 8. This composition enriches the views and experiences that the Committee members share on investor education and financial literacy related matters, as well as the work they perform as part of the Committee mandate.

Since the last edition of the EFAMA Report on Investor Education in March 2014, the IOSCO Committee 8 has worked on different projects, including, among others, the following:

- *Strategic Framework for Investor Education and Financial Literacy*: The report describes the role of research, particularly in the field of behavioural economics and identifies eight practices currently used by C8 members to help guide IOSCO members in developing and enhancing their own investor education and financial literacy programmes.<sup>13</sup>
- *Survey on Anti-Fraud Messaging*: The report provides information that may help regulators to identify methods of educating investors about investment fraud and offer the most potential for behaviour change. Some of the common forms of fraud to which retail investors are exposed include Ponzi schemes, pyramid schemes, pump-and-dump frauds and a variety of other types of frauds, characterised by cold calls or unsolicited emails, unrealistic promised rates of return, and unregistered salespersons, entities, and investment products.<sup>14</sup>
- *Sound Practices for Investment Risk Education*: Research indicates that an investor's approach to investment risk is influenced by a number of factors – including gender, age and experience with financial products – and that understanding investment risk is often limited amongst the retail investor population. Further, Behavioural Economics research indicates that investor behaviour and attitudes toward investment risk are strongly affected by behavioural biases. The report identifies six sound practices for the design and delivery of investment risk education initiatives.<sup>15</sup>
- *Senior Investor Vulnerability*: From the perspective of investor protection, ageing populations is an important issue that should be addressed, as ageing and associated levels of physical and cognitive decline increasingly affect the capabilities of investors in markets worldwide. Some research also correlates ageing with increased susceptibility to financial exploitation and fraud. The biggest risks to senior investors are unsuitable investments, financial fraud committed by a non-family member and diminished cognitive capability that affects their financial decision-making. Other notable risk factors are complex products, deficient financial literacy, and social isolation. The report provides a list of six sound practices for both regulators and financial services providers to consider in this area.<sup>16</sup>

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<sup>6</sup> “6. Regulators should play an active role in promoting the education of investors and other market participants.” (text underlined to point out the additional aspect indicated in Key Issue 6).

<sup>12</sup> The AMCC is comprised of IOSCO Affiliate Members, representing securities and derivatives markets and other market infrastructures, self-regulatory organizations (SROs), investor protection funds and compensation funds, as well as other bodies with appropriate interest in securities regulation.

<sup>13</sup> IOSCO, *Strategic Framework for Investor Education and Financial Literacy*, October 2014 ([link](#)).

<sup>14</sup> IOSCO, *Survey on Anti-Fraud Messaging*, May 2015, ([link](#)).

<sup>15</sup> IOSCO, *Sound Practices for Investment Risk Education*, September 2015 ([link](#)).

<sup>16</sup> IOSCO, *Senior Investor Vulnerability*, March 2018 ([link](#)).

- *The Application of Behavioural Insights to Financial Literacy and Investor Education Programmes and Initiatives*: There is a range of cognitive, social and psychological factors or barriers that may prevent people from using their knowledge to make satisfactory or rational financial choices. The report presents the results of complementary surveys of members of both IOSCO and the OECD/INFE. Based on the literature review and survey responses, Committee 8 and the OECD/INFE developed a set of approaches considered to be effective for regulators, policymakers, and other organizations and practitioners that are considering whether or how to apply insights from behavioural sciences to investor and financial education programmes and initiatives.<sup>17</sup>
- *The Application of Behavioural Insights to Retail Investor Protection*: The report describes behavioural biases and how they affect retail financial markets. The examples given in the report show how emotions and psychological experiences can influence investment decisions; how a rule of thumb can lead to incorrect beliefs; and how a partial assessment of information can lead to a different decision than a complete assessment. The report finds that individuals tend to make different decisions when interacting with an online interface as opposed to interacting with a human or relying on print materials. The report also refers to quantitative and qualitative testing methodologies that regulators use to gather information about the ways in which retail investors may suffer harm.<sup>18</sup>
- *Core Competencies Framework on Financial Literacy for Investors*: The Framework is aimed at providing jurisdictions with an important tool to support the development and implementation of investor education initiatives. The Framework provides guidance to users on the content of investor education programmes and indicates which areas could be assessed as part of an evaluation strategy. The objective of the Framework is to better prepare investors to navigate an increasingly complex investing environment. It seeks to equip investors with core competencies that enable them to make informed decisions about how to diversify investments, reduce risk or choose suitable investments. The Framework also describes the knowledge, attitudes and behaviours that retail investors should attain for each core competency to enhance their financial literacy.<sup>19</sup>
- *Complaint Handling and Redress System for Retail Investors*: Recognising the importance of fair and effective complaint handling and redress systems, the report seeks to assist jurisdictions in developing and improving their complaint handling procedures and mechanisms. To this end, the report includes a set of nine Sound Practices. The analysis in the report covers topics such as (i) internal handling of complaints by financial service providers and authorised agents; (ii) alternative dispute resolution (ADR) mechanisms for out-of-court resolution of disputes, including those established by public authorities and private sector entities; (iii) mechanisms put in place by regulators to handle complaints against financial service providers and their representatives; and (iv) judicial remedies, including class actions, when an investor demands compensation for harm caused by misconduct (compensatory redress), and injunctions, when an individual demands cessation of illegal practices.<sup>20</sup>

<sup>17</sup> IOSCO/OECD, *The Application of Behavioural Insights to Financial Literacy and Investor Education Programmes and Initiatives*, May 2018 ([link](#)).

<sup>18</sup> IOSCO, *The Application of Behavioural Insights to Retail Investor Protection*, April 2019 ([link](#)).

<sup>19</sup> OECD/IOSCO, *Core Competencies Framework on Financial Literacy for Investors*, September 2019 ([link](#)).

<sup>20</sup> IOSCO, *Complaint Handling and Redress System for Retail Investors*, January 2021 ([link](#)).

In addition to the above, IOSCO has launched an annual global campaign, the World Investor Week (WIW)<sup>21</sup>, to raise awareness about the importance of investor education and investor protection and highlight the various initiatives securities regulators are undertaking in this area. The WIW initiated as a pilot programme in 2017, but it has since become a permanent workstream of IOSCO. Each year, in the first week of October, IOSCO securities regulators and other IOSCO members on six continents provide a range of outreach activities, such as offering investor-focused communications and services, promoting contests to increase awareness of investor education initiatives, organising workshops and conferences, and conducting local/national campaigns in their own jurisdictions. Hence, the IOSCO WIW also offers a unique opportunity for all IOSCO Ordinary, Associate, and Affiliate members to work in collaboration, at both the local and international level, to promote investor protection and education.

In 2020 and 2021, IOSCO celebrated WIW in a virtual format, due to the restrictions imposed by Covid-19. However, the large number of participating jurisdictions and the diversity of the stakeholders participating in the campaign underscored the growing importance of investor education and protection throughout the world. In 2022, the IOSCO WIW will take place in October.

### Looking ahead

As the financial marketplace continues evolving and innovating, investment products are increasingly complex and financial services increasingly diverse. Thus, additional efforts are needed to address new investor education and financial literacy challenges. A case in point is crypto-assets, which may offer promising possibilities such as the potential to facilitate capital formation and improve access to financial services, while exposing retail investors to certain risks that they should learn to understand and manage in a proper way. In this regard, IOSCO conducted work to identify methods for providing investor education about crypto-assets to retail investors (Report on Investor Education on Crypto-Assets)<sup>22</sup>, which complements IOSCO's work on the regulation of platforms trading crypto-assets, the regulation of investment funds with exposures to crypto-assets, and Initial Coin Offerings (ICOs).

Another recent example of financial innovation that deserves to be the subject of investor education and financial literacy programmes is the proliferation of sustainability-related financial products (e.g., green bonds, social and sustainable-linked bonds, green mortgage-backed securities, green loans, and sustainability-linked loans). Many of these novel products are available to retail investors, thus broadening the choices and the potential benefits retail investors could derive from the capital markets, while exposing them to new forms of risks that they need to understand and manage, such as greenwashing. In addition to this, over time, the disappointment caused by greenwashing could undermine retail investor confidence in this segment of the market.

Therefore, IOSCO has recommended that "*Securities regulators and/or policymakers, as applicable, should consider promoting financial and investor education initiatives relating to sustainability, or, where applicable, enhance existing sustainability related initiatives.*"<sup>23</sup> In line with this recommendation based on work by the IOSCO Taskforce on Sustainable Finance (STF), the IOSCO Committee on Retail

<sup>21</sup> [Link](#) to the website.

<sup>22</sup> IOSCO, *Report on Investor Education on Crypto-Assets*, December 2020 ([link](#)). The report describes methods that regulators can use to provide educational material to retail investors on the risks of investing in crypto-assets. It also provides guidance on developing educational content about crypto-assets; informing the public about unlicensed or fraudulent firms; using a variety of communication channels to inform investors; and forming partnerships to develop and disseminate educational materials.

<sup>23</sup> See recommendation 5 "Financial and Investor Education" in the *IOSCO Report Recommendations on Sustainability-Related Practices, Policies, Procedures and Disclosure in Asset Management*, November 2021 ([link](#)).

Investors is discussing potential retail investor education tools for sustainable finance markets and products.

In view of the increasing innovation and complexity of the products, the OECD-IOSCO *Core Competencies Framework on Financial Literacy for Investors* (2019) acknowledges that “*The investing environment, which may vary in different jurisdictions, is becoming notably more complex. It is therefore important for investors in any market to be equipped with core competencies that could help them make informed investment decisions. [The Framework] could help make this process more effective by defining the knowledge, attitudes and behaviours that retail investors should ideally exhibit.*”<sup>24</sup>

However, complexity, the increasingly digitalised financial environment and other forms of financial innovation are not in themselves a concern. Instead, investor education and financial literacy initiatives should be ready to adapt and evolve, including in terms of formats, approaches, design, contents, and delivery channels<sup>25</sup>, to meet the specific needs of target audiences and consider the different ecosystems to which retail investors are exposed to at different stages of life, labour or professional situation.<sup>26</sup>

Investor education and financial literacy initiatives should also consider existing differences between developed and emerging markets, as well as differences across and within regions. This differentiation is relevant given that disparities in terms of investor education and financial literacy could appear within the same region. For example, in a recent article one of the European Commissioners highlighted that “*Across the EU, there are already great initiatives to improve financial literacy, and more than half of EU countries have some form of national strategy in place. But the level of financial literacy across the bloc varies widely, and overall, it remains much too low, especially among women, young people and older people.*”<sup>27</sup>

In reference to the same issue but in a different context, the Head of Research of the Singapore Exchange recently explained that “*Despite Southeast Asia’s economies rapidly maturing along with the accelerating adoption of technology, surveys have found that Southeast Asia is among the regions in the world with the lowest financial literacy. Given that the broader Asia region will be home to the majority of the globe’s middle class in less than a decade, it is even more critical that financial literacy be brought to attention.*”<sup>28</sup>

Looking ahead, additional challenges in terms of retail investor protection, investor education and financial literacy might come from the eventual and fundamental change in the monetary and fiscal environment, as central banks and governments, in both developed and emerging markets, start correcting or shifting the policy measures they implemented to address the Global Financial Crisis of 2008 and more recently the challenges brought about by Covid-19. This would be compounded with

<sup>24</sup> IOSCO/OECD, *Core Competencies Framework on Financial Literacy for Investors*, September 2019 ([link](#)).

<sup>25</sup> EU/OECD, *Financial competence framework for adults in the European Union*, January 2022, p. 11 ([link](#)). The framework includes digital financial competences: “competences on digital currencies, digital tools and payment methods, crypto-assets, personal data and personal data protection, digital financial products and services, robo-advice, online scams and fraud, and cyber risks.”

<sup>26</sup> One of the challenges for investor education and financial literacy is how to develop and implement metrics that help 1) measuring the impact of financial education initiatives, and 2) identifying windows of opportunity for additional/new action. See also World Bank, *Building more effective financial education approaches: Lessons for policymakers*, which proposes that “*Authorities should focus on addressing the inherent risks posed to consumers. This helps them remain more targeted in their interventions and have greater impact. [...] Authorities should consider how best to prioritize their goals by assessing trade-offs between methods that are easy to implement, their capacity and resources, and the most pressing consumer risks.*” (7 October 2021) ([link](#)).

<sup>27</sup> Mairead McGuinness (Commissioner, European Commission), *Improving financial literacy must be a priority for Europe*, Financial Times, 17 January 2022 ([link](#)).

<sup>28</sup> Chan Kum Kong, *Heading in the right direction: Singapore’s drive for financial resilience*, The World Federation of Exchanges, Focus, October 2021 ([link](#)).

other structural concerns previously mentioned, such as changes in demography and the increasing need for individuals to assume responsibility of their own pension plans, education, health, and housing, in a context where public expenditure, public subsidies, and public services face an increasing constraint.

Interestingly, in an article written in March 2014 for the EFAMA Report on Investor Education, Flore-Anne Messy pointed out that *“Especially in the aftermath of the financial crisis, financial literacy has been increasingly considered by policy and decision makers as a life skill of the 21st century necessary to enable individuals to fully participate in social, economic and financial activities. Indeed, the crisis has in a quite unfortunate way highlighted the importance of placing individuals back at the centre of economic and financial systems to promote sustainable and inclusive development.”* And she also added that, *“In addition, individuals have greater needs for protection and savings to address unexpected life events.”*<sup>29</sup>

Indeed, the global pandemic has pointed out the need for individuals and families to be better equipped with basic financial knowledge, skills and behaviours to deal with unexpected events. The recently published EU/OECD *Financial competence framework for adults in the European Union* refers to this issue in the following terms: *“According to Eurostat data, one third of EU households were not able to face an unexpected expense in normal times, let alone during the [Covid-19] pandemic. The OECD/INFE 2020 International Survey of Adult Financial Literacy showed that already before the pandemic, about one in three adults in participating OECD countries were worrying about paying for normal living expenses. Financial literacy can help individuals build up their financial resilience. Levels of financial literacy, however, continue to vary significantly between the groups of population, with the least financially literate groups being potentially more financially vulnerable and less financially resilient.”*<sup>30</sup>

Hence, one of the lessons learnt from the last two global events (the global financial crisis and the global pandemic) for future financial education and financial literacy initiatives, is how to help individuals become financially resilient and how to prepare for unexpected events or crisis situations. But this topic requires further research and understanding of how individuals behave and react in situations like those previously mentioned.

In this regard, in the context of the global pandemic, IOSCO set up a Board-level Retail Market Conduct Task Force (RMCTF), which in the first instance delivered a report focusing on the market environment, key drivers of firm as well as investor behaviour in periods of stress that provide increased opportunities for retail misconduct. The report noted, for example, that there was a rush among younger investors into the stock market, particularly during March/April 2020 with the lock-down, and a commensurate rise of online trading applications targeting certain demographics with simpler, game-like features. Excessive risk-taking by those wishing to make a profit or limit loss, while not new, appeared to increase. Predatory scams, unlicensed financial advice, misleading or deceptive advertising aimed at unsophisticated retail investors and individuals suffering financial hardship because of COVID-19 also appeared to have increased significantly.<sup>31</sup>

The IOSCO RMCTF report also says that IOSCO members have used a wide spectrum of mechanisms to address misconduct and have complemented their enhanced supervision efforts with focused and timely enforcement actions against the perpetrators, as well as investor education measures to prevent

<sup>29</sup> Flore-Anne Messy, *Preface*, Building Blocks for Industry Driven Investor Education Initiatives, EFAMA Report on Investor Education, March 2014, pp. 5-6 ([link](#)).

<sup>30</sup> EU/OECD, *Financial competence framework for adults in the European Union*, January 2022, p. 12 ([link](#)).

<sup>31</sup> IOSCO, *Report on Initial Findings and Observations About the Impact of COVID-19 on Retail Market Conduct*, December 2020 ([link](#)).

the recurrence of fraudulent schemes. In line with the initial RMCTF recommendations, the IOSCO Committee of Retail Investors is working on a project regarding the impact of COVID-19 on investor behaviour and investor education, which is aimed at helping regulators refine and deploy their investor protection and education programmes in times of crisis.

However, financial education and financial literacy is not limited to helping individuals deal with crisis situations, but also to understand how to take advantage of existing opportunities in the financial system. Interestingly, in a multi-year environment of almost zero interest rates for bank deposits, not all individuals have taken advantage of the returns offered through the capital markets. This behaviour requires further research, but it is interesting to observe it in both emerging and developed markets. For example, in a recent article, the Director of Financial Literacy Support of the Tokyo Stock Exchange, said *“In Japan, households hold financial assets in abundance, totalling more than JPY1.95 quadrillion (approximately US\$17 trillion). However, these assets are not being fully utilised. Statistics on the composition of Japanese household assets indicate that cash and deposits account for a high proportion, approximately 54% of the total, while stocks and other investments account for just over 14%. Faced with problems of a shrinking workforce and the limits of its social security system, the major task at hand for Japan is figuring out how to use these assets as efficiently as possible to generate economic growth for the next generation. JPX believes it can help to address these issues by raising the financial and economic literacy of each and every member of society, and by pushing for a shift from savings to investment.”*<sup>32</sup>

Similarly, Steven Maijor, then Chair of the European Securities and Markets Authority, said in a speech before the Irish Funds Annual Conference 2020, that *“in recent years bank deposits have offered near-zero returns on household savings. In contrast, net performance of equity UCITS was around 9% for retail clients, on an annualised basis, in the ten years up to the end of 2019. However, only a small number of households have taken advantage of this development, with traditional products like savings books still being the consumers’ favourite and effectively preventing capital market driven alternatives. This picture of a dominating banking sector that limits capital markets activity is, however, not homogenous across individual EU Member States. While across the EU, the share of households’ financial assets held in investment funds is around 10%, at national level recent figures range from under 1% in Ireland, together with Estonia and Latvia, to around 16% in Belgium, for example. The proportion of households that own listed shares goes from around 1% in Estonia, Hungary and Portugal to 20% in Cyprus. Ireland is around the EU average, with households’ holdings of listed shares at around 4%.”*<sup>33</sup>

Hence, financial education and financial literacy initiatives could help individuals to take informed saving and investment decisions, as well as achieve higher rates of participation in the securities markets.

## Conclusion

Financial education and financial literacy initiatives are a priority for financial sector authorities around the globe, as observed in IOSCO’s recent and current work, but also in the fact that *“Roughly 100 countries have put in place formal or national financial education strategies whose overarching aim is to improve levels of financial capability nationwide.”*<sup>34</sup>

<sup>32</sup> Hasegawa Takaaki, *Japan’s exchanges pushing for a shift from savings to investment*, World Federation of Exchanges, Focus, October 2021 ([link](#)).

<sup>33</sup> Steven Maijor, *Retail investors and asset management are the pillars of a successful Capital Markets Union*, 15 October 2020 ([link](#)).

<sup>34</sup> World Bank, *Building a Financial Education Approach. A Starting Point for Financial Sector Authorities. Financial Inclusion Support Framework*, June 2021, p. 6 ([link](#)).

Financial education and financial literacy are not ends in themselves but means to achieve objectives such as investor protection. Together with other tools available to regulators (e.g., oversight, regulation, enforcement), financial education and financial literacy help in enhancing investor protection and promoting investor confidence in the integrity of securities markets. These are core objectives of IOSCO.

Technological developments, digitalisation and online activities are broadening the range of investment alternatives available to current and prospective retail investors of all ages, economic status, and geographical location. New financial products, such as crypto-assets and ESG products, are becoming increasingly available to retail investors. This reinforces the need for investor education and financial literacy, which must evolve to meet the new challenges but also must be ready to seize the new opportunities offered by technology, digitalisation, and other forms of innovation.

To the extent that individuals are exposed to investor education and financial literacy initiatives, they may become more informed and may increase their understanding of the information that is relevant to their financial decisions. Investor education and financial literacy could also enhance retail investors' ability to identify potential fraud or misleading practices; verify whether a person or firm is regulated or not; know their rights and know where to complain or how to trigger redress mechanisms; and potentially take better financial decisions to support their financial well-being. In the aggregate, financial literacy helps capital markets to perform the important role they play for the economy and society and complements the regulatory, supervisory and enforcement work conducted by securities regulators around the globe.

## Financial education – A prerequisite for a robust investor protection framework

### Natasha Cazenave

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### Introduction

Financial education is a critical public policy area aimed at helping consumers and retail investors understand financial services and products. These services and products are key for every individual's daily life, even more so when planning for retirement. However, financial services and products sometimes display complex features that may be difficult for the average consumer to grasp. By increasing investors' understanding of basic financial concepts related to risk, return and costs, financial education initiatives can help consumers make better informed investment choices.

At the European Securities and Markets Authority (ESMA), we strongly believe in the importance of investor education and we support financial education initiatives, especially with a focus on investors' long-term needs. ESMA's founding regulation mandates ESMA to review and coordinate financial literacy and education initiatives carried out by national authorities in the EU. This coordination role is shared with the other European Supervisory Authorities (ESAs) in the EU, in the respective areas of competence (banking, insurance and securities markets). At the same time, the role of securities regulators cannot replace measures and initiatives to be taken by national Governments, at multiple levels, in order to achieve widespread and lasting results.

It should also be mentioned that financial education needs to be seen in combination with a suitable regulatory framework for the protection of retail investors. While financial education may help investors understand basic financial concepts, robust rules should offer a high and consistent level of protection to investors with different levels of financial literacy, facilitating investors' informed investment decisions and ensuring that firms act in the investors' best interests.

This article focuses on the relationship between financial education and some key investor protection requirements regulating the provision of investment services in the EU, as engrained into the framework of the Market in Financial Instruments Directive (MiFID II). This is a framework that ESMA has helped to build through its advisory role to the European Institutions and on which we focus in our daily work in order to ensure its consistent application across the EU. A number of recent initiatives on financial education, specifically relevant to the area of capital markets are mentioned at the end of the article.

### The importance of financial knowledge under MiFID II

Financial education and investor protection go hand in hand. The rules regulating the relationship between financial intermediaries and their customers constitute key safeguards to provide a minimum level of investor protection to all investors and to support, in this way, individuals' engagement and trust in the financial system. On the other hand, the investors' level of financial literacy is a determining factor in the MiFID II investor protection rules. This is the case with the calibration of these rules to the different client categories and with the role that an investor's level of financial knowledge plays in several important regulatory areas such as product governance and the suitability and appropriateness assessments.

The extent of the investor protection safeguards are, in many instances, calibrated on the basis of investors' levels of knowledge and experience. In particular, the MiFID II framework identifies three categories of clients and considers that eligible counterparties and professional clients have the necessary knowledge and experience to make their own investment decisions. As a consequence, rules regulating the provision of services to them are much lighter than the ones applicable to retail clients. For example, less extensive disclosure and, where applicable, suitability requirements apply to professional clients and eligible counterparties. Retail clients should instead be granted the highest level of investor protection because they usually have lower levels of financial knowledge and experience.

The investor's level of knowledge and experience also features prominently in several regulatory areas of MiFID II, even within the category of retail clients. This is clearly articulated under a number of key investor protection requirements, including:

- Product governance rules, requiring firms to identify the appropriate target market of end clients to whom each financial instrument can be distributed. As part of this target market identification, firms must specify the knowledge and experience level that clients should have based on the characteristics and risks of the investment product;
- Suitability assessment rules, requiring firms providing investment advice or portfolio management to obtain necessary information from the client, including on his/her knowledge and experience, to ensure that the recommended financial instruments are suitable for the client; and
- Appropriateness assessment rules, requiring firms providing services other than portfolio management and investment advice to collect information on a client's level of knowledge and experience to determine whether the client understands the risks of the specific type of service or product offered or demanded. Furthermore, even when MiFID II allows firms not to conduct any assessment of the client's level of knowledge and experience (so called execution-only services), it limits this possibility to non-complex products, which require a lower level of knowledge to understand relevant risks.

### Financial education and disclosure requirements

The above-mentioned requirements are part of the overall framework ensuring that investment firms act in the best interest of their clients. However, the ability of individual investors to make their own choices remains essential. This is why another key element of investor protection is the requirements on disclosure which aims at facilitating investors' understanding of investment products and their risk, helping investors make better informed investment decisions.

Despite thorough disclosure requirements, including specific warnings for highly complex / risky products that are imposed to safeguard investors, such disclosures have their limits. Notwithstanding the policy debate on the identification of the key information that investors really need and on how to improve the way in which information is delivered, it is undeniable that, to be effective, disclosures require investors to have the ability to understand and consume the information transmitted to them.

This is where financial education clearly has a role to play. The effectiveness of the investor protection framework can only be achieved if investors are financially literate in the sense that they understand at least the basic notions of risk and return, the importance of diversification and long-term investing in achieving better investment outcomes and the importance of costs in determining investment returns.

Moreover, the approach to financial education will also be influenced by the increasing digitalisation of services. In fact, on the one hand digitalisation creates opportunities to compare different investment options more easily and to deliver user-friendly content but, on the other hand, a growth of digitalisation not coupled with sufficient digital financial education, may lead to the financial exclusion of some groups of consumers. Therefore, new learning needs concerning the functioning of digital channels have also to be addressed together with learning needs addressing investment services and products.

### Recent financial education initiatives

ESMA therefore considers investor education as a necessary means to help investors make better informed investment decisions and eventually assess more critically the behaviour of financial intermediaries. For this reason, ESMA supports initiatives aimed at improving the overall level of financial literacy among investors.

At the same time, it should be kept in mind that financial education is inherently a long-term endeavour. Furthermore, financial education is a matter of public policy that needs to be tackled primarily by governments. In this respect, the involvement of securities regulators is important but their initiatives should be seen as a complement, and not as a substitute, to the initiatives to be taken by governments in this area.

For these reasons, initiatives aimed at improving financial literacy would be most effective if already provided during school years, as they could give children initial financial knowledge and skills that could be of use during their life. Furthermore, in this area there is a clear need to build an environment facilitating continuous learning also in order to mirror the continuous evolution of the financial services sector. In building this favourable environment, digital tools should certainly be widely used, with the result to maximise both financial education in itself and the knowledge of the digital channels.

Coming specifically to initiatives taken by Institutions and policy makers to foster financial literacy in the area of investments, several initiatives could be mentioned. Among those it is important to note the current work being performed by the European Commission jointly with the OECD's International Network on Financial Education. In fact, one of the objectives included by the European Commission as part of its Capital Markets Union action plan launched in 2020 is to empower citizens through financial literacy<sup>35</sup>, with the Commission currently working towards the development of a joint EU/OECD dedicated financial competence frameworks for the EU, targeting adults and the youth. In January 2022, the joint EU/OECD-INFE financial competence framework for adults was officially published while the framework for children and youth is expected to be finished by 2023. These new frameworks will aim at providing a common EU-level terminology and basis to inform the development of financial literacy policies and programmes, identifying gaps in provision and creating assessment, measurement, and evaluation tools.

Still in the securities sector at international level, the attention paid to financial education by the International Organization of Securities Commissions (IOSCO) should also be mentioned. One of the notable initiatives concerns the annual world investor week during which securities regulators, stock exchanges, global and regional financial organizations and other stakeholders conduct an array of educational activities to raise awareness on the importance of investor education and protection.

Moving to the national level, national securities regulators also play a role, for example when warning about the risks of highly complex and risky investment products and the risk of frauds. Additional and

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<sup>35</sup> [Link](#) for more information on the actions taken by the European Commission under CMU Action 7 – Empowering citizens through financial literacy.

stronger roles can also be envisaged depending on the national legislation and on the distribution of competences in the area of financial education.

As part of its mandate to coordinate national initiatives, ESMA has actively promoted exchanges between national competent authorities regarding their experience and feedback on their financial education initiatives, including through the organisation of financial education days in past years. Currently, in light of the similar mandates of the three ESAs, ESMA is cooperating closely with the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) in order to maximise the impact of the respective efforts.

In particular, in 2022 the three European Supervisory Authorities (ESAs) have planned, and are delivering, the following outputs:

- organisation of a high-level conference on financial education that has been held in February 2022 and has helped in gathering ideas, stimulating the discussion on financial education, raising awareness, exchanging experiences as well as identifying good practices;
- publication of a thematic repository collating national initiatives carried out in the area of financial education and digitalisation, a repository that has been published in January 2022 by the three ESAs.<sup>36</sup> The repository aims to increase awareness of initiatives on financial education carried out across the European Union. It refers to more than 120 initiatives across the banking, insurance, pension and investment sectors. Most initiatives are addressed to consumers in general, although some target specific groups of consumers, such as retail investors, elderly people, students, children/young people, families or other particular groups such as journalists and mass media representatives. The collection of all initiatives in a single repository may also be a source of inspiration for public bodies in charge of financial education; and
- publication of a thematic report based on the analysis of the information collated in the thematic repository. This is expected to be published in the course of 2022.

Ensuring individuals can safely invest in capital markets and save for their future needs will remain a key priority for the European Securities and Markets Authority. We look forward to contributing to initiatives aimed at empowering citizens to better understand financial services and products while pursuing our efforts to maintain a robust investor protection framework.

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<sup>36</sup> ESAs, *Thematic repository of national financial education initiatives on digitalisation – with a specific focus on cybersecurity, scams and fraud*, February 2022 ([link](#)).

## Financial education in Europe from an investor perspective

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### Introduction

Knowledge is power and conventional wisdom tells us that a more informed, more knowledgeable consumer is a better off consumer. Therefore, when dealing with complex goods and services (and which services could really compete in this category with those of a financial nature?), consumer knowledge seems to be particularly important and financial education programmes seem to be the most obvious remedy to counter a lack of financial literacy. However, it is important to determine whether those financially literate investors/consumers have better outcomes than those with less financial education. Should this not be the case, then we need to look at what would be a more effective remedy than financial education programmes alone.

### Financial education and the Capital Markets Union

When discussing financial education we shouldn't miss the forest for the trees. Financial education is not a goal in itself. We should look at it through the prism of consumer empowerment and fostering consumer participation in capital markets, thereby contributing to the development of the CMU (Capital Markets Union), which, in turn, should improve the currently appalling outcomes for the majority of savings in Europe. BETTER FINANCE has been a strong supporter of the CMU project and financial education definitely has a role to play there. We agree that financial literacy, defined as knowledge of fundamental financial concepts and the ability to do financial calculations, is a key skill necessary to ensure adequate financial protection in older age and make it possible to understand whether your investment is providing value for money. However, focusing too much or solely on financial education programmes alone is not sufficient.

Indeed, there are studies proving that financial education is not always effective. The most recent one was carried out in Ireland where policymakers are concerned with pension adequacy, since the state pension provides basic protection against poverty, but not adequate pensions, and the level of supplementary pension cover remains quite low. The study found little evidence that consumers with higher levels of financial literacy are more likely to have various forms of supplementary pension cover.<sup>37</sup>

Therefore, if we truly want to reach the key objective identified in the context of the CMU to “ensure improved market outcomes”, we need a mix of measures and we can't over-rely on financial education alone:

- Access to bias-free advice
- Better financial products design: simpler products
- Financial education

<sup>37</sup> IZA Institute of Labour Economics, *Financial Literacy and Preparation for Retirement*, February 2019 ([link](#)).

## Bias-free advice

Today, making the best financial/investment choice usually requires some effort on the part of consumer and an active decision. However, there are many consumers that do not want to make their own financial decisions, either because they are overwhelmed by the sheer complexity and uncertainty associated with the investment products or because they fear the consequences of making the wrong choice. They should have the option of leaving the decisions in the hands of an adviser.

Just like they do with health issues – consumers have access to doctors acting in their best interest (Hippocratic oath) – in the case of financial health they should also have access to unbiased advice (with duty of care similar to the Hippocratic oath) or at least be made aware of the difference between biased and un-biased advice as well as potential conflicts of interests. The 2018 Commission’s study showed that an average retail investor is not aware and does not understand the incentive scheme of their non-independent advisor and frequently thinks that this type of advice is free. Nevertheless, the same study underlined that in some experiments, the moment that investors became aware of such an incentive scheme / conflict of interest of their advisor (a potential wealth transfer to the intermediary), they were either much less willing to pay for advice, or to follow an investment recommendation.<sup>38</sup>

BETTER FINANCE sees a lot of room for improvement and the need to demystify the area of advice, as well as helping people understand the difference between sellers and advisers: call a duck a duck, and a kickback a kickback (“inducements” will mean nothing to the majority of EU citizens). We have proposed concrete recommendations on the way forward in our recent research paper on Detrimental Effects of Inducements.<sup>39</sup>

1. Harmonising the regulatory frameworks across all EU categories of retail investment products. Currently, only MiFID II distinguishes between sellers and actual independent advisers. The other sectoral legislation (IDD, CCD, MCD) does not recognise the concept (as highlighted by EIOPA as well). As such, independent advisors across all EU retail investment markets should not be allowed to receive commissions.
2. Ban commissions for execution-only services.
3. Clarify and specify at Level 1 that “acting in the best interest of clients” (MiFID and IDD) should imply the obligation “do not charge undue costs” (2010/43/EU art.22) and assess, while taking into account cost (...), whether equivalent (...) financial instruments can meet their client’s profile.” (EU 2017/565 art.54.9)

## Financially literate default option for those who do not want to pay for advice

Some consumers, even if they do not want to make the investment decision themselves, are unwilling to pay for advice. Still, due to the reduced coverage and generosity of public programmes, they have to take on more and more responsibility, not only for their future retirement income but also for their health and long-term care costs, and that in increasingly complex economic and financial conditions. Therefore, policymakers should focus on making financial decision making easier for consumers and individual investors. They should pay more attention to making the financial choices that people have to make easier, by simplifying the process and products. For example, they should build safe, intelligible

<sup>38</sup> European Commission, *Distribution systems of retail investment products across the European Union – Final Report*, 2018, p. 103 ([link](#)).

<sup>39</sup> BETTER FINANCE, *Evidence Paper on the Detrimental Effects of Inducements*, February 2022, p. 43 ([link](#)).

and inexpensive default options into the design of financial products, so that the default investment option or do-nothing option is “financially literate”.

Public Authorities should also favour “nudging” techniques to address retail investors’ cognitive biases, instead of exploiting them to their detriment, like they do for instance with “monetary illusion”: people are not aware of the very negative impact of inflation on the real return – purchasing power – of their savings over time. But Public Authorities will not push for disclosing real long term returns alongside nominal – largely fictitious – ones, and on top of it, will most often tax those largely fictitious long-term returns, not the real ones which are much lower and too many times even negative.

## Financial education

BETTER FINANCE believes that the financial industry should focus on improving their offer of simple and standardised products, and while financial education is crucial, it cannot be considered a substitute for consumer and investor protection and should in no way relieve financial institutions of providing individuals with effective, clear and understandable information. Therefore, we find claims that consumers need financial education in order to be able to understand complex products, controversial, as rightly pointed out by behavioural economist Paul Adams at the 2021 EIOPA workshop on disclosures:

*“Financial products (especially insurance and pensions) are inherently complex and intangible, involve trade-offs between the present and the future, involve risk and uncertainty, allow limited opportunity to learn from past mistakes, can be sensitive and emotional for some people (...). Financial services are complex. And we’re just not wired to understand them (even with complete information).”*

Moreover, it is worth considering that whenever people behave in a way that seems irrational (e.g., buying complex, costly, under-performing packaged products instead of the simple ones), quite often it does actually have a rational basis. Indeed, the EC’s own 2018 study confirmed that human non-independent advisors do not put simple products on their shelves but offer a very limited choice of in-house products. The study also confirmed that individual investors have no other channel to get access to the ETFs but the robo-advisors or the stockbrokers. The same study suggested that introduction of a ban on “inducements” (sales commissions paid by providers to distributors of investment products) helped improving the situation of consumers in the United Kingdom and the Netherlands in terms of access to independent advice, access to information, lower costs: *“generally, local investors have become more cost-sensitive and better informed about investment products.”*<sup>40</sup> This only proves that consumers are sometimes only as literate as the “financial advisors” themselves, who often fail to provide suitable products, or as the products the financial industry decides to put on the shelves and sell.

In view of the low level of financial literacy of EU citizens, it seems important to increase numeracy and reduce mathematics anxiety. Undeniably, knowledge of financial concepts, such as inflation and risk diversification, is important for being financially literate, but if consumers cannot do basic calculations, understand ratios and percentages or compound interest, any conceptual knowledge of financial issues gained in financial education programmes will be of little practical relevance. Ideally, financial education should be provided in schools already at a very early age and by independent teachers. Basics of

<sup>40</sup> European Commission, *Distribution systems of retail investment products across the European Union – Executive Summary*, 2018, p. 5 ([link](#)).

financial mathematics (compounding interest rates and returns, annuities) and capital markets (shares and bonds) have to be part of school curricula. The value of good financial education programmes lies not only in starting good habits, like saving for retirement, but also drawing attention to such crucial factors like the cost, risk and the real returns of such savings (making consumers aware of the wealth transfer from the investor to the adviser due to the multi-layered costs as well as kickback/commissions/inducements).

When it comes to adults, there are two principal places where they can currently get financial and investment information / education: at work and at the point of sale. However, the information at the point of sale cannot translate into true literacy unless it is bias-free: one of the main goals of the CMU Action Plan and of the Commission's strategy for retail investors. At the workplace adults may get independent information on corporate savings and pension plans and on employee share ownership (ESO). But the latter is very under-developed in the EU: 100 times less in EU SMEs compared to US ones. We appreciate the Commission's efforts in the area of financial education, like the recently announced joint framework for adults to improve individuals' financial skills, despite education remaining a national responsibility, with the EC playing only a supportive role. We would like to see more of that engagement of the Commission through the promotion of employee share ownership as a very powerful investor education tool and a way to encourage citizens' participation in capital markets and develop an equity culture (in line with the recommendations of the High-Level Forum on Capital Markets Union). We see a lot of potential there despite ESO being closely linked to taxation policy, where again the EC role is limited.

### Effectiveness and independence of financial education programmes

Good financial education projects, like any other project, need to be well managed. Since you can't manage what you can't measure, financial education projects need to have clear goals and clear measurable KPIs (key performance indicators) to measure their success. Evaluation must be taken as an essential element of any programme, and it should be included in the design of the programmes before they are introduced. Also, those who design such programmes should consider what behavioural science can offer since it could be quite helpful in identifying problems, understanding root causes as well as designing, testing and implementing the most effective measures. Last but not least: any financial education initiative should be overseen by independent bodies. As one of its 10 key financial policy priorities for 2019 – 2024, BETTER FINANCE wants to promote investor education as the key to the success of a real CMU.<sup>41</sup> On BETTER FINANCE's website you can find an interactive map of Investor Education Initiatives, listing the different independent initiatives undertaken in Europe to improve investor education.<sup>42</sup>

Considering all the potential advantages of financial education, we have to insist on its quality since low-quality financial education can lead to problems such as the illusion of knowledge, with overly confident consumers taking excessive risk. Moreover, even if high-quality financial education can improve financial literacy, it does not necessarily mean that consumers will change their behaviour. With this in mind, BETTER FINANCE sees an increasingly important role for behavioural science and behavioural economics. We believe that better outcomes and the successful improvement of consumers' financial decisions depends on a mix of high-quality financial education and an environment conducive to good decision-making (mentioned earlier: better product design and bias-free advice).

<sup>41</sup> [Link](#) to BETTER FINANCE Key Priorities for 2019-2024.

<sup>42</sup> [Link](#) to BETTE FINANCE interactive map of Independent Investor Education Initiatives in Europe.

## EFAMA perspective - a call for further action

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More investor education initiatives are needed if we really want to improve European citizens' financial literacy. According to the 2020 OECD financial literacy survey, participants in the twelve EU Member States represented in the survey scored on average 12.9 out of 21 where "[s]coring the maximum of 21 effectively means that an individual has acquired a basic level of understanding of financial concepts and applies some prudent principles in their financial dealings."<sup>43</sup> Moreover, very large sections of the population does not understand concepts like compound interest and risk diversification, which form part of basic knowledge in a world where individuals increasingly have to take care of themselves and manage their financial futures on their own. While welcoming the progress achieved in recent years in addressing this important challenge, further efforts are needed by the public and private sectors if we are to reach a satisfactory level of financial literacy in Europe.

### Considerable progress has been made in recent years

Financial and investor education can be viewed as a policy response to address multiple societal challenges, especially financial exclusion, financial vulnerabilities, and the pension gap. Indeed, if consumers do not have the basic knowledge to understand what is being said when talking about financial products, retirement saving, investment performance and costs, risk-return trade-off, etc., then regulation around financial information and advice may be in vain. Therefore, it cannot be stressed enough that there is a clear need to improve financial literacy of people through better, more widespread financial and investor education initiatives. This was one of the main messages of the 2014 EFAMA Report on Investor Education.<sup>44</sup>

At the time, EFAMA was among the forerunners in this area, along with the OECD and the pioneering work of Flore-Anne Messy, IOSCO, whose [Investor Education Gateway](#) has long provided a wealth of detailed information about investor education, and Annamaria Lusardi, whose academic research has played a key role in raising policymakers' awareness about the lack of financial literacy among the population.

In recent years, EFAMA has stepped up its work in this area under the auspices of its Investor Education Platform. Publishing this new report was an important goal we set for ourselves to highlight interesting investor education initiatives taken by EFAMA members and encourage other organisations to do the same. Over the last three years, we have organised sessions during IOSCO's [World Investor Week](#), and we launched last year a brochure titled 'Investing in a better future: 5 tips to do more with your savings'. This brochure aims at stimulating young adults to consider investing early and explains how to get started. It has been translated by many of EFAMA's member associations and is available in 20

<sup>43</sup> OECD/INFE, *2020 International Survey of Adult Financial Literacy*, June 2020 ([link](#)).

<sup>44</sup> EFAMA, *Building Blocks for Industry Driven Investor Education Initiatives: EFAMA Report on Investor Education Initiatives*, March 2014 ([link](#)).

European languages.<sup>45</sup> In a report published in 2020, we analysed how to deliver the Capital Markets Union's objective of encouraging households to invest in capital markets and we presented policy measures that could be taken to this end, including to improve European citizens' financial literacy.<sup>46</sup>

In this context, we can say that EFAMA plays its part in promoting financial education and trying to convince European policymakers to treat this matter as a key public policy goal. It is encouraging to see that a number of Member States have a national financial education strategy and participate in global events such as the OECD's [Global Money Week](#) and IOSCO's [World Investor Week](#). It was also very good news that the European Commission, after having stayed on the side-lines for a long time, decided under the leadership of Commissioner McGuinness, to include financial education as a priority under its 'New CMU Action Plan', following a recommendation from the High Level Forum on the CMU.<sup>47</sup>

Several frameworks are particularly relevant for those who want to launch a financial or investor education initiative. The recently adopted 'EU/OECD financial competence framework' lists a comprehensive set of knowledge, attitudes, and behaviour that adults should possess to be "financially literate". These competences range from handling money and payments to managing risks and rewards.<sup>48</sup> For investor education initiatives more specifically, the 'OECD/IOSCO core competencies framework on financial literacy for investors' provides a more detailed overview of the competences that an investor should possess to meet his or her long-term financial objectives.<sup>49</sup>

These frameworks are particularly useful to identify financial education needs within the population and to develop learning materials that address these needs. The updated 'EFAMA guidelines for investor education initiatives' presented in Part II of this report complement these frameworks by providing concrete recommendations, focusing on the context on which investor education initiatives would take place, the principles that should guide project managers, the key elements of the action plan to be implemented, and the main factors to use to evaluate the impact of the initiatives on a regular basis.

### More must be done

Despite the increased awareness of the importance of financial literacy and the development of new tools to help stakeholders to undertake relevant initiatives, it will take much time to achieve significant progress. It is therefore essential to redouble our collective efforts to bring about the quantum leap required. With this in mind, we propose below possible actions by the public sector and the European Commission in particular, to speed up the move towards a greater level of financial literacy in Europe. We trust our proposals will be well received by all the relevant stakeholders.

<sup>45</sup> EFAMA, *Investing for a better future – 5 tips to do more with your savings*, 29 September 2021 ([link](#)).

<sup>46</sup> EFAMA, *Household Participation in Capital Markets – Assessing the current state and measuring future progress*, September 2020 ([link](#)).

<sup>47</sup> European Commission, *A Capital Markets Union for people and businesses-new action plan*, September 2020, p.10 ([link](#)); CMU High-Level Forum, *A new vision for Europe's capital markets*, pages 89-97 ([link](#)).

<sup>48</sup> EC/OECD, *Financial competence framework for adults in the European Union*, 11 January 2022 ([link](#)).

<sup>49</sup> OECD/IOSCO, *Core Competencies Framework on Financial Literacy for Investors*, September 2019 ([link](#)).

## Possible new actions to improve financial literacy in Europe

1	<b>Gather financial literacy statistics</b>	... based on the 'OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion' <sup>50</sup> to better assess the level of financial literacy in Europe. Reliable data is crucial to design financial education initiatives that are targeted to specific social groups (e.g., students, women, workers, and retirees), to track progress (or lack of thereof) and determine areas where further financial education would be warranted. By financing research in this field, the European Commission would contribute to make more data available and facilitate the preparation of financial education initiatives.
2	<b>Create financial education materials</b>	... to benefit from economies of scale and help Member States provide the same level of support to their schools. The European Commission could also take a leading role in this area by relying on digital tools (web applications, online advertisement, social media platforms, webinars) to meet with the preferences of young people. More generally, the Commission should consider the recommendations made by the European Youth Parliament in a report published in 2019. <sup>51</sup>
3	<b>Develop financial education initiatives to help understand important social challenges</b>	... such as the need to save more for retirement and the climate change challenge. These problems concern almost anyone. People need to understand that pension saving is one of the best ways to invest in capital markets because its long-term horizon helps reduce investment risk and achieve higher return. It is also essential for the future of the planet to ensure that European citizens fully understand all the information they receive about sustainable investments.
4	<b>Foster synergy between public and private sector investor education initiatives...</b>	... to support larger scalable projects and target a wider range of citizens. Public investor education initiatives often focus on students. Yet, financial education should be a life-long learning exercise given that more advanced concepts can only be learnt at a later stage in life. The private sector can contribute to bridge this gap by teaming up with the public sector and providing human and financial resources.

<sup>50</sup> OECD/INFE, *Toolkit for Measuring Financial Literacy and Financial Inclusion*, May 2018 ([link](#)).

<sup>51</sup> European Youth Parliament, *Resolution Booklet: Valencia 2019*, pages 13-16, August 2019 ([link](#)).

## Part II: EFAMA's Updated Guidelines for Investor Education Initiatives

The Guidelines set out below provide a template to encourage, inspire and support the development of such initiatives by organisations in the asset management industry and the financial sector at large. They represent an updated version of the guidelines that were presented in the 2014 EFAMA report. This update reflects the experience of EFAMA members active in investor education initiatives.

### I. Context

- **Identify the key investor education challenges and needs**

- Reflect on the current situation in your country, local community and/or investor network.
- Identify where a lack of investor education is an impediment to increased volume and quality of savings and investing for short, medium, and long-term investment needs.
- Explore the relationship between the current investment trends (sustainable finance etc.) and the role of financial literacy in that context.
- Consider different sources to identify investor education needs.

Latest surveys about levels of investor education and financial literacy

Data about relevant indicators to identify existing gaps

Requests for information made by consumers

Local communities to understand the environment and people's approach to financial literacy

New requirements to facilitate new ways of investing (sustainable finance, crypto etc.)

- **Identify existing and past initiatives**

- Identify whether there are any initiatives that your organisation already did in the past (or is currently undertaking) on a similar topic.
- Research potential initiatives that were/are implemented by external stakeholders and get hold of any statistical data that could serve you in your project.
- Brainstorm on different options that could bridge the existing gap and potentially lead to more and/or better investor education in your country as well as in the wider investor community and population.
- Use the [EU/OCED financial competence framework](#) to assess the financial knowledge, behaviour, and attitudes that you would like to influence with your project.

## II. Principles

- **Develop an investor education-friendly culture**
  - Create a corporate culture that promotes “investor education champions” within your organisation by providing acknowledgement, visibility and credit to those that are engaged and by elevating investor education to a business-critical activity.
- **Strive for neutrality**
  - Investor education content that does not promote specific products or brands will inspire more engagement and trust from investors.
  - Depending on the context, the content may be holistic and completely neutral vis-à-vis all types of providers (insurers, banks, asset managers) or may be more specific and contribute to enhancing people’s knowledge about certain categories of products. In the latter case, special care should be taken to ensure that the information is not biased.
- **Keep it simple**
  - Plain language: use of clear, non-technical, easy to understand language that is adapted to the targeted audience of the investor education initiative, will help to ensure that the message is understood and remembered.
  - Learning materials: consider including definitions, glossary of terms, Q&A, tips, facts and figures, quick guides, charts, pictures, podcasts, and videos.
  - Numbers: care should be taken to avoid overwhelming the audience with too many numbers and formulas. Take the audience step by step.
  - Diagrams and pictures: these can help people to understand processes.
  - Interactive tools: an important aspect of interaction with certain audience groups that will make the content more interesting and digestible.
- **Make investor education personal, fun and interesting**
  - Use creative techniques and tools that attract and retain the attention of the target audience, e.g., programme-specific logos, mascots, games, quizzes.
  - As many investor education initiatives target segment(s) of the general population with limited financial knowledge and interest in financial matters, it is important to make content accessible and appealing, to help the target group to personally identify with the concerns raised and the content of the message.
- **Leverage the power of digitalisation**
  - Digitalisation is a significant element to be taken into account and it should be incorporated in the programme.
  - Develop online tools (website, calculator, ...) and promote these tools on search engines such as Google, Microsoft Edge and Firefox to ensure there are adequately referenced and thereby ease their access by retail investors.
  - The use of social media is particularly important to reach and interact with certain audience groups, particularly young people. Every financial education programme should have a comprehensive social media strategy tailored to specific audiences.

III. Action Plan

• **Set up priorities**

- Based on your analysis of investor education challenges and needs, identify priorities and objectives of your action to determine where your company or association can make a difference.
- Choose one or two clear, measurable objectives for your initiative to make it targeted and achievable.

• **Be efficient and organised**



• **Identify your target audience**

- The audience entails a wide range of people/stakeholders, with varying risk profiles and levels of knowledge about investing.
- Financial education programmes need to be targeted in a way that considers the dominant characteristics of each audience (expected levels of education, knowledge, experience, age, cultural background, etc.), as they may differ significantly within the same group.
- Target audience groups may include end investors, intermediaries and educators and communicators.

<b>End investors</b>	<ul style="list-style-type: none"> <li>• Retail – savers and investors, students, employees, pre-retirees, retirees, etc.</li> <li>• Institutional – to the extent that an institutional investor effectively represents and looks out for the investment needs of retail investors: e.g., pension funds, local authorities etc.</li> </ul>
<b>Intermediaries</b>	<ul style="list-style-type: none"> <li>• Fund distributors (banks, insurance companies, independent financial advisors, etc.)</li> <li>• Other intermediaries – those with contact with end investors (trade unions, employers, associations etc.)</li> </ul>
<b>Educators and communicators</b>	<ul style="list-style-type: none"> <li>• Teachers/trainers to convey the importance of understanding key financial concepts and to pass on to their students &amp; audience key investor education principles</li> </ul>

• **Identify most relevant potential partners**

- Partnerships can create synergies by pooling scarce financial and human resources and to better coordinate investor education initiatives in a particular country or market and/or organise initiatives in conjunction with national programmes focusing on education or related topics.
- Explore the possibility of partnering with stakeholders with experience in financial education who are able and willing to share best practices on previous initiatives, and with whom you could potentially leverage resources for achieving the programme’s objectives.
- Other potential stakeholders may include intermediaries, authorities, press and media, educators and communicators, and sponsoring firms.

<b>Intermediaries</b>	Banks, insurance companies, independent financial advisors can support the initiative by conveying basic investor education concepts and provide relevant materials to their clients.
<b>Authorities</b>	Regulators, ministries of education and finance can coordinate public and private initiatives to avoid duplication and can legitimise private initiatives by providing a label.
<b>Press and media</b>	Journalists, websites, newspapers and television can inform the public about the initiative and contribute to disseminating some useful messages to strengthen the level of financial literacy of their readers and listeners
<b>Educators and communicators</b>	Trade unions, associations, employers, teachers, trainers and NGOs can organise events with the participation of the industry to increase the financial literacy of their constituents (e.g., employees, colleagues, students, members, etc.).
<b>Sponsoring firms</b>	Firms can provide human and/or financial support to financial education initiatives.

• Define the messages

<p><b>Benefits</b></p>	<ul style="list-style-type: none"> <li>• Better mental and physical health: Saving &amp; investing make individuals less worried about their (future) financial situation</li> <li>• Greater financial resilience: Savings protect individuals from potential shocks (e.g., loss of employment or illness)</li> <li>• Better pension: With declining public pensions, complementary pensions help individuals maintain their level of living and protect them from falling into poverty</li> <li>• Better investor protection: Financial literacy allows individuals to better understand and compare financial products</li> </ul>
<p><b>Core competences</b></p>	<ul style="list-style-type: none"> <li>• Developing the knowledge, skills and attitudes every child and young person should have in relation to money</li> <li>• Educating investors about basic financial concepts, saving and investing, saving for retirement and pensions, bonds and stocks, sustainable and responsible investment, asset allocation, risk and return, fees, counterparty risk, etc.</li> <li>• Advising consumers about how they should approach/handle an investment decision to act as an educated and informed consumer (e.g., “ask questions”, “be critical”, “be engaged”, etc.)</li> </ul>
<p><b>Product specific messages</b></p>	<ul style="list-style-type: none"> <li>• Providing specific information about products, such as for investment funds, the different types and characteristics</li> <li>• Focussing on the advantages of investing in the products, such as for investment funds: risk spreading and asset diversification, costs, transparency, liquidity, risk management, etc.</li> <li>• Providing information on the tax treatment of the products, i.e., when, how and how much the products are taxed and whether there is any tax advantage linked with these products</li> <li>• Raising awareness as regards investors' rights (e.g., the right to information, fair treatment, etc.)</li> </ul>
<p><b>Sustainable &amp; digital investment</b></p>	<ul style="list-style-type: none"> <li>• Explaining how investors may have a positive impact on society, for instance by investing in sustainable projects or through stewardship</li> <li>• Highlighting how ESG factors are incorporated within portfolio management, including any potential limitation</li> <li>• Overviewing the advantages and disadvantages of digitalisation: whereas the latter allows investors to have greater access to information and more investment choice, it also opens investors to the risk of investing without sufficient financial advice (e.g., exposure to scams, access to unregulated investments and bubbles fuelled by social media channels)</li> </ul>

- Make sure that the messages relate to the needs of the targeted audience depending on their experience, age and gender.

<b>Experience</b>	No experience	Individuals who do not save nor invest may do so for multiple reasons. It is important to stress the benefits from doing so and address any beliefs that keep them from investing & saving (e.g., “investing is too complex”, “investing is for the rich”, etc.).
	Experience	Individuals who have some investment experience may be offered more advanced training, for instance regarding the range of existing investment products and investment strategies.
<b>Age</b>	12-18 years	Children need to learn some basic financial concepts and understand why people are saving and investing.
	18-30 years	Students and especially young professionals should be reminded to start saving and investing, even small amounts, as soon as possible to take full advantage of compound interest.
	55-65 years	Pre-retirees and retirees need to be aware of the importance to adapt their investment strategy to their age. Many would also benefit from training to develop their digital skills.
<b>Gender</b>	Female	Women on average tend to have less confidence in themselves than men, which may restrain them from investing or taking risks that are compatible with their financial situation and investment horizon.
	Male	Men on average tend to be more aggressive than women, which may lead them to take excessive risks with money they might need later down the road.

- **Choose the most appropriate format & communication tools**

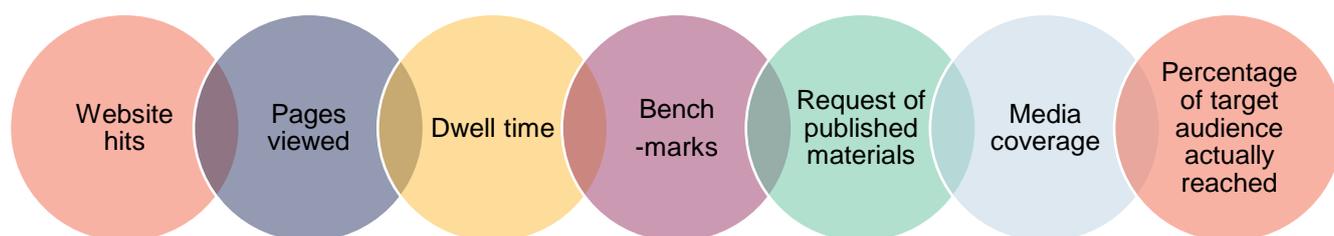
- When choosing the format for delivering the initiative, make sure it fits the profile of the target audience.



- The Covid-19 pandemic has increased the use of online platforms and showed the importance of having an online presence for any type of interaction with people. This trend needs to be taken into account when designing and delivering financial education programmes targeted to all audience groups.
- The choice of the communication tools and hence the marketing campaigns used for reaching out to the target audience also need to correspond to the needs and profiles of those groups (websites, social media, booklets, magazines, brochures, free materials (e.g., made available to teachers, to investors, to the general public)).

#### IV. Evaluation

- Whilst the “payback time” is very long and the impact on investor behaviour difficult to measure, especially in the short term, investor education initiatives need to be evaluated according to some methodology to get a view on its impact, to collect suggestions to improve the quality of the initiatives and to make them more relevant and as effective as possible.
- Some success factors to consider are shown in the figure below:



- Evaluate and report on existing programmes regularly.
- Get insight opinion from peers and other stakeholders in the area of investor education to create standardised evaluation criteria, which could be used across the industry as a whole. You can use tools such as feedback forms, scorecards, surveys, statistical analyses etc.
- Consider potential follow-up actions based on the insights and best practices you get from the initiative.

## Part III: Investor Education Initiatives

### Introduction

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This section of the 2<sup>nd</sup> Investor Education Report showcases the extensive effort that industry players are undertaking, at both collective industry level and individual corporate level, to promote financial literacy and investor education.

It contains a sample of 46 member initiatives from 18 asset managers and national investment management associations. It aims to inspire other industry actors to develop their own initiatives and to illustrate how important this topic is to the asset management industry.

#### Investor education and financial literacy are more important than ever

The global Covid-19 pandemic disrupted the global economy for two years, with many employees with low to middle income losing their job or working reduced hours. Consequently, people had less income, and many had to use up savings to support their living rather than invest.

Inflation has risen sharply and may not be transitory. Accordingly, consumers' purchasing power remains reduced, with less money left for saving and investing. Bank deposits earn low to no interest, so cannot compensate for rising inflation rates.

The rising cost of living is driven also by global supply chain disruptions due to the pandemic, resulting in supply shortages in key industry sectors such as semi-conductors and building materials for housing, even as demand recovers. Looking longer term, aging populations in industrialised countries as well as overall population increases are likely to aggravate supply and demand challenges, particularly in the housing sector. Geopolitical risk will likely drive-up energy prices.

Citizens must be alerted to the important need to save and invest to secure a minimum standard of living in the future. Investor education and financial literacy are therefore more important than ever as they equip individual savers with the tools to secure better financial futures.

#### Asset managers play a key role in investor education and financial literacy

To highlight the urgency around investor education, asset managers point out the correlation between individual mental and physical health and financial wellbeing. Becoming financially secure, or even independent, enables individuals to lead a healthier life as it mitigates concerns around providing the basics for a comfortable life.

At the same time, the impact of climate change has been a major concern for people and planet. The need to save and invest in line with sustainable and ethical beliefs, beyond individual financial needs and risk profile, is becoming a key incentive tool for investment.

## Retail investment choice will be the true – positive – tipping point for climate change

Through raising awareness that these aspects are linked, asset managers mobilise households to increase savings and investments by aligning them with sustainable investment objectives. Individual households can make a significant difference, not only by creating better financial futures for themselves, but by accelerating the transition towards a greener and more responsible global economy through investments in sustainable fund products.

Advisors will also play a vital role in educating consumers on sustainable finance at the point of sale and they will need to identify consumers' sustainability preferences. Eco-labels of fund products are also important to guide consumers. Specific distribution case studies included in this report address this aspect in greater detail. Sustainability literacy and sustainable finance literacy are therefore focus areas in the field of investor education.

### A shift in consumer mindset is vital

A major challenge for most young people who are either studying or at the start of their professional careers is low or no income.

It is essential, however, that young savers start learning the importance of investing via practical experience even with small amounts of capital. The impact of investment errors is small, but the learning potential is high. There is more time to financially recover from non-substantial investment losses early in life, than large losses at a late stage. A shift in consumer mindset is indispensable: wealth is not a pre-condition to become an investor. The important aspect is starting early with small investment amounts.

This report includes many case studies related to young adults and even 10 case studies that address specific student initiatives.

### Overall, the key objective is to enhance the financial resilience of consumers

In an environment of high inflation and low interest rates on savings, it is important that consumers become aware that leaving money in a bank account represents a risk. The biggest risk is therefore taking no investment risk. The earlier that investors start with smaller amounts, the more financially literate they become and the more value their knowledge accrues, preparing them for investing larger amounts later in life. It enables individuals to take risks early in life with a small budget to broaden their knowledge and find their personal level of comfort and investment style.

Young investors can gain practical experience to deepen their knowledge of diversification of asset class, risk profile and time horizon. Financial rules ensure some level of investor protection, but knowledge is an even greater empowering investor protection tool. Retail investors can increase their financial resilience through increasing their investment knowledge.

### Online access is both a risk and an opportunity

Digital channels are key to promote investor education. The standard delivery channel among the case studies presented in this report are either (e-)brochures or websites hosting articles and/or videos. Some initiatives also rely (initially) on social media to promote knowledge, thereby reaching out to a broader audience than those who actively search for information on saving and investing.

Statistical data suggests that more consumers spent time at home with access to the internet and those with middle to good incomes opened more investment accounts during the pandemic. This is a positive

trend as it allows wider access to information, financial education, and growth of retail investments in practice. It is possible that the circumstances of the pandemic accelerated digital education and access to online investment tools.

On the other hand, digital finance also increases the risk of gamification. Exploring investment opportunities through gaming applications can be a useful tool if it increases financial literacy, investment knowledge and is conducted with smaller investment amounts to avoid major financial losses. However, it may also encourage consumers to take excessive and short-term risk and leads to gambling with retail savings.

### **Tailored education and personalised advice remain indispensable**

Whilst online tools may incentivise investors to acquire investment knowledge through a fun, enjoyable activity, it is important that consumers in real life invest with a long-term risk-adjusted view depending on their individual needs and profile. It is therefore essential to train young adults early to be able to differentiate between the two. Online tools can be a good starting point but good quality advice and the ability to access such advice at an appropriate price are needed as complementary measures.

In any event, the cases studies compiled in this report show that any investor education initiative needs to be tailored and addressed to the specific needs of the audience. Hence it is important to adapt the content and delivery accordingly to the audience they wish to reach.

### **In practice**

Success will be measured by the number of retail savers that start putting their money to work. This, together with extensive efforts in the area of investor education, is where asset managers can truly achieve results in helping secure better financial futures for people, as part of a more responsible form of capitalism that leads to a more sustainable world.

## Part III.A: National Association Initiatives

### Austria – VÖIG's Initiatives on Financial and Investor Education

**Carsten Haderer**

Statistician  
VÖIG



#### I. Introduction

VÖIG, the Austrian Association of Investment Fund Management Companies, has always been active in promoting investor and financial education. In this, VÖIG has initiated or supported various actions for different target groups, namely training for professionals working in the fund industry, retail investors, students and those who wish to find out more about the structure and concept of investment funds.

Four investor education initiatives undertaken by VÖIG are outlined in this paper. The first focuses on VÖIG-Lehrgang, which is a professional course for people working in the funds industry. The second initiative describes a brochure created by VÖIG to teach about the basics of the economy, how investments work and how investment funds can play a role in saving for the future. A third was the Initiative 2050, which set out to inform the broad public about the advantages of private supplemental pension schemes. Finally, VÖIG's academic activities are outlined.

#### **BOX 1: Financial literacy in Austria**

The Austrian Survey of Financial Literacy (ASFL) was carried out for a second time in 2019. The results show a significant improvement in financial knowledge compared to the results of the first wave (2014). While three-quarters of the respondents knew the correct answer to five or more questions in 2019, this rate was only 65% in 2014.

However, the survey also shows that the Austrian population is very risk averse and therefore tends to prefer traditional forms of saving. Furthermore, a huge part of the respondents could not answer some of the rather simple questions that are particularly relevant for the fund industry. For example, only 60% of those surveyed knew the basic principle of risk diversification. The results also show that the level of financial education of the 'less risk-averse' group, 15-to-38-year-old respondents, is comparatively low. As a result, many of the financial products offered remain unknown to the Austrian population.

#### II. Initiatives on financial and investor education

##### 1. VÖIG-Lehrgang

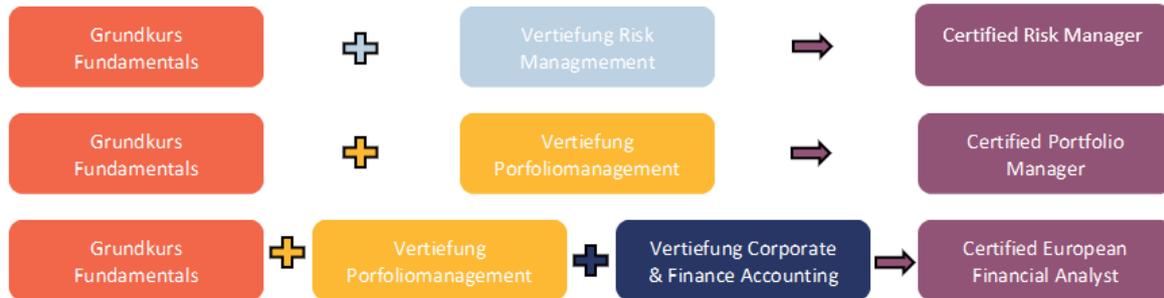
###### Context

The so-called VÖIG Lehrgang, an initiative launched in 1996 in cooperation with the Austrian Society for Bank Research to enhance the professionalism of the investment fund business through sustainable

further education and advanced training courses, remains the key pillar of the VÖIG’s educational efforts.

**Content**

It consists of various modules which include Grundkurs (basic courses), followed by specialised modules such as the Certified Portfolio Manager (CPM) stream and the Certified Risk Manager (CRM) stream.



**Delivery**

VÖIG-Lehrgang is conducted as in-person seminars at least once a year, depending on the demand from fund professionals. Since the start of the training programme, 44 basic courses, 41 advanced courses on portfolio management (CPM) and 12 advanced courses on risk management (CRM) have been held.

**Evaluation**

VÖIG-Lehrgang has been continuously evaluated and amended in order to provide accurate and up-to-date content to best serve the educational needs of fund professionals.

**2. DIDI’s Investmentfonds leicht gemacht**

**Context**

In 2017, VÖIG reviewed the ‘DIDI’s Investmentfonds leicht gemacht’ brochure. The publication is intended to provide basic and easy-to-read information for retail investors on the concept and structure of investment funds as well as their use.<sup>52</sup>

**Content**

DIDI, a friendly, small guide giving the reader an overview of the concept and structure of investment funds. The idea of the brochure is to provide, in non-technical terms, an introduction to investment funds, their advantages and disadvantages as well as how they could be incorporated into an investor’s investment strategy.



**Delivery**

The brochure is currently available in German on the VÖIG website. In addition, this brochure is intended to be made available to interested teachers and training centres in the future.

<sup>52</sup> VÖIG, *DIDI’s Investmentfonds leicht gemacht*, 2017 ([link](#)).

## Evaluation

The brochure will be evaluated and updated in the event of material changes in the regulation of investment funds or taxation make it necessary.

### 3. Initiative 2050 – For a carefree future

VÖIG has been trying for many years to put private supplemental pension schemes on a firm footing in Austria.



To inform the wider public about supplemental pension schemes – in particular, young people aged 24-35 – and to highlight their importance, VÖIG developed and produced [videos](#) in 2019. These answer questions on supplemental pension schemes.

They starred television presenter Sandra Thier as she went through Vienna on a special bicycle equipped with cameras. She invited people to join her and have a chat on the most important issues regarding supplemental pension schemes. One episode was filmed for each “passenger”. A total of four videos, as well as a summary, were produced. The videos were widely distributed on YouTube and on social media, and reached around 200,000 viewers.

### 4. Academic activities

VÖIG is actively engaged in providing academic training on investment fund-related topics. Against that background, VÖIG staff regularly participates as speakers in seminars and conferences on fund-related subjects.

Moreover, aside from chapters in various books dealing with investment fund regulation, articles on specific fund and asset management issues have been published in various journals, such as Österreichisches Bankarchiv (ÖBA) or Zeitschrift für Finanzrecht (ZFR).

## III. Lessons learnt

The results of the Austrian Survey of Financial Literacy clearly showed that efforts should be made to improve financial education, particularly for the millennials as well as regards green financial literacy.

Against that background, we succeeded in informing the broad public – primarily young persons – on supplemental pension schemes and highlight their importance by using social media channels during Initiative 2050. VÖIG is committed to continue developing innovative ideas for our investor initiatives and forging new paths by making a greater use of technological innovations to improve financial education in Austria.

## Belgium – BEAMA’s Initiatives on Financial and Investor Education

### Marc Leroux

Senior Counsel, Asset Management  
BEAMA



### I. Introduction

Initiatives providing information to potential investors are important for improving financial literacy and enabling citizens to make sound decisions in managing their savings. In the context of asset management, BEAMA, the Belgian Asset Managers Association, has contributed to various seminars and accompanying press communications on the benefits of savings and investment instruments, such as pension savings and investment funds.

For the coming years, BEAMA will focus on empowering end investors in their financial decisions. BEAMA promotes investing as a judicious way of managing personal finances.

Financial literacy is an essential element of investor empowerment as it enables investors to understand how to (self-) manage their finances in everyday life, how to plan their (future) financial resources and how to avoid unnecessary risk, excessive debt and potential financial exclusion. It also enables people to better understand the options of the financial markets available to them, and thus become better decision makers for their own budget and assets.

BEAMA believes that mastering basic financial knowledge and attitudes is crucial for investors facing today's complex financial markets. People need to become familiar with financial concepts from an early age. Although often perceived as a problem for young people who may not automatically look to the long term, in reality it is a problem for all ages.

#### BOX 2: Financial literacy in Belgium

A Febelfin study<sup>53</sup> shows that one-third of the Belgian population would like to invest, but does not do so due to a lack of information. Saving has been instilled in everyone from childhood, but there are numerous alternatives for investing savings:

- 55% of Belgians would rather see their savings yield more.
- 40% of Belgians invest in financial products other than a savings account.
- 29% of Belgians want to invest but do not do so, due to lack of information.
- The most popular investment products are investment funds (51%), followed by supplementary pension products (49%).
- The return on investment is the main concern for 41% of investors; 26% prefer sustainability over return.
- For information or advice on investing, people primarily turn to their bank or insurance company.

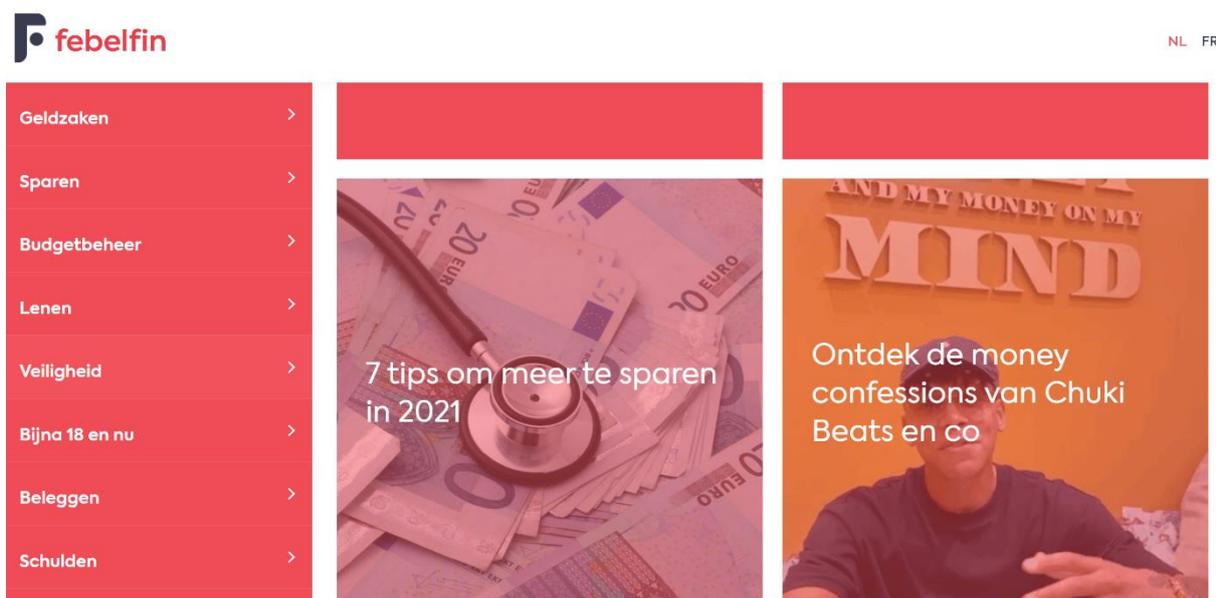
<sup>53</sup> The study was sponsored by the Belgian Financial Sector Federation (Febelfin) and conducted by the research bureau IndiVille. It surveyed 2045 NL/FR respondents aged between 16-79 on their financial knowledge (March 2021).

## II. Initiatives on financial and investor education

### 1. Febelfin initiatives

As a constituent association of the Belgian Financial Sector Federation (Febelfin), BEAMA has actively contributed to a number of recent educational websites (available in French and Dutch) targeted at prospective retail investors:

- [My money and me](#)
- [7 tips to take your first steps on the stock market](#)
- [Everything you need to know about pension savings in 8 key points](#)



### 2. Club Invest: a web platform for starter investors

The most recent initiative to which BEAMA has made a major contribution is [Club Invest](#), a web platform informing starter investors, which was launched in June 2021 in both a French and Dutch version.

#### Context

Febelfin, in collaboration with Assuralia (the umbrella association of Belgian, as well as foreign, insurance and reinsurance companies operating in Belgium), launched this educational campaign with the intention of informing, in an accessible fashion, as many potential investors as possible on the various investment options available.

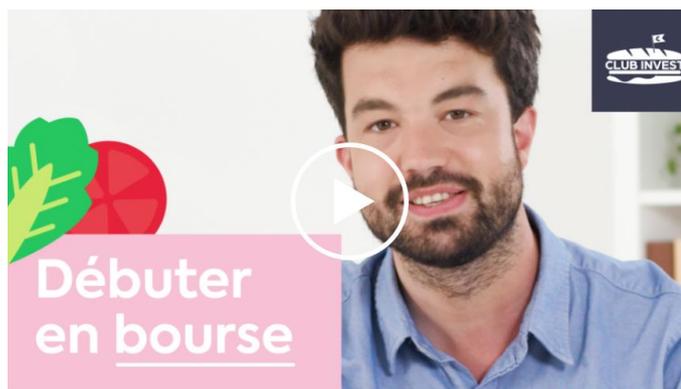
The Belgian financial sector wants to play its role in society and to inform people on the opportunities available in the investment world, while making them aware of the potential risks.

#### Content & Delivery

The focus of the website and the campaign is “start to invest”. Club Invest explains the basics of investing in a simple way, and provides an overview of potential investment options. A crucial recommendation made throughout the website is to “think before you start”, e.g., by consulting a banker, insurer, broker or agent first.

The website hosts several engaging videos that deal with:

- savings products;
- insurance products;
- investment funds;
- equities and bonds;
- derivatives.



A series of well-known Belgians gave the campaign a playful boost on social media, and videos are circulating on YouTube to a broader audience.

### Evaluation

The web platform proved a great success with many visitors and positive comments. Moreover, some financial institutions have asked if they could reuse the videos on their own social media and excellent results have been achieved through the commitment of Mediahuis, an international media company behind a wide range of cross-media brands.

### 3. A new financial literacy webpage on the BEAMA's website

The BEAMA webpage on financial literacy, presented in the previous EFAMA report, will be reworked in order to provide accurate and up-to-date content and to meet the educational needs of the investors. It will be targeted at retail investors who already have a moderate financial/investment experience and will be available in both Dutch and French.

With this webpage, BEAMA soon hopes to be able to provide interested readers with a broader picture of the role investments funds (UCIs) can occupy in households' financial assets as an investment form. This web tool will offer the chance to sharpen one's knowledge about all aspects of UCIs. The interested reader will be able to browse various texts, all of which have been brought together under three overarching headings: the UCI, the Investor and the Financial Markets. A lexicon will also be provided to help the reader understand the technical terminology.

With the ever-changing financial climate in which the UCIs operate, it goes without saying that this will be a regularly updated web platform that seeks to respond to the information needs of the interested reader by identifying relevant news items.

#### BOX 3: Public financial education initiatives in Belgium

The Belgian supervisory authority, the Financial Services and Markets Authority (FSMA), has a coordinating function for financial literacy in Belgium, and has already launched several projects aimed at promoting financial literacy in schools.

As of 2020, the educational system included financial literacy as an attainment target. This means that children from first to sixth grade in secondary schools receive financial training as part of their main curriculum.

The FSMA organises an annual Belgian edition of the Global Money Week, with an emphasis on different aspects of the financial spectrum.

The FSMA also launched the so-called 'Wikifin programme', composed of three distinct pillars:

- Wikifin.be for the general public,
- Wikifin School for students,
- Wikifin Lab, the new interactive centre for financial education in the buildings of the FSMA in Brussels.

The first pillar is the website [www.wikifin.be](http://www.wikifin.be) where consumers can find a treasure trove of impartial, reliable and practical information on money-related matters.

The second pillar of the programme is a collaboration with the school system. Wikifin School offers a wide range of pedagogical teaching material and training courses for free to teachers to support them in their financial education lessons. There are many demonstrations and simulation tools online available for different types of education. The basic premise is that learning to manage money and acquiring good financial habits should start early if young people are to develop the right financial reflexes.

The Wikifin Lab is the third pillar of the programme, supplementing the educational materials used in class. It opened at the beginning of September 2020, and is an interactive experience centre, designed for secondary-school students. Students can experience a wide range of financial situations onsite that they will meet in their day-to-day life. The Lab offers them the opportunity to improve their insight into basic financial mechanisms, and they will come away better informed and with an interest in taking charge of their own finances.

Last, there is a range of books on investing for beginners. Information can be found via the financial and economic sections of newspapers, or via annual reports and other documents published by listed companies.

### III. Lessons learnt

It is important to repeat any financial literacy campaign from time to time and to boost internet traffic and reach.

The brochure 'Investing for a better future – 5 tips to do more with your savings' will also be available on the BEAMA website in 2022 (in French and Dutch).<sup>54</sup> In view of the importance of the brochure, it will be further promoted in Belgium in order to reach and inform the target group of millennials. It will therefore be included on the Club Invest website with an added layer of communication.

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<sup>54</sup> EFAMA/BEAMA, *Investing for a better future – 5 tips to do more with your savings*, October 2021 ([link](#)).

## France – AFG’s Initiatives on Financial and Investor Education

### Thomas Valli

Director, Economic Research  
AFG

### Juba Ihaddaden

Economist  
AFG



### I. Introduction

AFG, the French Asset Management Association, has been committed to promoting financial education in France for many years, and has stepped up its commitment since 2019 with the publication of a White Paper on financial education. This engagement is particularly well reflected in initiatives such as AFG formation, the ‘12 principles for saving and investing’ guide as well as its contributions to the financial literacy institute IEPP (l’Institut pour l’Education Financière du Public).

The AFG financial education strategy has pursued three main strands:

- Developing proposals for public authorities to improve financial education and by participating in market initiatives on the subject;
- Developing a number of financial education tools designed to facilitate the discovery of basic concepts related to savings and investment;
- Conducting a communication campaign via social networks.

#### BOX 4: Financial literacy in France

At an international level, in 2016 the World Bank, in collaboration with S&P Global Ratings, carried out work to measure levels of financial education. The survey indicates a low level of financial literacy in most countries, including developed countries. France appears to rank lower than many other developed countries. Indeed, of the four questions on basic financial knowledge concepts relating to simple interest, compound interest, inflation and the relationship between risk and diversification, only 52% of respondents in France were able to answer at three or more questions correctly. This compared to more than 65% in the Netherlands, Germany, the UK, Canada, Norway or Sweden. There is therefore a pressing need for financial education in France.

In September 2019, AFG published the White Paper entitled ‘Financial Education: Well-informed investors – key players in tomorrow’s economy’.<sup>55</sup> The objective was to formulate recommendations to enable savers to be both the actors and beneficiaries of a better-financed economy.

The White Paper’s proposals are grouped into three parts: Financial Education, Training and Regulation.

<sup>55</sup> AFG, *Financial Education: Well-informed investors – key players in tomorrow’s economy*, September 2019 ([link](#)). The White paper is also available in English ([link](#)).

- *Financial Education*
  - Summarise the 10 principles of sound investment in an educational booklet;
  - Communicate with the general public;
  - Promote high-quality, digital educational tools;
  - Reinforce financial education at school in order to develop the financial skills of retail investors as young as possible. This could be, for example, through disseminating pedagogical resources (videos, games, etc.). These could be integrated into training modules delivered to secondary school students on an annual basis by including them in the national strategy of financial education;
  - Support future pensioners;
  - Promote financial education in Europe.
- *Training*
  - Help retail investors grasp all the concepts relating to investment through financial advisers/sales representatives providing information on the existence of educational modules in digital format that could lead on to evaluation tests.
  - Create a ‘personal savings file’, to allow portability of the retail investor’s financial information;
  - Adapt AMF certification to the job specifications of financial advisers/sales representatives;
  - Foster the continued professional development of advisers;
  - Create a digital file on the adviser, which will catalogue their AMF certification and all annual training, resulting in a certificate of attendance and/or of achievement (evaluation questionnaire).
- *Regulation*
  - Simplify client questionnaires (MiFID II and IDD) to make them easier to understand;
  - Make information documents more easily accessible;
  - Spread good savings practices through behavioural incentives.

To promote the White Paper, street interviews were recorded where AFG asked everyday people simple financial education questions such as the return on a saving account or how to calculate interest rates.<sup>56</sup>

## II. Initiatives on financial and investor education

### 1. 12 principles for saving and investing

#### Context

The most relevant initiative by AFG on financial education is its ‘12 principles for saving and investing’ guide, addressed at retail investors, be they students, employees, or retirees.<sup>57</sup> The idea of publishing such a handbook emerged in September 2019, when the White Paper ‘Financial Education: Well-informed investors – key players in tomorrow’s economy’ was released.

<sup>56</sup> AFG, *Education Financière: Des épargnants éclairés, acteurs de l’économie de demain*, Septembre 2019 ([link](#)).

<sup>57</sup> AFG, *12 principles for saving and investing*, 2020 ([link](#)). The guide is also available in English ([link](#)).

## Content

The guide explains how to take a methodical approach to managing investments. It provides a simple process, based on 12 principles that enable retail investors to ask themselves the necessary questions, define their goals, familiarise themselves with basic savings and investment concepts, and thus play an active role in selecting and monitoring their investment solutions.



It focuses on questions, concepts and tips related to saving and investing. It gives readers knowledge on general saving and investing concepts and provides them with an overall approach to saving and investing:

- Four questions to ask yourself to define your project (define your requirement; save regularly; set your target; define your investment horizon);
- Four concepts to familiarise yourself with the basics of saving and investing (time is your ally; the advantages of diversification; identify the risks you are willing to take; learn about investment solutions available to you);
- Four tips on how to be active in the choice and monitoring of your investment solution (play an active role during the meeting with your financial advisor, find out the cost of advice, monitor your investment solution after you invest, be methodical in managing your savings).

After reading the guide, retail investors will be able to better understand a financial world that can seem complex, and will be able to avoid making the mistakes that would prevent them from reaching their financial goals. The guide can also support them in preparing for their meetings with a financial advisor and to ensure a constructive dialogue.

## Delivery

AFG stepped up its efforts in 2021 with the deployment of the 'Être acteur de mon épargne' campaign.<sup>58</sup> Launched in March, it aims to raise awareness and engage retail investors (graduates, young working people, young families and future homeowners, as well as those wishing to prepare for their retirement preparation) through edutainment content on social networks (Instagram and Facebook). Être acteur de mon épargne addresses different topics through educational content (animated quizzes, videos, audio testimonials, key figures, challenge, 'did you know?' guides, achievement tests, etc.).

## Evaluation

The seriousness and usefulness of the guide have seen it recognised with the receipt of the EducFi label, delivered by the operational committee of the economic, budgetary and financial education strategy. This attests to the educational and unbiased nature of the content.

<sup>58</sup> All useful information on campaign can be found on the following website: <https://www.afg.asso.fr/etre-acteur-de-mon-epargne/>.

## 2. AFG Formation

[AFG Formation](#) has been a major player in the training of industry professionals for some 20 years. As a subsidiary of the AFG, it benefits from its historic experience and its ability to anticipate regulatory changes. AFG Formation provides its clients with unique expertise in the regulatory, ethical and financial fields. The courses are taught only by practicing professionals, who are selected by AFG Formation for their technical and instructional skills.

- **AMF Certification & E-examination:** AFG Formation organises the AMF (French financial markets regulator) certification exams in electronic format on its premises. We also provide an English-language version of the AMF certification. An AMF ‘sustainable finance’ certification will be offered from the end of 2021.
- **Seminars:** specialised seminars and study days focused on the different professions and management techniques. There is a catalogue that presents all these training courses, which can also be tailored to individual companies.
- **‘Diplôme d’expert en gestion actifs’ (Expert diploma in asset management):** This diploma provides all the professional knowledge required to master asset management: portfolio management, monitoring and compliance with regulations and customer relations. This certification programme is intended for current employees of companies working in the financial markets: management companies, private and retail banks, investment firms, insurance companies, mutual insurance companies, service providers, etc., as well as for those planning to enter these fields.
- **Other e-trainings with certificates delivered by the AFG on mandatory training in asset management:**
  - LCB-FT: Article 315-58 of the AMF General Regulation;
  - Market abuse: Article 4.1 of the RD STOR;
  - MiFID II/ESMA: 2017 MiFID II/ESMA guidelines (ESMA/2015/1886) Position - AMF recommendation The assessment of knowledge and skills DOC-2018-01.

## 3. Support to private and public-led initiatives

The AFG played a role in setting up the financial literacy institute IEPP (l’Institut pour l’Education Financière du Public), established as a public interest organisation and approved by the national education authorities. Among other things, the IEPP has opened the [La Finance pour tous](#) (Finance for all) website that offers instruction on finance and money matters completed with quizzes, practical information and special sections for children and teachers. The AFG has supplied information on a range of issues, particularly on employee saving schemes, and promotes the site to its members.

### BOX 5: Coordination at national level

The Strategic Committee on Financial Education bring together the main players involved in promoting financial literacy in France. The committee is the driving force behind the national strategy for economic, budgetary and financial education under the aegis of the Ministry of the Economy, Finance and Recovery (EDUCFI); strategy which is implemented by the Operational Committee led by the Banque de France.

The AFG's inclusion in the Strategic Committee on Financial Education in April 2021 will further facilitate the dissemination of its work in financial education.

More recently, the AFG took part in the Financial Education Week 2021, led by the Banque de France under the aegis of the Global Money Week organised by the OECD for the ninth edition, on 22-28 March. Eric Pinon, Chairman of the AFG, spoke on 26 March at the closing event's round table dedicated to savings and investment.

The 2021 edition of the [Employee Savings Week](#) was held in parallel with the Financial Education Week. In line with its educational vocation, it aimed to inform employees and company managers in an objective and practical manner about these medium- and long-term savings schemes. In particular, it directs its educational activities in the direction of very small, small- and medium-sized enterprises (VSEs/SMEs).

The AFG joined forces with the Autorité des Marchés Financiers (AMF) for the fifth edition of Global Investor Week, which took place from 4-10 October 2021. During this week, the AFG, in collaboration with EFAMA, produced a new educational tool for investors entitled 'Investing for a better future – 5 tips to do more with your savings', which completes the '12 principles for saving and investing' guide.<sup>59</sup>



### III. Lessons learnt

In recent years, the AFG has been active in pursuing its financial education strategy. However, financial education initiatives could be further developed in France. In the United States, for example, the State of Utah requires a semester of personal finance education. This represents a minimum of 60 hours of instruction over the course of a school year. Students must pass an end-of-course assessment created and administered by the state. Its validation is a prerequisite to graduate from high school. The application of such a system in France would bring benefits in terms of financial education and would help to overcome the knowledge deficit on the subject.

The AFG will continue to deploy its financial education strategy by proposing new innovative materials, particularly for young professionals. Also, given the inequalities between men and women in terms of financial education, the AFG will try to address this issue.<sup>60</sup>

<sup>59</sup> AFG/EFAMA, *Investir pour construire son avenir – 5 étapes pour passer à l'action*, Octobre 2021 ([link](#)).

<sup>60</sup> Tabea Bucher-Koenen et al., *Fearless Woman: Financial Literacy and Stock Market Participation*, March 2021 ([link](#)).

## Germany – BVI’s Initiatives on Financial and Investor Education

### Simone Dungs

Associate  
BVI

### Christoph Swoboda

Director, European Affairs  
BVI



### I. Introduction

BVI, the German Investment Funds Association, is part in a number of initiatives for promoting investor and financial literacy, particularly among young people. Foremost among these is the ‘Hoch im Kurs’ initiative, which aims to promote financial literacy and raise awareness of financial issues among students aged 16-18. It provides teaching materials for teachers and course booklets for students.

Other financial education initiatives supported by the BVI include its members going into schools and talking to students about finance. In addition to these school-based initiatives, BVI has also developed a mobile application (‘Geld-Check’) to help users budget. These initiatives form the backbone of BVI’s involvement with investor and financial education issues.

#### BOX 6: Financial literacy in Germany

The results of sector-specific market research show that overall, the German population lacks sufficient financial knowledge. The number of Germans who know little or nothing of the financial basics is worryingly high. Statistics show that this lack of financial knowledge is common to all social levels and age groups. Among the younger generation in particular, the knowledge deficit is considerable. In a recent study, young people admitted having only ‘satisfactory’ or ‘sufficient’ knowledge of financial matters (61%). Almost 20% even admitted that their knowledge is ‘poor’ or ‘unsatisfactory’.<sup>61</sup> Lack of knowledge of financial matters can have serious consequences, including inadequate insurance against life risks, excessive debt or insufficient private pension provision. However, decisions aimed at financial independence and security, particularly those concerning retirement plans, must be made at a young age. Here, young people should be capable of taking their financial lives into their own hands. The problem is that many lack the necessary basic economic and financial knowledge to do so. Experts both inside and outside the school system agree on this: financial education is of the utmost importance and the necessary educational mandate should be placed on schools. However, since school curricula in Germany are the exclusive responsibility of the federal states, financial or economic topics are treated differently. In some states, general education about income, money, saving and spending is taught, while in others, there is no provision for these topics.

<sup>61</sup> In July 2021, the market research institute Forsa surveyed 2,024 young adults aged between 18 and 29 on behalf of Union Investment ([link](#)).

## II. Initiatives on financial and investor education

### 1. Hoch im Kurs

#### Context

The BVI investor education initiative 'Hoch im Kurs' was launched in 2006. It promotes the provision of the required financial knowledge and education, particularly among young people. It provides a platform to better understand the economy and the capital markets. BVI offers a package of printed material and additional information on the [www.hoch-im-kurs.de](http://www.hoch-im-kurs.de) website.<sup>62</sup>



#### Content

The initiative introduces basic financial topics such as money management, capital and equity markets, international markets and financial provision. The comprehensive and easy-to-digest media package covers the following topics:

- Digital glitter world – consumption in the 21st century.
- Money management – promoting independence and financial responsibility.
- Money and the economy – monetary transactions in the economy and in private households.
- Preparing for the future – risks and needs in different phases of life.
- International financial markets – how does international trade work?
- FinTech and the digital financial world.
- Capital markets and stock markets.
- Investing and raising capital.
- Investment of capital – savings and investment options, criteria for investment decisions.

#### Delivery

The media package includes a magazine for students aged 16-18 and a booklet for teachers with background information and suggestions for lessons. Teachers also receive a copy of the student magazine and are asked to request sufficient copies for use in their classes. This model has proven extremely effective and has been met with a very positive response, with more than 1,400,000 copies of the student magazine circulated to schools all over Germany. The media package combines the printed material with the corresponding website [www.hoch-im-kurs.de](http://www.hoch-im-kurs.de). The latter offers a wide range of information and tools, including an individually applicable sample budget plan and a publication entitled 'The causes of the financial crisis'. The topics are aimed at both pupils and teachers.

<sup>62</sup> [Link](http://www.hoch-im-kurs.de) to the website.

## Evaluation

In a recent survey (September 2021), teachers gave positive feedback on the 'Hoch im Kurs' booklets. 93% expressed a positive opinion of Hoch im Kurs, and over 75% said they had already used the booklets in class. Some 23% plan to use the booklets in their lessons soon. Most teachers (94%) rated the quality of the material positively.

## 2. Other initiatives

In addition to Hoch im Kurs, over 10 years ago BVI started another initiative, under which around 300 financial experts from BVI members make themselves available to visit German schools and give presentations on financial topics such as money management or financial provision for the future. This is free of charge for schools and, to date, more than 800 schools all over Germany have requested the visit of financial experts.

BVI has also developed a [finance app](#) ('Geld-Check') to help young people manage their monthly budget and achieve their savings goals. The app is free and has already been downloaded over 90,000 times.

## III. Lessons learnt

As long as economics is not a school subject on the curricula of all federal states, it is necessary for other institutions such as the BVI to contribute to the financial education of young people and thus make a significant contribution to investor protection. Only those capable of understanding the basic economic relationships can make the right decisions as consumers. A basic understanding of economics is now of such elementary importance to life and business in Germany that the state education policy can no longer evade this issue.

## Luxembourg – ALFI’s Initiatives on Financial and Investor Education

### Mihaela Mercier

Senior Communications Manager  
ALFI



### I. Introduction

ALFI, the Association of the Luxembourg Fund Industry, through the Investor Forum, its working group dedicated to financial education, has focused its efforts since 2004 on producing comprehensive content for retail investors, in an effort to increase retail investors’ financial literacy.

Since then, the Investor Forum’s mission has evolved to embrace other activities, including:

- ✓ Supporting national initiatives by leveraging expertise and volunteering opportunities at the level of ALFI membership.
- ✓ Connecting with, and contributing to, projects of sister associations and taking part in the reflection and dissemination of information.
- ✓ Monitoring and contributing to European Commission initiatives under the Capital Markets Union (CMU).
- ✓ Creating opportunities to promote financial education at ALFI events and through digital channels.
- ✓ Assessing the opportunities to provide support (e.g., intellectual, human and financial) to well-established programmes led by local actors.

In a world that faces challenges that range from climate change to pandemics and geopolitical strife, financial literacy appears to be a key opportunity for improving individual outcomes and directing capital to projects that can help solve the major issues of our time. It is in the interest of all – from politicians to the investment industry through to individuals – to tackle the issue. Indeed, not just tackle it, but make it a priority.

It is against this background that ALFI declared its commitment to work alongside other stakeholders in Luxembourg to help citizens better understand and manage their personal finances.

#### **BOX 7: Financial literacy in Luxembourg**

As a thought leader in the financial sector, and as part of its 30th anniversary celebrations ALFI commissioned a survey among a representative sample of the adult population residing in Luxembourg entitled ‘The importance given by Luxembourg residents to financial education’.

Here are some of the main findings:

- ✓ 85% of residents said they valued financial education.
- ✓ Four out of ten respondents said that the financial education they received from their parents was non-existent or too basic.
- ✓ More than eight out of ten respondents said that the financial education they received at school was non-existent or too basic.

- ✓ More than eight out of ten respondents said that policymakers need to raise the profile of the importance of financial education.
- ✓ More than eight out of ten respondents said greater financial education is needed in schools.
- ✓ A significant proportion of respondents believed that financial education is also an individual responsibility.

Using a [street interview](#) format, ALFI produced a video showcasing various views of Luxembourg residents on personal finance management, while reflecting the results of the survey.

## II. Initiatives on financial and investor education

### 1. Promoting financial education at the occasion of ALFI events

ALFI decided, in September 2018, to place financial education at the centre of its 30<sup>th</sup> anniversary celebrations. It dedicated an entire 90-minute session to this cause, providing an opportunity for representatives from the government, education, finance, business and the media to explore ways of closing the financial education gap in the Grand Duchy.

**Why ALFI puts investor education centre stage**



[Denise Voss](#)  
Chairman  
LuxFLAG

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**Investor education: All aboard!**



[Simon Ramos](#)  
Partner  
Deloitte



[Jella Benner-Heinacher](#)  
Better Finance

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**Key findings of the study "The importance given by Luxembourg residents to financial education"**



[Carlo Kissen](#)  
Quest

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**Financial education in Luxembourg**



[Claude Marx](#)  
Director General  
Commission de Surveillance  
du Secteur Financier  
(CSSF)



[Stéphanie Damge](#)  
Director  
Jonk Entrepreneuren



[Marc Muller](#)  
CNPSES

#### It all starts at school

“Primary schools are the perfect place to start educating children about the meaning of money”, said Claude Marx, Director General, Commission de Surveillance du Secteur Financier, the Luxembourg regulator in charge of coordinating the national strategy for financial education. “We focus on 11-12 year-olds because that is the age where they start spending money, such as buying apps or in-app purchases.” This is also the best age to teach them how money is earned and how to look after it. Parents with low levels of education also benefit indirectly from these programmes.

David Wright, chairman of Eurofi, said the lack of financial education is stopping many people from investing their savings efficiently. Bank deposits, for example, have yielded close to zero returns for nearly a decade now, and still many savers hoard their wealth in deposit accounts.

In Luxembourg, a number of initiatives have been designed to kick-start financial education at an early age. One such initiative is 'Jonk Entrepreneuren' which works with teachers, schools, companies, chambers of commerce and ministries to prepare young people for employment and entrepreneurship.

Financial education, of course, does not end at school. Pierre Gramegna, Luxembourg's Minister of Finance, announced reinforced educational cooperation between the Luxembourg financial centre and the University of Luxembourg. The industry is providing input to the content of the MSc programme in Finance and Economics, in order to align it with the required skill set for young graduates to enter the financial sector. Likewise, ALFI has engaged with the University of Luxembourg in designing a Certificate in Sustainable Finance, an initiative that the industry wholeheartedly supports.

### Making messages short and clear

If children emerge from schools confident in how they can tackle spending and saving, so the challenges they face can be alleviated – and these challenges are considerable. With the demise of the defined benefit pension schemes, individuals will increasingly have to choose their own investments. Simon Ramos, a Partner at Deloitte, said, *"The industry has an important role to play in making sure that the existing information about fund products is made available to investors in a language they understand."* As the economic certainties of the past recede, so investment decisions become more complex. The challenges for individuals are compounded by lengthening lifespans, meaning people have to look after themselves for longer than ever before. *"There is a lack of clear information, and investors suffer from information overload,"* said Jella Benner-Heinacher, Chair of Better Finance. *"Being a retail investor is not a fulltime job, so we need to keep things short and simple."*

Savers should also be encouraged to see personal finance in the context of wider social and economic changes. *"Personal finance is just a pixel in a huge picture,"* said Marc Muller, of CNPSES, the association of economics teachers in Luxembourg. To understand the implications of their personal finance decisions, people need to have an accompanying understanding of globalisation, the data-driven economy, economic migration, democracy deficits and so on. This is the intersection of economics and social science and should be part of the school curriculum.

*"To lead the way, the industry needs to raise its own profile,"* said Sheila Nicoll, Head of Public Policy at Schroders. As well as talking about investments in ways that people can understand, the industry must explain how it can provide answers to key societal challenges such as sustainability. The industry also needs to better explain costs and value for money. Hidden costs must be consigned to the past. The industry has a role to play in reducing indebtedness too, and safeguarding vulnerable people. In other words, investor education is one of the best tools for consumer protection.

### Technology extends reach of education

The investment industry is starting to embrace technology in order to reach new clients. This technology can also be harnessed as part of investor education efforts. Younger investors are often more comfortable interacting with technology than face-to-face.

Robo-advice, for instance, helps attract new investors, but can also be a key education tool to help wean investors off low-yielding assets and on to more productive investments. While some investors are comfortable with new technology, others are less so. Therefore, investor education should also include a technology element that explains, for example, new channels to access loans and investments, and trade on platforms.

**The mission is clear**

As Denise Voss, ALFI’s former chairwoman put it: *“For the continued growth of our industry, and for the benefit of society and the economy, it’s essential to have well-informed citizens who understand the risks and opportunities of investing and who are capable of managing their personal finances.”*

In these times of increased economic and social challenges, financial education can help individuals shape public policies, pursue successful professional and entrepreneurial careers and protect their own financial interests by medium- to long-term planning, particularly for their pensions.

For people seeking a more equitable world, capital flows are essential to resolving the key issues of our time. And capital flows are dictated by the decisions of millions of savers, whether they know it or not. For the investment industry, governments and regulators, the mission is clear.

**2. Human and financial support for the well-established ‘Jonk Entrepreneuren’**

ALFI provides human and financial support for the ‘Fit for Life’ awareness-raising programme in schools, led by Jonk Entrepreneuren.

‘Fit for Life’ is an educational programme for students aged 14-16 in secondary schools. It has been implemented in Luxembourg since 2008 and consists of six units exploring students’ personal finance, and their educational and career options based on their qualifications, interests and values.

In addition, ALFI organised two information sessions for its members to back Jonk Entrepreneuren’s activities with human capital. Some 166 ALFI members registered to volunteer with JEL’s activities, and 30 of them made an presentation at a high school or got involved as a coach.



As ALFI members show a growing interest in the programme, and have made constructive contributions to the Jonk Entrepreneuren educational programmes in Luxembourgish schools, we are pleased to continue the series of information sessions and also show our commitment by renewing our financial support to the association until 2023.





### 3. Producing comprehensive content for retail investors

ALFI has hosted and promoted a content platform, [Understanding Investing](#), since 2015. In a variety of articles and videos, the website provides guidelines on how to develop a clearer understanding of individual financial needs and investment preferences. We looked at the notions of saving and investing, at what makes money gain or lose value, how to gain access to different types of investments, and how investment funds provide an ideal vehicle for individual investors, in terms of investor protection, safety, diversification and choice. In short, we wanted to equip an audience made up of young people with the basic knowledge to make wise financial decisions. The platform, and the [YouTube channel](#) linked to it, have proved a useful information tool for our target, as we have achieved 200,000 page views and over 3000 subscribers from different geographical regions. Some 70% of our audience is made up of young people aged 18-24, 57% of which are men.

### 4. Joining forces with Luxembourg actors in financial education

Along with the Luxembourg Bankers' Association and other stakeholders such as the CSSF, the Luxembourg Association for Risk Management (ALRiM), the University of Luxembourg and the Ministry of Education, ALFI is a member of the ABBL Foundation for financial education. The Foundation was created in September 2016 to support and promote financial education through organising events, training in the field of finance and university courses, via the University of Luxembourg.

The goals of the Foundation are fourfold: (i) support and promote financial education in Luxembourg and abroad; (ii) boost vocational training in the fields of professional finance; (iii) sustain academic education via the University of Luxembourg and; (iv) foster research via the financing of doctorates, post-doctorates and professorial chairs.

The Foundation produces educational material in collaboration with the Chamber of Commerce, and supports numerous projects initiated mostly by, or for, academic institutions. These include the Luxembourg Tech School programme, an information portal – [Lëtzfin](#), the granting of scholarships for Luxembourg students, the Money Week (D'Woch vun de Suen) organised by the ABBL for the last six years, and – most recently – the Summer Academy (Zuumer Academy), launched in 2019. All of these projects are aimed at fostering financial education and inclusiveness.

## III. Lessons learnt

The ALFI anniversary showed that bringing actors from a diversity of horizons together to the same table to speak about financial education was essential, both for a healthy exchange of views and for a better understanding of needs, expectations and existing initiatives. For ALFI, it was yet another opportunity to stress the importance of this topic, as investing is part of the answer to the challenges our society faces, as well as an instrument for a safer and more comfortable future for subsequent generations.

We were pleased to see that industry professionals at the level of the ALFI membership are willing to contribute their time and expertise in projects that can advance the cause of financial literacy. This motivates us to continuously involve our membership in causes that serve our mission.

While listening to statements from engaged and recognised actors are at the root of financial education in schools, ALFI emphasised the importance of industry players in providing financial and human support to well-established local or national programmes. This will ensure consistency and continuity. The experience that these entities have built up over time provides them with credibility as key players in working with youth and advancing financial literacy.

## Portugal – APFIPP’s Initiatives on Financial and Investor Education

### Joana Santiago Silva

Head of Financial Literacy  
APFIPP



### I. Introduction

Aware of the importance of financial education, APFIPP, the Portuguese Association of Investment Funds, Pension Funds and Asset Management, supports and regularly promotes relevant activities in this field. These aim to increase and enhance the level of financial knowledge in Portugal, particularly in the area of asset management and pension funds.

Over recent years, the APFIPP projects have been integrated into two broader public initiatives: the National Plan for Financial Education and the World Investor Week. The focus of the Portuguese Association has been promoting financial literacy in schools, one of the cornerstones of the National Plan for Financial Education, both through producing workbooks aimed at students of the basic and secondary education levels and through organising educational sessions/activities for students on the importance of saving and investing. Also targeting other audiences, APFIPP seeks to organise training sessions for managers of micro and small enterprises on the role of pension funds as a long-term saving instrument as well as practical sessions and webinars on saving and investing and other issues of interest for investors and the general public.

#### BOX 8: National strategy and financial literacy in Portugal

In 2011, the three Portuguese financial supervisors<sup>63</sup> launched the ‘National Plan for Financial Education’.<sup>64</sup> During the ten years implementing the national financial education strategy, there has been extensive work aimed at improving the level of financial knowledge of the Portuguese population and promoting the adoption of appropriate financial behaviours, and thus contributing to increasing the wellbeing of the population and the stability of the financial system.

The national strategy has promoted an integrated approach to financial education in Portugal by involving multiple stakeholders in this project, including APFIPP. This is with a view to ensuring greater geographical coverage in promoting financial education and to reaching as many different target audiences as possible.

Having in mind that assessing the financial literacy of the population is a key component of a successful national strategy. In 2020, the National Council of Financial Supervisors conducted the third Financial Literacy Survey of the Portuguese Population, joining once again the exercise of measuring and comparing the international levels of financial literacy, fostered by the Organisation for Cooperation and Development Economic (OECD), through the International Network on Financial Education (INFE).

<sup>63</sup> The National Council of Financial Supervisors (CNSF) comprises Banco de Portugal (Bank of Portugal), CMVM - Comissão do Mercado de Valores Mobiliários (Portuguese Securities Market Commission) and ASF - Autoridade de Supervisão de Seguros e Fundos de Pensões (Insurance and Pension Funds Supervisory Authority).

<sup>64</sup> National Council of Financial Supervisors, *National Plan For Financial Education: 2016-2020*, June 2016 ([link](#)).

In the 2020 comparison, Portugal was placed seventh of 26 countries in the global indicator of financial literacy. OECD/INFE financial literacy measures are based on three parameters – financial attitudes, behaviours and knowledge – and Portugal presented above-average results for financial attitudes and behaviours and for the indicators of financial resilience, but below average for financial knowledge.

Portugal also participated, for the first time, in the financial literacy module of PISA (Programme for International Student Assessment), held in 2018 and conducted in 20 countries, whose results were disclosed in 2020. This placed Portuguese 15-year-old students sixth in terms of basic financial skills.

## II. Initiatives on financial and investor education

### 1. Workbooks for students

Acknowledging the importance of approaching financial subjects at a young age, the Portuguese Association has supported the production of workbooks aimed at students of the basic and secondary education levels, with a view to supporting teachers and students during their learning process.



The project was performed under a partnership between the Portuguese financial supervisors, the Ministry of Education and four financial sector associations.<sup>65</sup> It resulted in four Financial Education Workbooks, for all cycles of education, from elementary school to secondary school, which took into consideration the ‘Core Competencies for Financial Education’<sup>66</sup>, which were defined by the National Plan for Financial Education as guidelines for stakeholders conducting financial education initiatives. These were broadly circulated among schools and were made available online for free in both Portuguese and English.<sup>67</sup>

### 2. Sessions and activities for students

APFIPP also seeks to organise educational sessions and activities for students, having as its main goal the promotion of the importance of saving and investing. These sessions have been integrated into the Financial Education Week, an annual initiative promoted by the National Council of Financial Supervisors under the ‘National Plan for Financial Education’ framework. The week is held at the end of October and is associated with the World Savings Day (31 October).

Due to the constraints created by the COVID-19 pandemic, the last session organised by APFIPP under this framework dates back to October 2019. The initiative was part of the activities under the Financial

<sup>65</sup> The four Associations are: APB - Associação Portuguesa de Bancos (Portuguese Banking Association), APS - Associação Portuguesa de Seguradores (Portuguese Association of Insurers), ASFAC - Associação de Instituições de Crédito Especializado (Association of Specialised Credit Institutions) and as mentioned APFIPP - Associação Portuguesa de Fundos de Investimento, Pensões e Patrimónios (Portuguese Association of Investment Funds, Pension Funds and Asset Management).

<sup>66</sup> National Plan for Financial Education, *Core Competencies for Financial Education*, 2013 ([link](#)).

<sup>67</sup> The Financial Education Workbooks are available for download on the website of the “National Plan for Financial Education”:

Workbook 1 - [https://www.todoscontam.pt/sites/default/files/SiteCollectionDocuments/CadernoEducaoFinanceira1\\_EN.pdf](https://www.todoscontam.pt/sites/default/files/SiteCollectionDocuments/CadernoEducaoFinanceira1_EN.pdf);

Workbook 2 - [https://www.todoscontam.pt/sites/default/files/2019-05/cadernoeducaofinanceira2\\_en.pdf](https://www.todoscontam.pt/sites/default/files/2019-05/cadernoeducaofinanceira2_en.pdf);

Workbook 3 - [https://www.todoscontam.pt/sites/default/files/taxonomy\\_file/cadernoeducaofinanceira3\\_en.pdf](https://www.todoscontam.pt/sites/default/files/taxonomy_file/cadernoeducaofinanceira3_en.pdf);

Workbook 4 - [https://www.todoscontam.pt/sites/default/files/taxonomy\\_file/caderno\\_de\\_educacao\\_financeira\\_4.pdf](https://www.todoscontam.pt/sites/default/files/taxonomy_file/caderno_de_educacao_financeira_4.pdf) (Portuguese Version only).

Education Week, which in 2019 used the slogan “Everyone Counts in Financial Education”. It centred its activities on a secondary school of the city of Bragança (located in the north of Portugal).

The session, entitled ‘Produce & Save & Invest’, was directed at 50 secondary school students. It focused on subjects such as the importance of producing and saving, the relevance of investing, the main characteristics of investment funds as saving products as well as the role of each citizen in preparing for their own retirement by saving.



It should be stressed that the Financial Education Week involves a wide range of entities, partners of the National Plan for Financial Education. The activities developed are aimed at different target audiences, specifically students of all ages, teachers and other trainers, managers of micro and small enterprises, football players, psychologists, seniors, vulnerable groups and the general population.

### 3. Trainings for small and medium enterprises

The National Council of Financial Supervisors entered into collaboration agreements with several entities, such as the Ministry of Economy, through IAPMEI (Public Agency for Competitiveness and Innovation) and Turismo de Portugal, I.P. (the Portuguese central public Authority for Tourism), in order to define core competencies for financial education for entrepreneurs, business owners and managers of micro-, small- and medium-sized enterprises<sup>68</sup>, and to develop financial education courses and other awareness initiatives for this specific audience.



Taking this in consideration, APFIPP organises training sessions for managers of micro and small enterprises, with the objective of raising awareness to the role of pension funds as long-term saving instruments aimed at preparing for retirement. These activities have been promoted in partnership with IAPMEI and Turismo de Portugal, IP, also partners of the National Plan for Financial Education.

### 4. Sessions during the World Investor Week

Another point of action of the Portuguese Association has been within the scope of the World Investor Week, which is a global initiative promoted by IOSCO since 2017, to raise awareness of the importance of financial education and investor protection.

<sup>68</sup> NCFS et al., *Core Competencies for Financial Training - Micro, Small and Medium-Sized Enterprises*, 2016 ([link](#)).

In Portugal, this initiative has been promoted by the CMVM (Portuguese Securities Market Commission) with the collaboration of 11 partners<sup>69</sup>, among which APFIPP, covering with this partnership different market sectors and viewpoints. The 2021 and 2020 editions were sponsored by the President of the Portuguese Republic, Marcelo Rebelo de Sousa, emphasising the relevance of these initiatives.



Here, the Portuguese Association has organised practical sessions and webinars on saving and investing and other issues of interest to investors and the general public. The most recent projects were developed under a partnership with Euronext Lisbon. In 2019, two training sessions were held for a total of 400 secondary school students at a school in the city of Maia (in the north of Portugal), under the title 'Saving and Investing to prepare for the Future'.

In 2020, a set of webinars, under the name 'Invest Talks', were held with investors, young people and the general public as the target audience. The first one, 'Invest talk: Saving & Investing'<sup>70</sup>, was held on the 6 October 2020 in collaboration with MoneyLab, a private project specialised in promoting education and financial literacy among families and businesses. It was watched 'live' by more than 1000 viewers and by the end of the year, the webinar had gathered over 4700 views.



In October 2021, two further webinars were organised by APFIPP and Euronext, this time under the name 'Invest Talks: Security and Behaviours in the Investments'. This brought together experts in these areas for two highly practical conversations of around 20 minutes each, moderated by a famous journalist. A first webinar was held on 'Capital Markets, digitalisation and cybersecurity'<sup>71</sup> on 7 October,

and a second on 'Behaviour Finance', issues of strong interest to investors and the general public. Both had about 500 viewers following each event 'live' and after a week each had more than 19 thousand views.

## 5. Content and delivery

The main objective of APFIPP in promoting financial education is to highlight the importance of saving and investing and to raise awareness among the population on the growing individual responsibilities for retirement.

<sup>69</sup> For the fifth year now, the CMVM's partners in this initiative are: AEM - Association of Companies Issuing Securities Listed on the Market, APAF - Portuguese Association of Financial Analysts, APB - Portuguese Banking Association, APFIPP - Portuguese Association of Investment Funds, Pension Funds and Asset Management, APS - Portuguese Association of Insurers, ASF - Insurance and Pension Funds Supervisory Authority, Banco de Portugal and Euronext Lisbon.

<sup>70</sup> [Link](#) to the Webinar.

<sup>71</sup> [Link](#) to the Webinar.

To accomplish these goals a set of topics and key messages were developed to enable improved understanding about these important areas, such as: “saving”, “before investing”, “saving for retirement”, “main characteristics of Investment Funds” and “the role of Pension Funds as long-term savings instrument”. Depending on the age of the audience, the contents are tailored using different techniques, such as games and other engaging methods for the younger generations. For other audiences, presentations, discussions and group dynamics were used, trying to approach the subjects in a simple way and to raise curiosity and interest about the topics covered.

The activities promoted by APFIPP have primarily been face-to-face. However, due to the ongoing pandemic, these had to be organised in a digital format. Since the end of 2019, it was decided to hold webinars and also to have partnerships with projects with high social network presence with a view to reaching a larger audience.



## 6. Evaluation

Depending on the format of the activities developed, different assessment approaches are used. These include brief surveys at the end of the initiatives, collecting feedback from teachers, exchanging views with partners and analysing the data from social networks (e.g., number of views and other indicators).

Promoting financial education involves increasing knowledge and changing attitudes and financial behaviours. Such goals require ongoing work and demand a long-term approach. Here, the evaluation of the success of the initiatives is not easy, since each activity is only a small component of this huge and important mission. Moreover, ongoing monitoring to identify the change in the level of financial literacy over time implies high costs, incompatible with projects made using limited resources.

Bearing in mind the evaluation constrains, APFIPP tries to carefully follow the results of the international and national assessment exercises performed to evaluate financial literacy in Portugal. Such information is very useful, offering a valuable perspective on the efforts accomplished as well as important indicators on the subjects that should be approached in future initiatives.

## III. Lessons learnt

The work of APFIPP in promoting financial education has made positive progress in recent years, involving a range of activities and a set of new partnerships to reach a larger audience.

The major challenges have been to identify ways of reaching out to retail investors and the general public, as well as finding formats to approach them in a dynamic, interactive and interesting way. Improving assessment tools is also another important element that should require greater attention.

From the experience to date, the collaboration between several entities that share the same goal of contributing to the national mission of improving financial education among the population, is a key element of success. It allows for synergies and for reaching larger audiences. Also very relevant is the ability to determine key messages, following known best practices, such as using simple language and didactic techniques and various formats. Much is yet to be done and learned!

## Slovakia – SASS’s Initiative on Financial and Investor Education

### Martin Smrek

Investor education expert  
SASS



### I. Introduction

SASS, the Slovak Association of Asset Management Companies, participates in 5money, an educational project under the aegis of the National Bank of Slovakia. The project was created in 2021 with the aim of helping people in Slovakia to understand the world of money better.

5money is a project that includes a range of initiatives, such as an online platform and school activities, which provide financial education content to a wide audience, from children in elementary schools to adults of working age who need to learn how to manage their money or family finances, how to build rainy-day savings and how to save and invest.



#### BOX 9: Financial literacy in Slovakia

The level of financial literacy varies significantly between countries. In Slovakia, it is lower than in other Western European countries for a variety of reasons, including the lack of a national financial literacy strategy or the absence of financial education in schools.

Historically, higher interest rates on bank deposit products in the past did not motivate Slovaks to invest their money. Passbooks and term deposits were the most popular investment products for a long time. Collective investment in Slovakia has started in 1998, since then the topics such as investing, savings, or taking care of money, has gradually attracted more attention. Nonetheless, many people still do not know how to take care of their money.

Although the absence of financial education in schools has been in part compensated by communication activities by financial institutions and the media, the National Bank of Slovakia decided to launch and manage a special educational project, 5 money, supported by a dedicated webpage.

## II. The '5money' initiative

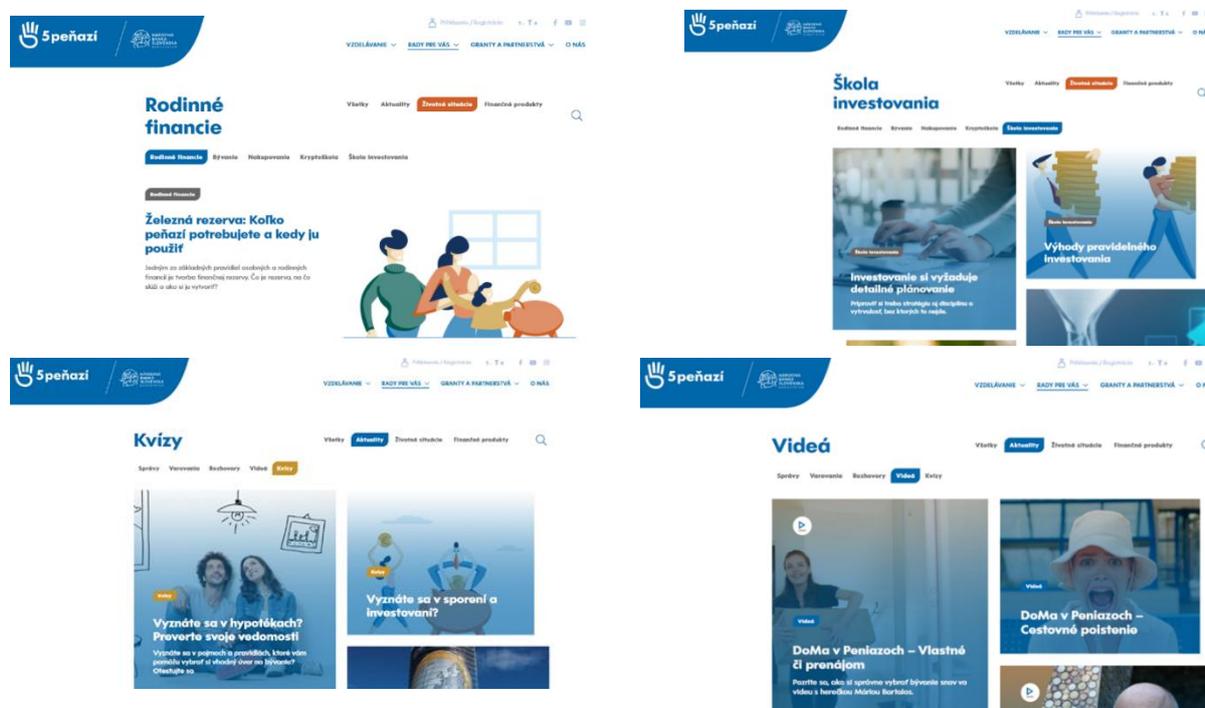
### Context

Given the absence of national financial literacy strategy in Slovakia, 5money was considered to be an important project for the country. SASS participated in the project, alongside individual asset management companies, by providing expertise on topics such as family finances and approaches to saving and investing.

The National Bank of Slovakia identified investor education needs in Slovakia based on the results of a survey on basic financial literacy in secondary schools, as well as its complaint database and requests made by customers.

### Content and delivery

As low financial literacy is a frequent cause of consumers problems, or the reason for their dissatisfaction with the financial services, the National Bank of Slovakia launched an [educational portal](#) containing a lot of useful educational resources and information. The main message conveyed by the platform was that a better level of financial literacy is necessary to make better financial decisions.



The content of the webpage has been composed of two basic blocks: 'Family situations' and 'Financial products'. 'Family situations' includes sections on family finances, housing, shopping, crypto school, and the school of investing. These sections help readers better understand the basics of finance for life situations, such as how to set up a family budget, how to create a financial reserve, how to solve the dilemma of owning or renting a house and how to use credit cards more safely. In 'Financial products', there is information on current accounts, loans, investing, saving and insurance products. It should help people better understand basic financial products, recognise the differences between them and to understand how to use them properly.

While developing the platform, SASS focused on family finances, providing advice on financial planning, building up financial reserves, setting up a family budget, tips on how and where to save money, as well as explanations of basic financial products. The school of investing provides another important building

block of the initiative. It focuses on topics like why and how to invest, basic investment principles, the biggest investment mistakes and the advantages of regular investing. This section also reflects on the biggest investment myths that many people still believe and tries to help them make better investment decisions. To make the message more accessible, SASS used simple language and preferred pictures, videos and quizzes to complex diagrams.

The launch of the portal was supported by a dedicated marketing campaign, which used various communication tools including radio, print advertising and special press releases. The campaign also used social media channels, particularly Instagram and Facebook.

In addition to the online platform, several additional activities were organised, such as informal financial education activities in schools and educational centres in various regions of Slovakia, webinars for university students and financial quizzes for children. Just over 30,000 students have attended financial literacy lectures under the aegis of the National Bank of Slovakia, over 8000 children have passed the financial literacy quiz and more than 14,000 have received financial literacy exercise books. SASS has participated by giving investing lectures for university students, both physically and online.

### Evaluation

As the whole project has only recently started, there has been no evaluation conducted to date. However, in the future, we plan to use website traffic figures, feedback from audience as well as a survey of financial literacy conducted in secondary schools. Among the leading challenges are the coordination of large number of educational activities, reaching out to clients and assessing the impact of the initiative.

## Spain – Inverco’s Initiatives on Financial and Investor Education

### Rubén de Domingo de Diego

Economist  
Inverco



### I. Introduction

Inverco, the Spanish Association of Investment and Pension Funds, has long promoted financial education in Spain with projects such as the Investment and Pension Funds Observatory, which was developed to increase awareness of investment and pension funds among the population. Inverco is continuing on this path with Rumbo a tus sueños (Reach your dreams) and pill videos on the website ‘Que el ahorro te acompañe’ (‘May savings be with you’).

#### BOX 10: Financial literacy in Spain

Between 2016 - 2017, the Spanish National Securities Market Commission and the Central Bank of Spain, in collaboration with the Spanish Institute of Statistics, carried out a financial competency survey. This initiative was part of an international project coordinated by the International Network of Financial Education under the auspices of the OECD, whose main goal was to measure the knowledge, the attitudes and financial behaviour of the population in a broad set of countries.

Among other things, the survey discovered that the average financial literacy score of the sample was 5.99 out of a possible 10. While 70% of the individuals displayed medium or high levels of financial literacy, 25% had low or very low financial literacy. The age range with the lowest financial literacy was the elderly. Among younger age groups, the differences are minimum, with individuals displaying medium to high levels of financial literacy. The proportion of men that display medium to high levels of financial literacy is higher than among women (82% vs 71% of women). As a rule, the higher the level of education achieved by the individual, the greater their financial literacy. This highlights the need to continue developing adequate financial education programmes that can allow the population to make right decisions in an environment of increasing financial complexity.

The survey also indicates the vital importance of early-stage financial education to guarantee that citizens have sufficient financial literacy to conduct their adult life. Financial education initiatives aimed at students are therefore a necessary foundation for further financial education.

### II. Initiatives on financial and investor education

#### 1. Rumbo a tus sueños

##### Context

In collaboration with Junior Achievement, Rumbo a tus sueños has been developed to bring financial education to vocational training students.

Junior Achievement is a non-profit organisation, whose main purpose is to inspire and prepare young people to succeed in a global economy. Junior Achievement is dedicated to preparing the youth for

their future employment by giving them the knowledge and skills they need to be economically successful, plan for their futures, and make smart academic and economic choices.

This initiative is programmed for three years. The second edition has now started, although due to the restrictions caused by the pandemic situation, in a different way to the first. Junior Achievement therefore had to adapt all content to digital formats.

### Content

Every year, Junior Achievement holds multiple programmes composed of three in-person sessions of one hour with a given group of students. In 2019 and 2020, there were 26 such programmes.

Prior to the start of each year, Inverco reaches out to its associates to establish who wishes to take part in the project. Depending on the number of volunteers, Junior Achievement schedules a certain number of programmes. It then contacts different schools around Spain and sets the timetable for the programmes. The number of volunteers that participate in each programme can be one or two.

The goal of this initiative is to explain different basic financial concepts to vocational students that are not studying finance as part of their curriculum. The main concepts we try to teach are:

- 1) How to make the distinction between different time horizons;
- 2) How to set up a budget according to your goals, taking into account your different time horizons;
- 3) The concept of consumer price index;
- 4) The different investment opportunities and the importance of diversifying;
- 5) Sustainable finance and ESG factors. This material is a new addition to earlier editions.

Las inversiones sostenibles son aquellas que además de los criterios financieros (rentabilidad/riesgo) tienen en cuenta los siguientes criterios:



### Delivery

The sessions are usually delivered in person by the associates in the schools participating in the project. The associates give a presentation where the aforementioned financial concepts are explained, then the students are asked to choose a case study to be explored during the course. The students have a choice between five different day-to-day situations. Moreover, when studying the consumer price index, the speakers show students the [INE website](#), where they can see and understand how prices fluctuate. Another part of the session consists of thinking about the future goals of the students. At the end of session, students are invited to draw an “idea cloud” following a link that students can find in the slides.

## Actividad 1. Un futuro cambiante.



Seréis vosotros quiénes calcularéis un ejemplo, a través de la calculadora del INE, que os mostrará la variación económica.

<http://www.ine.es/varipc/index.do>



From experience, it is very important to adapt the language and the content of the presentation and exercises, as the students are aged 15-18 and have not previously been exposed to financial concepts. In fact, before the first class/session, teachers often recommend that volunteers use plain language to capture the attention of the students.

When we started to prepare the second edition, during March - April 2020, the sanitary situation was worsening. Therefore, we decided to move to a digital format and to adapt all the content accordingly, in order to keep the initiative alive.

### Evaluation

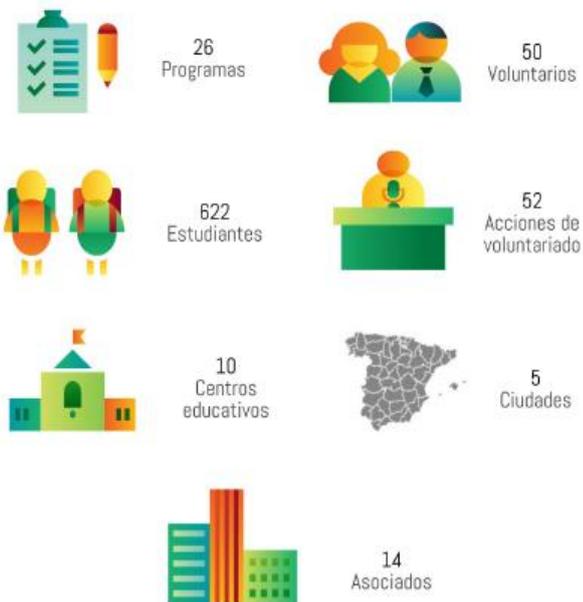
During both editions, Inverco took part at the start of each programme to test the materials, timing and online platform.

After a programme finishes, Junior Achievement sends an evaluation survey to the volunteers and the school. Once all surveys have been compiled, Junior Achievement prepares a report to evaluate how many schools benefited from the programmes, how many students received the training, the different cities where the programme took place and the level of satisfaction among the volunteers and schools.

One of the challenges encountered when preparing for the second edition was the need to adapt all the contents to digital formats. Fortunately, the experience of Junior Achievement with the Learning Machine System (LMS) platform eased the transition. Nevertheless, the absence of human touch, usually so essential to teaching, was felt. When you are in the class, you can notice when the students are not paying attention or when they have not understood a concept and you can adapt your presentation and language accordingly. Although the project was able to reach to more schools through the online format, we expect for the next edition to revert back to in-class sessions.

Another challenge encountered was that the sessions were probably too short. The speakers would need at least one more hour to go through the whole programme at a slower pace.

### DATOS NUMÉRICOS\*



## 2. Pill videos and infographics on financial concepts

Between October 2020 - May 2021, Inverco also developed, in collaboration with AFI (Analistas Financieros Internacionales), seven short (approx. one minute) videos alongside infographics summarising the content of the videos, available on the 'Que el ahorro te acompañe' website.<sup>72</sup>

The target audience for the videos is the average person, without any investment knowledge. Although the themes are varied, the red thread running through these videos was "Ideas that help you save money". Without seeking to be exhaustive, the topics covered in the videos were:

- 1) The long-term effect of inflation;
- 2) Advantages of regular savings;
- 3) Investment objectives and horizons;
- 4) Short, medium and long-term savings;
- 5) Savings for contingences;
- 6) Compound interest;
- 7) Investor behaviour biases.

Since the first post in October 2020, the number of total views of these videos, has risen to 2727.

### III. Lessons learnt

In recent years, financial and investor education in Spain has translated into a growing and greater financial literacy among the general population. In fact, the latest surveys carried out by the Observatorio Inverco – the main aim of which is to analyse the behaviour of savers as well as their financial knowledge – have showed that there is a growing interest among Spanish savers for higher-risk products. These include investment funds that generate added value, rather than more conservative products such as bank deposits, in line with the recommendations from the European Commission on the participation of retail investors in capital markets. In addition, we also observe an increase in savers' investment horizon, which historically have been short-term.

However, we must continue focusing our efforts on financial education; any step in this direction will promote a greater awareness of citizens and savers for the importance of saving for the future.

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<sup>72</sup> [Link](#) to the website.

## Sweden – Fondbolagens förening's Initiative on Financial and Investor Education

### Eva Reimers

Head of Communications  
Fondbolagens förening



Fondbolagens förening

SWEDISH INVESTMENT FUND ASSOCIATION

### I. Introduction

Fondbolagens förening, the Swedish Investment Fund Association, is committed to fostering investor confidence in the financial sector. After developing [Fondkollen](#), a comprehensive financial education website with interactive tools such as an investment calculator, 'check my fund' and 'find a new fund', we are supporting 'Young Personal Finances', an initiative that aims to increase financial literacy among upper-secondary school students.



#### Box 11: Financial literacy in Sweden

From a global perspective, levels of financial literacy are high among the populations of the Nordic countries, with understanding of personal finances greater in Sweden than in many other countries. The 2014 S&P Global Ratings global survey, 'Financial Literacy Around the World', showed that 71% of Sweden's adult population understood financial concepts such as risk diversification, inflation, interest and compound interest.<sup>73</sup>

The Swedish Financial Supervisory Authority's most recent survey of Swedish households' financial literacy also shows relatively high figures, with the majority of Swedish households understanding interest, inflation and why buying units in an equity fund is safer than buying individual equities. An improvement in financial literacy is clear when comparing with the Authority's 2017 survey, although

<sup>73</sup> Leora Kappler et al., *Financial Literacy Around the World: Insights from the Standard & Poor's rating services global financial literacy survey*, November 2015 ([link](#)).

different measurement methods should be taken into account: 87 %, 76%, and 73% gave correct answers to the basic questions about interest, inflation and diversification, respectively.<sup>74</sup>

The Swedish figures may look high by international standards, but maintaining these levels requires ongoing efforts. Just as in other countries, there is a difference in financial literacy between men and women, and between higher and lower income groups. Younger people also tend to have lower levels of financial literacy than older ones.

## II. A Swedish education initiative: youth to youth

Ung Privatekonomi (Young Personal Finances), is a school information project that aims to provide personal finance and savings education for Sweden's upper-secondary school students. The talks and educational materials are made available to upper-secondary schools, free of charge, with the project's ongoing survival secured through financing by a number of organisations, including the Swedish Investment Fund Association.

### The organisations behind the project

Ung Privatekonomi was founded at the beginning of the new millennium on the recommendation of Unga Aktiesparare, the youth wing of Aktiespararna, a member organisation for private individuals who save in shares and funds, in order to educate young people on personal finances.

The Swedish Financial Supervisory Authority was initially involved in the initiative, with a special focus on the northern Swedish province of Norrland, but the project is backed nowadays by Aktiespararna, the Swedish Investment Fund Association, NASDAQ OMX Stockholm, the Swedish Securities Market Association, Swedish Bankers' Association and Unga Aktiesparare. Thus it is a private, independent initiative, rather than part of the national strategy. Holmen and Handelsbanken also support the project, and Unga Aktiesparare runs the day-to-day operations. These organisations are united by a common interest in creating well-informed consumers as well as ensuring that market confidence is maintained and that market competition works properly.

### Personal finances covered in schools varies in scope

The Swedish national curriculum mandates personal finance education in schools. At compulsory school level, the subject is included in home and consumer studies classes, while at upper-secondary school level, it forms part of social studies classes. However, these are very wide-ranging topics, and the amount that students learn about personal finances, specifically, is largely dependent on the teacher's interest in, and knowledge of, the subject. This is where Ung Privatekonomi comes in.

Classroom surveys conducted by Ung Privatekonomi reveal a considerable need for the project:

- 81% of students want more personal finance studies in schools;
- 40% of students feel that they have not previously learned anything about personal finances, in spite of the subject's inclusion in the national curriculum.

### Communicators visit the schools

The project's underlying concept is "youth meets youth". Some 14 people, most of whom are university level economics students, are currently employed part time to work as communicators in Sweden's

<sup>74</sup> Finans Inspektionen, *Households' finances and financial literacy*, December 2020 ([link](#)).

upper-secondary schools. They teach students about personal finance issues and cover a wide range of personal finance matters, such as loans, insurance, savings, shares and investment funds.

They are employed across Sweden with the aim of covering as many upper-secondary schools as possible, from the far north to the far south. They have individual goals for the number of students they will meet, varying in line with the part of Sweden in which they work and how experienced they are.

In purely practical terms, the communicators contact the schools and make appointments to give their talks. If they already know the social studies teacher, the booking process works smoothly and they are able to return year after year. Teachers also sometimes gather large numbers of students together in an auditorium, so that the communicators can reach out to a large number of students at once.

Just as in other countries, levels of financial literacy in Sweden are generally lower amongst women than men. The goal of Ung Privatekonomi is to employ equal numbers of men and women as communicators, because they believe it is important for young girls to meet female role models; visiting schools is an excellent way of getting information to both girls and boys from different backgrounds at an early stage in their lives. Special effort is also put into reaching out to schools in less well-to-do areas; however, experience has unfortunately shown that it is harder to book time in these schools.

### Presentation and a book



The tools used by all communicators are a presentation and a book. All use presentations that contain the same information and have the same basic format, but individual communicators can also adapt the presentation and inject their own personal experiences and thoughts. Hearing how the communicators themselves developed their interest in personal finances and savings, and their thoughts on their own personal finances, makes the talks more interesting and is one of the real strengths of the programme.

*“My interest in savings was aroused when I listened to a talk by Young Personal Finances at my school. That was how it all started,”* says Henrik Johansson, who is currently the CEO of the Unga Aktiesparare organisation and of Ung Privatekonomi. He continues *“The financial sector in Sweden is very advanced, but that also means that young people are faced with a wealth of offerings. It’s easy to let yourself be tempted by the idea of consuming now and paying later – like pizza on credit. And with more and more young people requesting debt reconstruction, Sweden is clearly going in the wrong direction. We need to educate young people so that they can evaluate these offerings, and if my own generation is going to receive an OK pension when we are old, we need to start saving now.”* He would like to see personal finances introduced as a subject in its own right from grade 6 onwards.

Ung Privatekonomi has also, in collaboration with its sponsors, produced a book that is handed out during the talks in schools. Entitled ‘Afford your dreams’ and updated continuously, it is given to interested students free of charge, and covers the following areas: budgeting and personal finances, saving and investments, shares, investment funds, pensions, loans and insurance.

Industry organisations were responsible for the factual content when the book's texts were written, while the 'Ung Privatekonomi' communicators checked that the style and approach were right, and the texts were at the right level for the target groups. A group of dedicated upper-secondary school teachers also read through all the texts, ensuring an educational approach to the information and a neutral presentation.

Approximately half of the students request the physical book, which can be printed and handed out free of charge thanks to forestry company, Holmen, which pays for the paper. The book can also be downloaded from [www.ungprivatekonomi.se](http://www.ungprivatekonomi.se).

### Evaluation

The project is cost-effective and the "youth to youth" concept is proving highly successful. Currently, 'Ung Privatekonomi' communicators meet with one quarter of Sweden's upper-secondary school students, or between 20,000 - 25,000 people each year. Since the project began in the early part of the millennium, they have trained just over 250,000 students. Ideally, we would like to reach 100% of upper-secondary school students, and – as the project is scalable – new sources of finance are now being sought.

Although this is an extremely cost-effective way of reaching out to school students – the programme costs c. SEK 40-45 (EUR 4-4.5) per student – the actual booking process is time-consuming. The organisation has therefore invested in a new booking system over the past year, which has automated the booking process and substantially increased its efficiency. The project expects to reach a record number of students this year as a result.

School-based talks are an excellent way of reaching out to young people who do not learn about personal finances at home or elsewhere. When teachers and students were asked for their opinion of the talks, the results were:

- 95% of teachers thought that the talks provided important content;
- 95% of students thought that the talks provided important content.

### III. Lessons learnt

Using committed young people who teach their peers and stimulate their interest in personal finances has proven to be very successful. The initiative is appreciated by both teachers and students. The surveys show that the students think that the content is important, and they want to learn more about personal finances.

The conclusion is that this private initiative has been a successful concept, one which is scalable and could be copied. It fulfils an important function and reaches many people. It is desirable that all students in Sweden receive the education provided by Ung Privatekonomi. Introducing personal finances as a separate compulsory subject on the school schedule is needed in order to increase the financial literacy among all Swedish students.

## United Kingdom – The IA’s Initiatives on Financial and Investor Education

### Katie Martin

Head of Communication  
The Investment Association



### I. Introduction

The Investment Association (IA) is committed to ensuring investment managers are in the best possible position to help consumers achieve their financial aspirations. The two IA flagship initiatives in this area are ‘Investment2020’, which builds awareness for the investment industry and contributes to the development of young people, and the IA’s ‘Fund Communication Guidance’, which provides advice to asset managers as how best communicate with (retail) investors.

#### BOX 12: Financial literacy in the United Kingdom

According to the ‘OECD/INFE 2016 Survey of Adult Financial Literacy competencies’, which benchmarked countries to an internationally agreed set of questions, adults in the UK scored below average for OECD countries – well behind France, Norway and Austria.<sup>75</sup>

The FCA’s ‘Financial Lives survey 2020’ found that 14 million UK adults (28%) had low confidence in their ability to manage their money, 7 million adults (14%) did not consider themselves to be “confident and savvy” when it comes to financial services and products, and almost 16 million (30%) felt they have little knowledge of financial matters. Furthermore, 58% of those aged 45+ who are not retired had put little or no thought into how they will manage financially in retirement. Over half (55%) of defined contribution pension scheme members had low levels of pension engagement.<sup>76</sup>

### II. Initiatives on financial and investor education

#### 1. Investment20/20

Investment20/20, the Investment Association’s talent solution, has since 2013 helped drive a forward thinking, responsible and inclusive investment industry by adopting an inclusive approach to careers outreach, recruitment and the development of young people.<sup>77</sup>



<sup>75</sup> OECD/INFE, *International Survey of Adult Financial Literacy Competencies*, 2016 ([link](#)).

<sup>76</sup> FCA, *Financial Lives 2020 Survey: the impact of coronavirus*, February 2021 ([link](#)).

<sup>77</sup> [Link](#) to the website for more information.

Taking an industry-led approach to youth engagement, Investment20/20 spearheads an outreach service that goes deep into communities of young people with little awareness and understanding of investment management using insight sessions, deep dive workshops, marketing collateral, videos and social media. Low industry familiarity is primarily due to a lack of networks and access to people who work in the industry.



The outreach by Investment20/20 attempts to improve young people's understanding of the industry and inspire a broader base of young people to work in the sector, thereby improving industry diversity in the longer term. The outreach with young people builds a favourable understanding of the industry, its impact on individual long-term financial security and its wider impact on environment, society and governance.

### Context

During our outreach engagement, the IA was able to identify the lack of young people's understanding of investment management through discussions with students in schools, colleges, and universities.

These observations were further corroborated by our youth insight research, conducted in 2018 with young people aged 16-24. Among other things, the research found that:

- Investment management is the least known sector in financial services;
- Young people learned nothing about personal finance at school;
- Understanding of the sector comes from family and friends, followed by negative news;
- There is a perception that the industry lacks social good;
- There is a fear that they will not fit in.

It is therefore unsurprising that there is a lack of young people applying to industry-entry jobs, particularly among those who do not have friends and family working in the industry. The objectives of Investment20/20 are therefore:

- To raise young people's awareness of investment management as:
  - a career of choice;
  - an industry that is inclusive welcoming people from all backgrounds

- an industry that they will engage with through their pension regardless of which industry they work for;
  - an industry that is crucial to supporting each individual's long-term financial wealth;
  - an industry with a societal impact.
- To give firms direct access to diverse young people and signpost them to industry-entry trainee jobs.

Although Investment20/20 is not a financial education initiative per se, investor education is embedded within the insight talks delivered to young people, as an objective of the initiative is to contribute to the personal development of these young people.

### Content and delivery

Student insight and careers sessions are delivered in schools, colleges and universities with the support of industry professionals, keeping the content relevant and fresh and addressing key industry themes and priorities. Multiple messages are conveyed during these sessions:

- Distilling what the industry does for investors into succinct and clear explanations using examples that young people can relate to and the impact on their lives as individuals, while using plain English and avoiding industry jargon.
- Using relatable examples of topics of interest to young people to explain their influence as an investor on driving a social purpose, including the significance of the industry in investing to address climate change, reduce modern slavery and diverse and more equitable leadership representation within companies.
- Exploring the range of career opportunities across the three areas of investments, support functions and running of the company and that the range of options caters for a breadth of interests and skills and not just for those who are academic or numerate. Examples are brought to life with real case studies.
- The reasons why the industry wants people from different backgrounds and welcomes diversity in all its forms, as this is good for business enhancing innovation and reducing risk of group think, important for team culture and for industry to represent the wider communities that we serve.
- Discussing the main skills that employers are looking for such as curiosity, problem solving and team work through to work ethic, resilience and integrity – exploring examples of how these skills are developed through education, personal interests and any experience of work.
- Setting out the different entry routes into a career in the industry, including straight from school, college or university.
- Signposting to 'Investment20/20' trainee-entry jobs with member firms.

Students are usually pleasantly surprised to see the diversity of industry professionals and hear their personal career stories, inspiring them to consider a career in the industry and to see the industry as relevant to their personal lives as a future consumer.

The IA uses e-comms communicating with over 3700 schools, colleges and universities and directly to young people who have selected to receive information from us, as well as marketing materials and our website. There are also links to our social media channels including YouTube, Twitter, Instagram and Facebook.

## Evaluation

The 'Investment20/20' model has been running since 2013, and each year there are further enhancements to our outreach and interaction with students. Since January 2021, we have delivered over 200 student insight sessions.

Here is an example of student industry awareness. Some 60 students in their final year of school/college were assessed pre- and post-engagement from one of our 2021 Think Investments student programmes:

- Understanding investment management; over 80% of participating students felt that, following the programme, that they had a better-developed understanding of investment management.
- Over 80% of participants believed that investment management was an accessible and diverse sector, compared to a 41% pre-programme level.
- And 68% of participants felt they had a well-developed understanding of the career pathways in investment management, compared to only 6% pre-programme.

## 2. Fund Communication Guidance

The Investment Association developed guidance for its members, entitled 'Fund Communication Guidance: Clarity of language in fund documentation: fund objectives and investment policy'<sup>78</sup>, to enhance comparability in the fund industry and thereby ensure better outcomes for end investors.

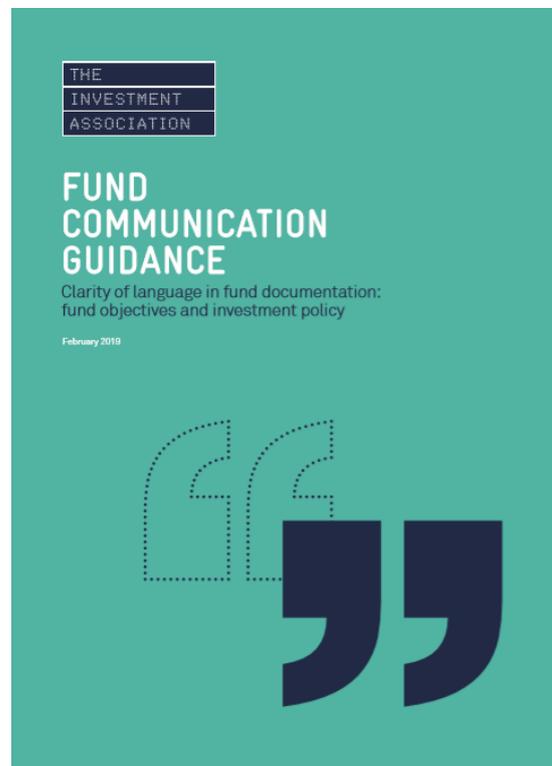
### Context

In June 2017, the Financial Conduct Authority (FCA) published the 'Asset Management Market Study Final Report'.<sup>79</sup> This report highlighted, among other points, the difficulty for customers in knowing what to expect from their fund and in assessing whether it was performing against its stated objectives.

The IA responded by working with consumer representatives and agreed to promote:

- The use of consistent terminology in communications from fund managers on their funds, to help customers make comparisons across different funds, and;
- How to facilitate the comparability of funds on the basis of their stated objectives.

Our work has been informed by consumer testing, in collaboration with The Wisdom Council, which gave us an insight into what customers understand and how they would like things to be explained to them. The testing explored how customers interact with the fund industry and explored how best to engage them in the key documentation. In particular, the testing explored clarity of language in objectives, policy and strategy,



<sup>78</sup> IA, *Fund Communication Guidance: Clarity of language in fund documentation: fund objectives and investment policy*, February 2019 ([link](#)).

<sup>79</sup> FCA, *Asset Management Market Study: Final Report*, June 2017 ([link](#)).

as well as customer expectations over performance reporting, risk and time horizons.

### Content and delivery

The messages conveyed by the Fund Communication Guidance to asset managers are:

- To focus on mindset, rather than compliance. Firms should not view developing fund documentation content as solely an exercise in compliance, but should also actively seek to always speak to customers in language they will understand and address the most important issues for them. This principle should inform the creation, design and approval stages of documentation.
- There are no right answers in how to develop communication, and it is not our intention to place any constraints on how firms communicate. The underlying goal for the IA is to provide a framework to help firms start thinking differently and more consistently about their use of language.
- All fund communication should be within the scope. As the FCA wants to see improvements both in regulated material and in marketing communications, this Guidance is to be used when developing both regulatory and non-regulatory literature, e.g., both Key Investor Information Documents (KIIDs) / Key Information Documents (KIDs) and fund factsheets. Furthermore, our consumer research has shown that the 'how', as opposed to the 'what', can be as important as the information itself. While this Guidance does not extend to the use of different communication channels and technologies, firms are encouraged to consider this.
- Strike a balance between concision and simplicity. There is clearly a challenge in striking the right balance between being succinct in fund disclosure documentation and avoiding jargon or technical terms that are designed to describe a concept in a concise manner. In this Guidance, we try to find that balance.
- Responsibility throughout the distribution chain; clear disclosure and good customer information is a responsibility throughout the retail distribution chain.
- The importance of testing when developing fund documentation.

Furthermore, based on the consumer testing conducted by the IA, the Guidance also provides several recommendations for asset managers as for how to phrase and draft communications to investors:

- Accessibility and setting the tone:
  - Pay close attention to what may constitute jargon and try to minimise this as far as possible.
  - Customers want information to be as up-to-date as possible and to be more accessible on providers' websites, particularly execution-only investors.
- Concision and precision:
  - Short simple explanations can aid understanding; customers get confused by excessive detail.
  - Customers prefer precise, rather than vague, terms, for example 'acceptably low' or 'predominantly' are not really helpful without qualification.
  - Percentages are helpful but ideally should add up to 100%, for example when allocations are broken down.
- Importance of narrative: a coherent and well-articulated narrative goes a long way to helping customers understand what they are buying.
- Role of layout: although there are constraints on the layout of the KID and KIID, improvements can be made, for example, using bullets and section headers in bold to signpost details and aid comprehension.

The Guidance was circulated to the IA membership, i.e. investment managers and affiliates. The delivery was therefore through our usual member distribution channels, as opposed to a wider public/media relations campaign.

### Evaluation

The IA plans to carry out research in due course evaluating IA member fund communication against both the IA guidance and FCA rules and guidance.

### III. Lessons learnt

The Investment Association drew several takeaways from these two initiatives. First, as regards student outreach, there are challenges of scale of student reach versus quality of student interaction. Young people want and enjoy the direct interaction with industry employers, but this approach limits the scale of students that we can reach.

Assessing the impact of our outreach on students successfully applying to investment management trainee programmes is something that we are able to do. However, the long-term impact on future investor behaviours as a result of positive engagements with industry through our outreach is not something that we can assess. We are guided by feedback at the time of our interaction.

Second, as regards communication to investors, the IA Guidance is about providing support for members, not outlining one prescriptive way for how disclosure should be conducted. There are no right answers in how to communicate – the underlying goal for the IA is to provide a framework to help firms start thinking differently and more consistently about their use of language.

Perhaps one of the key lessons is that while the industry is used to certain terminology, customers frequently find it challenging to understand what we mean. Even simple terms such as “passive” (customers prefer “tracking”) need to be used with caution, as this had a negative, literal connotation for many of those who took part in our research.

The other lesson is that we are probably still closer to the beginning of the journey in making investment management more accessible and understandable. However, the industry is very keen to do more in this area to help consumers.

## Part III.B: Corporate Member Initiatives

### Allianz Global Investors – Initiatives on Financial and Investor Education

#### Sandra Radulj

Senior Manager, European Affairs  
Allianz Global Investors

#### Doris Grieshaber

Global Head of Finance Operations  
Allianz Global Investors

#### Sabine Schmitz

Marketing Manager  
Allianz Global Investors



#### I. Introduction

As a sustainable investor, Allianz Global Investors (AllianzGI) sets the same high standards both for the companies in which it invests and for its own business. This includes seeking to exert a positive influence in managing the impact the company has on society, the communities and the environment. Financial education is one of the focus areas; AllianzGI is committed to using its investment knowledge to promote financial literacy among different audiences, including the younger generations.

Among these, here are two highlighted initiatives on financial education by AllianzGI:

- **Fit Für Die Wirtschaft (Fit For The Economy - FIT):** a business training that was offered to students aged 14-16 in Germany. It brings topics from the financial world into the classroom, with the aim of improving the economic and financial education of young people.
- **Allianz Global Investors Academy:** a new project designed for end investors and distributors. The Academy is an interactive platform where users can learn – in an engaging manner – about financial trends, topics and investment strategies. It specifically focuses on overarching topics such as behavioural finance and sustainability.

#### II. Initiatives on financial and investor education

##### 1. FIT Programme

##### Context

AllianzGI identified students' needs for financial education based on the findings of the Banking Association's Youth Study 2021.<sup>80</sup> In this study, when asked how much they had learned about economics at school, 30% and 38% of the participants aged between 14-24 "almost nothing" and "not

<sup>80</sup> Bundesverband deutscher Banken, *Jugendstudie 2021 zu Wirtschaftsverständnis und Finanzkultur*, 29 September 2021 ([link](#)).

so much" respectively, with only 30% replying "a lot". In general, young people saw themselves as insufficiently informed, especially in topics around financial education, and 76% of them would like to see greater emphasis on economic education at school.

AllianzGI joined forces with IW JUNIOR in 2019 to work on the FIT programme. As a subsidiary of the Institute of the German Economy, IW JUNIOR successfully promotes economic education, vocational orientation and entrepreneurship education for students, and links business with schools. Students experience the impact of their own actions in various projects, and build up business knowledge, valuable soft skills and career-relevant competencies such as teamwork, personal responsibility and independence.

**Content**

Students are given the tools and knowledge to plan more for their future money-related matters, recognise the necessity of financial provision, properly balance purchasing decisions and, as well-informed consumers, move more confidently through today's consumer and business world. The programme gives them the opportunity to reflect on their ambitions and life planning and to develop actions tailored to their individual situation and available resources.

The volunteers of AllianzGI who participate in the programme address in particular the topics of "environment and economy" and "planning". The first explores the extent to which each student can contribute to addressing ecological, economic and social concerns, allowing them to learn about the global value chain. Along with the volunteers, students reflect on their economic interests and their compatibility with environmental protection, discuss the scarcity of resources, consumption habits and the consequences their actions have on the climate and the environment. The latter explores the considerations around income and expenditure in financial planning. It covers the difference between one-time and ongoing expenses, as well as how to deal with and prevent debt.

Other topics for digital lessons include "cashless payment transactions", "budgeting" and "contracts". For lessons at school, we cover topics such as "young consumers", "ABC of the financial world" and "dream profession".



**Delivery**

Employees from AllianzGI and other companies support the FIT programme as business volunteers and conduct the training together with the teachers. Business volunteers and teachers jointly determine and develop the content of the 90-minute FIT lessons. The exercises and activities in the materials form the basis of the module. This is supported by IW JUNIOR who provides project organisation and coordination, conducts the training for business volunteers and teachers and supports the implementation.

In 2020, FIT lessons were extended from the classroom to video conferencing. This means that the young people could also participate from home. Within a short time, a new set of materials for the online FIT lessons was put together for the business volunteers with the help of IW JUNIOR. These consist of three complementary resources: flexibly combined exercises and pre-structured teaching

modules for the FIT classroom visit as well as online lessons. All materials are available for the participants via the project website.

Exercises can be flexibly combined with the lessons and are summarised in a handbook. The teacher and the business volunteers select the appropriate exercises for the lesson. In addition, teachers can use the exercises for preparation and follow-up. All exercises are explained in detail: duration, learning objective, necessary materials and the procedure. There are also tips on how to carry out the exercises and solutions. The handbook is supplemented by a student workbook, which contains explanatory texts and tasks.

Pre-structured teaching modules are independent units. They use a mix of methods and include presentations, role plays as well as group and partner work. Each module consists of a 90-minute basic unit and additional 45-minute in-depth and extension units. The basic unit provides a general introduction to the topic. The in-depth and extension units ensure an intensive examination of the topic. For each unit, there is a lesson plan and a PowerPoint presentation to guide the students through the lesson.

The online teaching units are based on materials for the in-class lessons. The content has been condensed for the online FIT lessons so that a single lesson of 45 or 90 minutes can be organised flexibly. All units consist of a PowerPoint presentation and an online quiz.

### Evaluation

Business volunteers and teachers who participate in the FIT programme are asked to take part in an online evaluation following participation. The questionnaire consists of multiple-choice questions and a free field for suggestions and wishes. The feedback from business volunteers and teachers is used to improve the content of the programme and the materials. The trainers also interview the students right after the teaching unit with a questionnaire for separate evaluation.

For the 2019-2020 school year, when the programme was launched by AllianzGI, 26 business trainers had been engaged by the time the pandemic started. Of them, 40% participated in the final survey. Results indicated that students showed great interest in the economic topics. They assessed that the topics and tips of the FIT lessons would help the students in their future everyday life. An important and valuable suggestion by one interviewee was to make the presentations available in an editable format to allow students' own adaptations/supplements. This could be taken into account when creating materials for the online lessons.

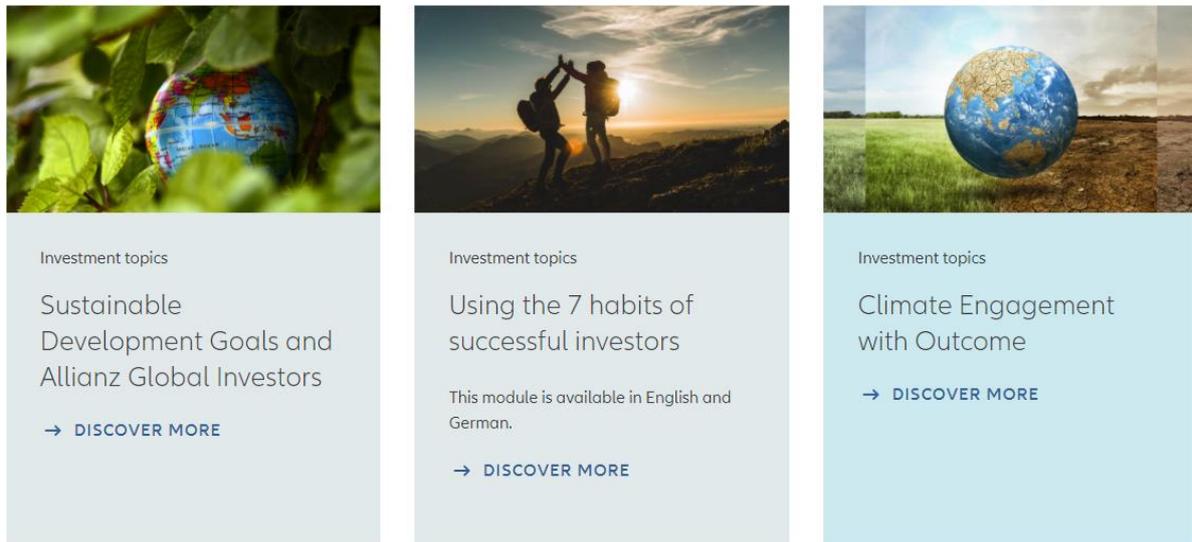
## 2. Allianz Global Investors Academy

### Context

AllianzGI had exchanges with their distribution partners, and concluded that many people lack basic financial education. The firm translated this need into a vision for the Allianz Global Investors Academy. Although the Academy is mainly targeted at individual investors and distributors, anyone with a desire to learn more about investments and financial topics can access it.

### Content

The [Allianz Global Investors Academy](#) is a website that focuses on topics that the general public should nowadays understand more fully, such as sustainability – including Sustainable Development Goals and principles for responsible investment and behavioural finance.



### Delivery

The contributors to the website are AllianzGI's investment professionals, including fund managers, product specialists and capital market experts. The platform is promoted via social media channels, be it general posts or posts on specific learning modules or topics.

### Evaluation

Prior to officially launching the Allianz Global Investors Academy, AllianzGI did an internal test with their marketing and sales teams to collect feedback regarding the look and feel and the flow of the Academy. AllianzGI are currently evaluating the click rates.

## III. Lessons learnt

### FIT Programme

The FIT programme provided teachers with minimal barriers to integrating economic topics in their lessons during the Covid-19 pandemic. It was important that the online lessons work with all commonly used video conferencing tools, so that schools could participate easily. For the first time, schools in peripheral areas were able to invite a volunteer to participate, thus the demand from schools during the pandemic increased. For the business volunteers, online lessons were more convenient and without the need to commute. In future, FIT programme will again be more classroom-based, with the online lessons offered in parallel.

### Allianz Global Investors Academy

Since the Allianz Global Investors Academy was only launched at the beginning of 2021, AllianzGI is in the process of finetuning the platform and content. It is therefore too early to draw any best practices. The company, however, had one particular challenge at the start, which was to reach out to the target group and promote the Academy through the right media channels.

## Amundi – Initiatives on Financial and Investor Education

### Andrea Pane

Deputy Head, Public Affairs  
Amundi



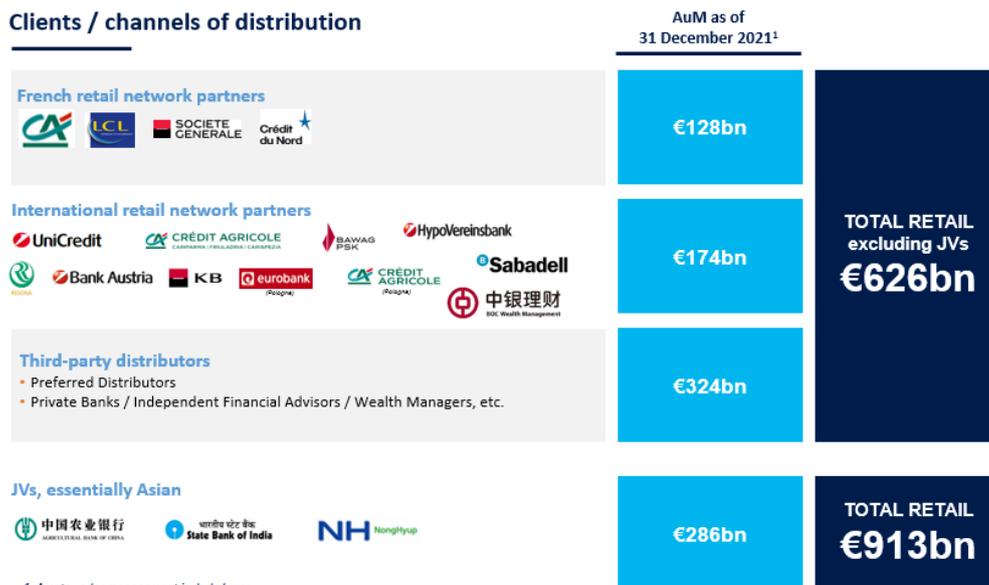
### I. Introduction

Amundi is the largest European asset manager by assets under management and amongst the top ten globally. It offers its clients in Europe, Asia-Pacific, the Middle East and the Americas a wealth of market expertise and a full range of capabilities across the active, passive and real assets investment universes. In addition, Amundi grants to its clients complete set of services and tools.

Amundi’s 30 years’ experience working side-by-side with banks and distribution networks has given it the expertise to assist them in tackling any challenges they face in a fast-evolving and competitive landscape.

Amundi’s ability to support its partners in as many ways as possible stems from its retail DNA. The business was initially created by Crédit Agricole to develop funds and investment solutions for the bank’s network, but its role soon expanded to create invaluable tools and services to meet the evolving needs of the bank and its various divisions. Over the past 30 years, Amundi has brought this expertise to the broader market, enabling its retail partners to take advantage of new opportunities and ultimately to grow their business in ways they may not have thought possible. Today, the retail client remains at the heart of Amundi’s global business. Distribution networks that partner with Amundi gain access to the company’s global toolbox of investment solutions, services, training and digital tools.

### A reference player for serving retail customers



1. Assets under management include Lyxor

## Building Retail Advisors' trainings tools & services across Europe & Asia



### Box 12: Learning from our clients

In Amundi's view, to help end clients to achieve their financial goals it is paramount to be able to rely on the proper financial education of advisors and clients. Consequently, one of our key objective is to better understand our clients' needs.

We therefore promote initiatives such as the research conducted jointly by Amundi Benelux and DUFAS (Dutch Fund and Asset Management Association) on 'How to enable a solid financial future for consumers through investing'. The objective was to better understand the behaviour of end investors, their motivations and the barriers that stop them from investing.

Building on this Research Report, Amundi – in conjunction with Beautiful Lives – will be turning these barriers into opportunities and integrating it with our fund seller themes. We want to bring the story to life and take investors on a journey.

#### Main targets:

- Create a more welcoming investment environment;
- Invest in financial education; how every little helps;
- Help people make their financial goals concrete;
- Help people weigh the long-term financial risks and benefits;
- Develop simple and accessible products;
- Help people feel in control;
- Create trust by being transparent over sustainability.

In parallel with these ad hoc initiatives, we have also built a proprietary learning platform to provide both educational content and administration capacities.

## II. Amundi Academy

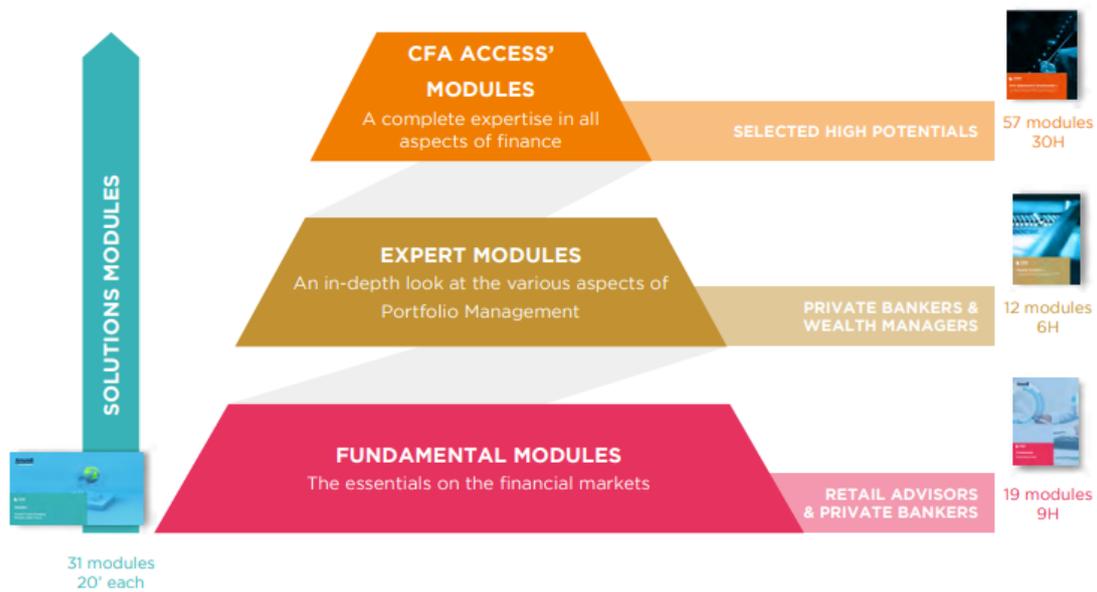
Engaging training programmes are essential for any successful distribution network, which is why Amundi has created Amundi Academy, providing a host of training tools and services to support its retail partners.

### Context

Amundi Academy can be used by advisors to develop their skills, improve their knowledge and meet regulatory requirements, through state-of-the-art technology and employing a range of different formats to ensure that users find the content interesting and engaging.

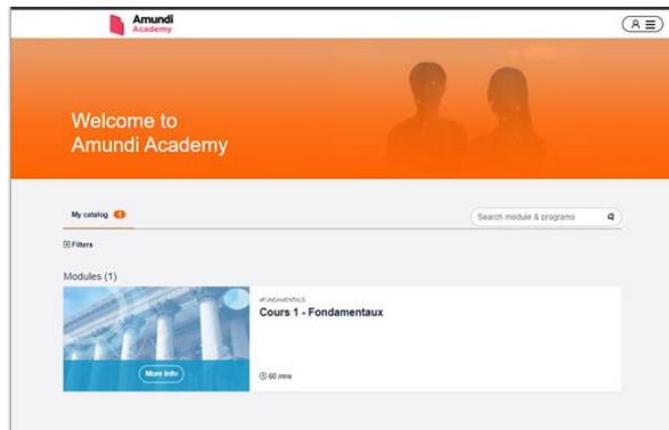
### Content

The training programmes are available on a range of topics for different knowledge levels, from novice to advanced.



Moreover, Amundi's extensive training offering has been designed to assist retail partners in a number of ways:

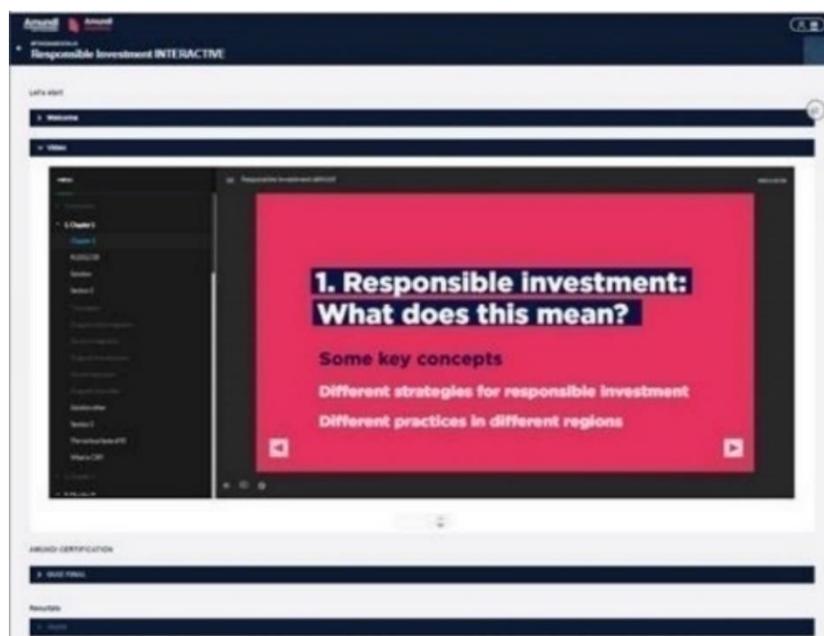
- Customising the training journey to pursue specific objectives;



- Monitoring the effectiveness of training modules and centralised management of the training campaign.

### Delivery

The goal of this initiative is for partners to save time and money by utilising Amundi's state-of-the-art technology and carefully curated content. By digitising training programmes, advisors are provided with the freedom to complete their training via a computer, tablet or smartphone at a time and place that suits their schedule.



### Evaluation

As of December 2021, Amundi Academy has no less than 17 platforms worldwide with more than 14,000 users, offering trainings that our partners can take to meet their regulatory requirements in several jurisdictions.

### III. Lessons learnt

The principal takeaways from Amundi Academy are that we should help financial advisors increase their knowledge on a larger number of products. The best delivery method is training sessions that are regular, short, simple and interactive, with a mix between distance learning and class sessions.

Amundi therefore commits to:

1. Develop fun and interactive modules;
2. Talk about all the products in a clear way.
3. Start with young people and involve those not normally exposed to financial matters or investors. Here, for example, we worked with the Roi Baudouin Foundation and the Musée BELvue on an [interactive exhibition](#) for young people.

## BBVA – Initiative on Financial and Investor Education

### Juan Manuel Mier Payno

Director, Pension & Institutional Negotiation  
BBVA Asset Management



### I. Introduction

BBVA Group considers financial education a core component of our Corporate Social Responsibility. Since 2013, we acted to raise awareness of the importance of retirement as well as to the need to be well informed in order to make the right decisions when saving for one's pension. From the outset, the Instituto de BBVA de Pensiones has become “the place to go” to get practical advice and information about retirement.

At BBVA, we work towards a better future for people, and thus we have started to act in three different areas relating to retirement and pensions:

- An economic investigation on how to reform pension schemes;
- Contributions to the pension dialogue with suggestions to ensure their future;
- Financial education.



Estás en: Inicio Blog Artículo

### VII Encuesta del Instituto BBVA de Pensiones: La preparación de la jubilación de los baby boomers españoles

El 55% de los españoles de la generación del 'baby boom', nacidos entre 1957 y 1977, no creen que sus ingresos les permitirán vivir sin aprietos durante su vejez. Así se desprende de la VII Encuesta sobre el Ahorro de la Población Española elaborada por el Instituto BBVA de Pensiones-Mi Jubilación. Según este sondeo, tres de cada cuatro personas entrevistadas consideran que tiene sentido ahorrar para la jubilación.

Tiempo de lectura: 6 minutos | Compartir



#### BOX 13: Pension reforms in Spain

The Social Security Public Pension System is the main link between generations in Spain. It is everyone's responsibility to contribute to its knowledge and understanding, as well as to its future universality, strength and sustainability.

There are certain challenges that threaten the sustainability of the system, such as unemployment, public deficit and increased life expectancy. The arrival of the “baby boomers” to retirement age in particular is putting the Spanish Social Security System under pressure, as the population that contributes to social security decreases and the number of people who benefit from the public pension increases.

The government, alongside the other political groups and in collaboration with stakeholders, has analysed these challenges and made suggestions as how to reform the public pension system in the Pacto de Toledo. During 2021, a partial reform was enacted and further reforms to reshape the current system are still expected in the coming years.

Facing this issue, Spanish people are worried about how much they will receive as a public pension when they retire; concerns compounded by a widespread lack of knowledge about the pension system. Many people are not aware of the importance of planning for their retirement and are at risk of being unprepared for the coming changes.

A poll published in 2019 by the Instituto BBVA de Pensiones for the VII Encuesta sobre el Ahorro de la Población Española<sup>81</sup> showed that:

- 35% of the Spanish population do not know how public pensions are financed;
- 73% have doubts over how much they will receive as a pension, but they expect that they will earn less than their last salary.

## II. The Instituto de BBVA de Pensiones

### Context

To face this challenge, the Instituto de BBVA de Pensiones seeks to ensure – through its educational events, experts forum and website – that every person, irrespective of their age or knowledge, can find information to help them make proper decisions about their retirement.

To carry out these initiatives, the Institute has the backing of the BBVA group and is collaborating with prestigious universities and business schools. We have for instance organised conferences with the Universidad de Valencia, Universidad Pablo de Olavide in Seville, ESADE, Universidad de Deusto in Bilbao and IE Business School. The initiative has also received support in the media, helping us reach out to a broader audience.

Before our initiative started in 2013, there were few organisations or institutes that had, as a main focus, pension savings, although some organisations, such as Inverco, were conducting admirable initiatives to raise awareness on the importance of long-term savings.

### Content and delivery

The Instituto de BBVA de Pensiones has the objective of “collaborating to spread the knowledge of retirement and pensions among Spanish people”.

The Institute seeks to reach the population through a range of strategies and approaches:

- [Experts Forum](#): Research and informative articles created by a group of independent and academic experts, internationally recognised for their expertise in topics related to the pension’s system. The current president is José Antonio Herce (Economics’ Professor at the Universidad

<sup>81</sup> BBVA, *VII Encuesta del Instituto BBVA de Pensiones: La preparación de la jubilación de los baby boomers españoles*, 2019 ([link](#)).

Complutense de Madrid). The other members are Mercedes Ayuso (Actuarial Statistics' Professor at the Universidad de Barcelona), Jorge Bravo (Finance and Economics' Professor at the Universidade Nova in Lisbon), Elisa Chuliá (Political Sciences and Sociology Professor at the UNED, Dean of the UNED between 2007 and 2011), and Edward Palmer (Professor of Social Security at the University of Uppsala).

- Website: [www.jubilaciondefuturo.es](http://www.jubilaciondefuturo.es): This site is useful for consulting all the information and content elaborated by the Instituto BBVA de Pensiones. In the last eight years, our website has become a reference for checking every aspect relating to retirement, with over 400,000 monthly visits. In the main internet search engines, it appears among the highest-ranked results when people ask “How much my pension will be?” or “Early retirement” in Spanish. In addition to all the new daily content, we highlight reports in the news related to pension savings and summaries of the events that we organise.
- **Simulators**: Other tools we have developed are savings simulators that can give estimates that investors can factor in their investment decisions:
  - A calculator to compute the amount of a public pension at retirement;
  - A simulator to know how much people need to contribute to a savings investment vehicle if they want to expand their pension;
  - A tool that helps to know the tax impact when withdrawing a private pension plan.

Since we launched these tools, more than 6.6 million simulations have been conducted.



- As previously mentioned, the Institute organises events in collaboration with some of the principal Spanish universities and Business Schools to discuss relevant topics relating to retirement. We also collaborate with economic media, such as ‘Expansion’ newspaper, and general media like ‘Grupo Vocento (ABC)’ or ‘Grupo Joly’.

- The Institute conducts an annual survey on retirement topics. This is performed by an experienced service provider, and it is supervised by Elisa Chuliá, member of the Experts Forum. We organise an event with the media to publicise the results.
- The Institute is also present on social media channels, including Twitter and YouTube. On our YouTube channel, we have had more than 1.1 million views. We publish all the conferences and events as well as educational videos, graphs, etc.

### Evaluation

The Instituto BBVA de Pensiones evaluates the performance of its initiatives through its annual survey, website's statistics, and comments that it receives from readers.

To measure the success of the website, we perform a continuous assessment of the statistics available. We monitor monthly website visits, which content and videos are the most viewed, etc. These statistics highlight that the website reaches a broad audience with an elevated number of monthly visits (more than 400,000) and a steady use of our simulators, accumulating more than 6.6 million uses performed.

Another indicator of the success of these initiatives is the attendance at the events, with large participation both online and on-site when possible before the pandemic.

Furthermore, the Institute can also assess the impact of its initiatives by looking at the results of the annual survey. Despite the successes of our various initiatives, the annual survey unfortunately shows that there is still a long way to go to improve financial literacy on pension savings in Spain. There is still a significant information gap as most participants do not consider themselves sufficiently literate and continue to worry about the future of their pension.

### III. Lessons learnt

Since the initiative was launched eight years ago, the Institute has faced some challenges but has overcome them successfully. We have become a reference on retirement topics, a fact confirmed by the success of our website and our presence in the media.

We have had to adapt to the situation derived from the COVID-19 pandemic. Both during the lockdown and after it, we could not organise events with on-site attendance due to the restrictions. However, rather than postponing them, we decided to move them online, achieving a large number of views and strong impact in the media.

Finally, the project now faces new challenges following the approved reforms to the public pensions system. This will entail important changes in the structure of the current system and will need to be explained to the population.

## BlackRock – Initiatives on Financial and Investor Education

### Maaike Decoster

Director, EMEA Partnership Program  
BlackRock



### I. Introduction

BlackRock's purpose is to help more and more people experience financial well-being, and we do this by investing on behalf of our clients for their long-term financial futures. At the core of our decision-making process is our fiduciary duty to act in our clients' best interests, and we consider this fiduciary mindset to be the bedrock of our identity. We are committed to contributing to a more equitable, resilient future for all our stakeholders: our clients, our employees, our shareholders, and the people in the communities where we live and operate.

We are committed to helping build more trust between potential investors throughout Europe and financial services providers, particularly regarding concerns around lack of control and accessibility of capital markets. For investors to feel empowered to take control of their financial futures, they need a strong foundation of financial knowledge and understanding. BlackRock's goal is to contribute to building financial literacy both in Europe and globally by encouraging financial education at all ages – whilst recognising that education needs vary for different age groups. As part of this, we are committed to making financial markets more accessible for all savers; recognising that it is hard for people to trust an ecosystem they are not a part of and do not really understand.

For the purpose of this report, and in line with our priorities, we want to highlight the following initiatives:

1. **Supporting high-quality and effective financial education at all ages** – collaborations throughout Europe targeting students at schools and universities.
2. **Democratising investments** – through education and selected partnership programmes, specifically targeting savers, using ETFs as a tool.

#### BOX 14: BlackRock's surveys on financial literacy

To gain greater insight into the relationship people have with investments, BlackRock regularly conducts a global 'People and Money' survey.<sup>82</sup> Our most recent survey included investors in several EU countries – Germany, Italy, France, Belgium, the Netherlands, Spain, Sweden and Denmark. This 2020 survey of retail investor attitudes in the EU has highlighted that:

- Only 45% of respondents agree with the statement “investing is for people like me”. This implies the other 55% feel excluded from the investing world. One of the main reasons respondents say investing is not for people like them is because they find the information too difficult to understand. Some 60% of respondents wish they could have more control of their finances and feel that holding cash helps them do that.
- One in five respondents believe they do not have enough money to invest.

<sup>82</sup> Please note that the survey was conducted during December 2019 and January 2020, so it does not consider the COVID pandemic which started in Continental Europe in February 2020 and which has resulted in increased levels of precautionary savings in many EU jurisdictions.

In summary, holding cash makes people feel safe and in control, and investing is seen as risky even though it is also seen as a long-term solution.

## II. Initiatives on financial and investor education

### 1. Financial Education starts at school

Global research has shown that the average level of financial literacy of young people is poor, which can result in challenges later in life when managing personal finances. Our 'People and Money' survey also showed that this lack of financial knowledge is among the key reasons that people do not consider investing. We also noticed that non-professional channels, such as friends and family or digital influencers, are considered the main sources of financial information. This potentially further increases long-term inequalities in society for children whose parents do not consider themselves educated on financial principles, so cannot pass it on to them.

The OECD, for example, recommends that financial education start as early as possible and be taught at school. Building financial literacy into the school curriculum allows for a much more inclusive approach, offering all children the chance to learn basic financial skills. In our approach, we have deliberately looked to support those initiatives that are targeting young adults, with the goal of improving their financial knowledge. We recognise this benefit extends beyond the individual and to society as a whole. Financial education is widely recognised as a core component of financial empowerment and resilience of individuals, which ultimately contributes to the overall stability of the financial system.

#### 1.1. Financial Literacy Fund – Belgium



In Belgium, BlackRock collaborated with one of the main retail banks to create a 'Financial Literacy Fund'. This non-profit initiative is focused on specific activities designed to improve financial knowledge of the Belgian younger population. BlackRock is a founding member of this fund, in collaboration with five other industry partners.

The first project of the fund was funding an exhibition on financial education called the 'Mysteries of Finance', which helped 450 children aged 12-18 years gain a better understanding on the following themes:

- a. managing a personal budget and responsible consumption;
- b. the principle of budget balancing capability;
- c. the principle of taxation (tax on work and wealth);
- d. the principle of social security;
- e. wage inequality;
- f. price setting;
- g. main investment products.

The founding partners of the Financial Literacy Fund collaborated with an expert committee and the BELvue museum to create an interactive exhibition. The exhibition is built around a series of administrative counters that, at first glance, seem dull and drab, but once opened turn out to be colourful,

interesting and accessible. Participants learn through role play, set assignments, making choices and facing the consequences.

These activities allow the students to experience taking positions on social issues linked to finance and citizenship. The visit also aims to stimulate dialogue, by encouraging students to formulate, discuss and question their opinions. The participants are encouraged to discover the links between the themes of the exhibition and their everyday lives. The aim is to promote learning by experience and to avoid a moralising approach, which is often ineffective and counterproductive. The exhibition is mobile; it stayed in Brussels until December 2021 and moved to Flanders and Wallonia in 2022. It is also planned to have the exhibition travel across borders, as there is an English version on the way. It can also be adapted to local language and needs.

## 1.2. Scholenstrijd – the Netherlands

Scholenstrijd is a project initiated by Euronext Amsterdam in collaboration with corporate partners targeting students in Dutch secondary schools. The project aims to raise financial awareness among young people.

The initiative consists of three elements:

- a. An online game – each portfolio receives a virtual starting capital of €100,000. This can be invested in AEX, AMX shares and several ETFs. This allows students to experience first-hand the construction of a portfolio and the impact of the financial markets on it.
- b. A guest lesson, given by an external speaker who works in the financial sector. This interactive lesson deals with several psychological factors that influence how people make financial decisions.
- c. An excursion for those classes that have delivered the best risk-return performance in the online game.



The programme is offered free of charge to all secondary schools in the Netherlands. BlackRock is a contributing partner to the initiative, delivering content to the curriculum and local BlackRock employees act as external speakers to the students.

Despite the COVID-19 challenges, in 2021, the initiative was able to reach over 560 students throughout the Netherlands via more than 20 guest lectures.

## 2. Democratizing investments

BlackRock is committed to simplifying investing by making capital markets more accessible for all types of investors. Through our iShares ETFs, we are helping revolutionise what it means to be an investor. As an example, we have been creating savings plans that individuals can open from as low as €1 per month, by developing innovations such as fractional shares. We encourage investors to take control of their financial futures, and one of the tools they can use to do so are ETFs. These financial instruments make it easy and cost-effective for investors to achieve their financial goals.

We believe that ETFs have the potential to help unlock the huge amounts we see in savings accounts in Europe and put that money into action. Through various initiatives, we are targeting end investors, professional intermediaries and journalists to increase knowledge of ETFs and investing overall, specifically the challenges around savings.

### 2.1. Corporate partnership – France

We have developed a deep partnership with a leading French online bank to develop a new and innovative retirement unit-linked product. It had been designed to meet the needs of a new generation of investors preparing for their financial future. The product is currently listed as the most affordable of its kind for end investors, and is entirely built with iShares ETFs, which qualify for the French sustainability label and is offered at a fee of less than 1% per year all-inclusive. Working with our partner to deliver a low overall cost, we aim to reduce one of the most important barriers for people to invest – cost – thereby making investment in capital markets more accessible.

In collaboration with BlackRock, our partner bank has developed a series of educational content pieces to increase understanding of ETFs and savings plans for the broader French market. These include:

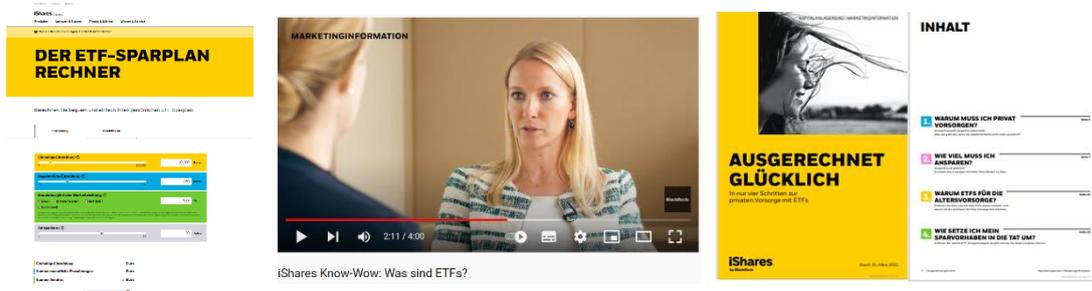
- a. a series of educational videos and interviews on ETFs;
- b. several interactive webinars to allow end investors to ask their questions directly to specialists, including BlackRock investment experts;
- c. educational one-pagers (“fiche pratique”) that answer some of the most prominent questions about ETFs.

These materials enable clients to better understand both the building blocks used in their retirement solution and to educate them on general benefits, risks, costs and accessibility of ETFs as an investment tool. We hope this will empower them for future financial/investment decision making.

With the educational webinars, we have reached over 1600 live viewings with a subsequent 27,000 plays.

### 2.2. Converting savers to investors – the role of ETF savings plans – Germany

An ETF savings plan consists of a fixed monthly investment into a single ETF, subscribed by self-directed end investors through an (online) bank or broker.



Through its iShares ETF offering, BlackRock has multiple partnerships in place with German providers, and has launched several tools targeting end investors to improve overall understanding of ETFs:

- a. [Saving calculator tool](#)
- b. [Educational videos about ETFs:](#)
- c. [Investor guide](#)

ETF savings plans are designed for people who either want greater control over their money and/or feel like they have insufficient funds to invest.

At the same time, it encourages long-term savings and diversification rather than speculation; removes some of the complexity of choosing when to invest; and by using periodical investments avoids the risk of buying high and selling low.

Without a minimum investment and the option to easily start, pause or even stop and sell positions, ETF savings plans are a flexible tool for long-term investing. Additionally, fractional dealing enables small investment amounts into ETFs, removing entry hurdles and making investing as easy as possible. In combination with a large amount of educational support material, it aims to address some of the major hurdles to investing.

In 2021, over 539,000 unique visitors found their way to the German Savings Hub for more information on how to move from savings to investment. Some 438,000 using the Savings Calculator Tool, an increase of 76% on the previous year.

### 2.3. Educational roundtables

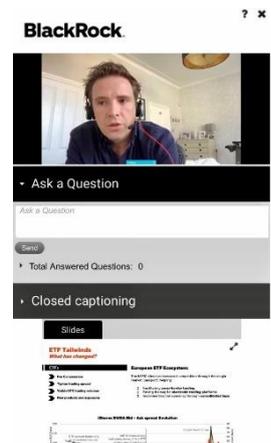
To encourage a better understanding of financial instruments and ETFs in particular, BlackRock regularly hosts educational press events. These are attended by senior journalists from leading publications in EU countries.

As mentioned earlier, one of the most important reasons for thinking investing is not for people like them, is the fact they find the information too complex.

We are convinced that by better informing reporters on ETFs and demystifying certain preconceptions, we can enable journalists to report with greater clarity, making financial information more accessible to end investors.

During these events, we give an overview of the key trends supporting the rise of ETFs and showcase how BlackRock and iShares products facilitate access to investment markets for a greater number of people, helping them contribute to economic growth and to meet their long-term financial needs. We also dive deeper into the resilience of ETFs in times of market stress – both in terms of volumes and performance – as well as making the information relevant to developments in individual local markets.

In France alone, we have hosted four media roundtables on various topics, including ETF's private markets BII outlook, with more than 35 reporters attending the roundtables.



### III. Lessons learned

Based on our efforts around financial education, and the recent challenges that COVID-19 has brought us, there are a few lessons that we have learned:

1. Financial education should be a continuing effort at **every stage of life**. Whilst it is important to focus on young people, financial education should be considered an ongoing process, keeping track with the constant evolution of the financial ecosystem. This will allow for a continuous reinforcement of people's financial capabilities, resilience and financial wellbeing, encouraging more people to invest for the long term.
2. Financial education is for **everyone**. We are convinced that a sustained learning process should be inclusive and not limited to certain age groups or demographics. Particular attention should be given to financial advisors, given the important role they play in supporting education efforts with the broader public.
3. **Format** matters. Digital uptake during the COVID-19 pandemic underlined the need to pay proper attention to digital channels and their role as a tool for reaching a broader audience, in line with society's shift to "digital first". The impact of the COVID pandemic and the shift to further digitalisation also stresses the need for greater financial education.

## Candriam – Initiatives on Financial and Investor Education

**Pauline Descheemaeker**

Chief of Staff  
Candriam



### I. Introduction

Candriam stands for "Conviction AND Responsibility In Asset Management", and is a European multi-specialist asset manager. A pioneer and leader in sustainable investments since 1996, Candriam manages around €150 billion of assets under management<sup>83</sup> with a team of more than 600 professionals. It operates management offices in Luxembourg, Brussels, Paris and London and has client representatives in more than 20 countries throughout continental Europe, the UK, the U.S. and the Middle East. Candriam is a New York Life Company. New York Life Investments<sup>84</sup> ranks among the world's largest asset managers.<sup>85</sup>

#### **BOX 15: The need for dedicated training in sustainable investment**

Climate change is an emergency to which everyone must respond. To mitigate its effects and become carbon neutral by 2050, annual investment in clean energies on a global scale has to more than treble by 2030 to circa US\$ 4000 billion.

Candriam is convinced that the financial sector plays a key role in in this transformation by allocating capital to those companies and governments that are meeting the challenges of a transition to a sustainable and inclusive society.

However, according to a study carried out by Legg Mason (Global Investment Survey 2018), 60% of investors believe in the added value of SRI but feel that lack of training is the biggest obstacle to ESG management. Candriam therefore wants to create a wider understanding of sustainable finance among the investment professionals and the public in general.

### II. Initiatives on financial and investor education

#### 1. The Candriam Academy



##### Context

As a leader in sustainable investing, Candriam launched the [Candriam Academy](#) with a simple ambition: to raise the ESG awareness, education and knowledge of the finance community and the next generation of responsible investors on sustainable investment topics.

<sup>83</sup> As of 30 June 2021. Assets under management (AUM) includes assets which do not fall within the U.S. Securities and Exchange Commission's definition of 'regulatory AUM' in Form ADV, Part 1A.

<sup>84</sup> New York Life Investments is a service mark used by New York Life Investment Management Holdings LLC and its subsidiary New York Life Investment Management LLC. New York Life Investment Management LLC is a wholly-owned indirect subsidiary of New York Life Insurance Company.

<sup>85</sup> Source: New York Life Investments ranked 27th among the world's largest money managers within Pensions & Investments, June 2021. Rankings are based on total worldwide institutional assets under management for the year-end 2020. New York Life Investments assets include assets of affiliated investment advisors.

At the time, the Candriam Academy was the world’s first online, free-to-access, training platform on responsible investments. Still free of charge and open to all, it offers rich, dynamic and practical content.

**Content and delivery**

Driven by the highest educational standards, the Academy currently offers 11 free, interactive and online modules on all types of devices. These are available in English, German, Spanish, French, Italian and Dutch.

The Academy currently offers the following courses:

**01**  
**Introduction to sustainable investment – 8 modules**

1. What is sustainable & responsible management?
2. What do investors like about sustainable management?
3. How is it implemented?
4. What are the links between sustainable management and financial performance?
5. How to measure the impact of sustainable development?
6. How can investors influence companies?
7. How to recognise an ESG strategy?
8. How do fiduciary duties interact with sustainable management?

**02**  
**Circular Economy**

**03**  
**Climate Change**

**04**  
**The bases of companies' ESG analysis**

Members receive a diploma upon completion and, in order to guarantee members the independence of the training, the Academy offers testable training recognised by renowned associations such as EFPA in France, Italy and Spain, Spain’s CFA Society, Germany’s FPSB, Austria’s Verband Financial Planners, RIA Channel in the U.S. and Dubai Legal Affairs Department in the UAE.

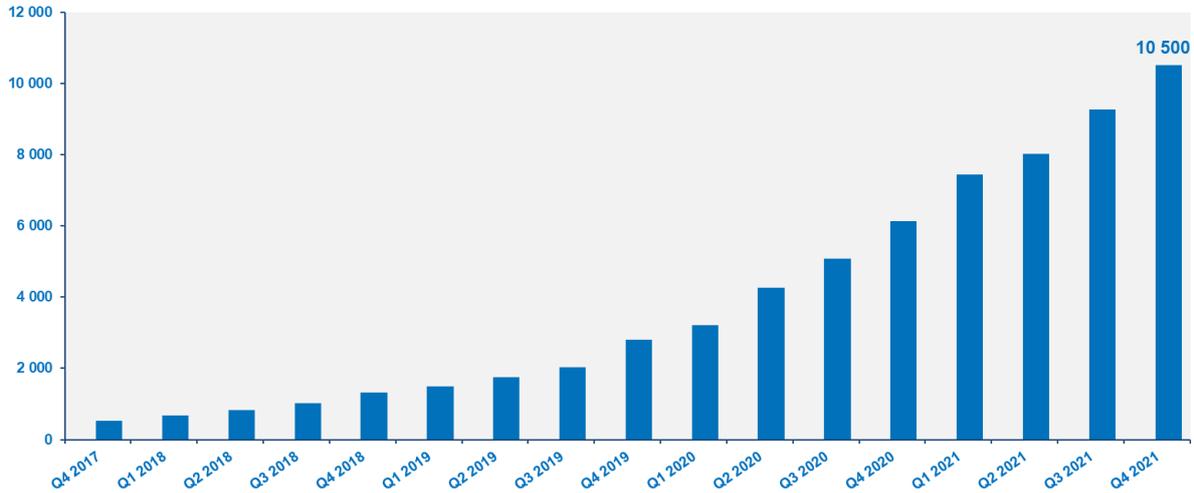


Candriam Academy also hosts ‘ESG Talks’, an educational webinar series which looks at some of the most pressing economic, social and environmental issues of our time such as “The Just Transition: Achieving Social Inclusion in a Low Carbon Future”, “How to align investments with the Paris Agreement?”, “Active Ownership: Is it all just talk?” as well as many others.



**Evaluation**

Since its launch in 2017, the platform now has more than 10,500 members from 40 countries from a range of backgrounds, including institutional investors, fund selectors, private bankers, IFAs, retail investors and media as well as students. All Candriam employees will have passed the Academy programme by the end of 2022. The graph below shows how membership figures have evolved since launch.



Between 14-15 April, Candriam conducted a satisfaction survey among the Academy members. The survey was conducted by email received 106 responses. Among the members solicited, 82% replied that they were either quite satisfied or extremely satisfied with the Academy, pointing to the quality and accessibility of the training and its ease of use.

The survey results helped Candriam improve the Academy (form and content) and the user experience. Some details of this plan are mentioned below.

**2. Partnering with leading universities for ESG research**

Next to its Academy, the Candriam Institute for Sustainable Development is committed to financing high-quality research focused on key sustainability themes. Sound economic and financial research that integrates sustainability is a first and vital step towards sustainable financial decision-making.

In the UK, Candriam has an academic partnership with the London School of Economics and Political Science’s Grantham Research Institute on Climate Change and the Environment (GRI), focusing on the just transition. Candriam also supports the Climate Investment Challenge by Imperial College Business School, encouraging graduate students to develop creative financial solutions to address climate change.

In Belgium in 2020, Candriam launched a new Chair in Regenerative Economics with UCLouvain, one of the world’s oldest research universities, and created the Centre for Sustainable Finance with the Vlerick Business School. The centre will research how Artificial Intelligence can measure scope 3 greenhouse gas emissions, among other topics.

These partnerships are part of Candriam’s continuing support to other academic partners such as the Kedge Business School in France, FDIR and LUMSA Università in Italy.

### III. Lessons learnt

Through the Academy, Candriam demonstrates every day its unwavering belief in ESG investment and our pioneering and pilgrim approach to inform the world that this is the only option for the future.

In this context, the Academy's website will continue to grow to reach an ever-wider audience geographically but also with an increasingly diverse knowledge base (in existing and new languages).

As we wish to address our training to different user profiles in terms of level of financial knowledge, we will continue to develop new training modules and structuring them more and more in terms of level of expertise, while proposing modules on more specific and shorter focus topics.

We also want to develop our interactions with our members, ensure we answer their educational needs and make our courses as user-friendly, interactive and engaging as possible (newsletters, videos, surveys, forum/chat with Candriam experts, physical training courses, etc.).

Additional information on the Academy and on our support to academic projects on sustainable investing can be found on the website of our Institute for Sustainable Development.<sup>86</sup>

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<sup>86</sup> [Link](#) to the website.

## Eurizon Capital – Initiatives on Financial and Investor Education

**Alessia Golinelli**

Head of Sales & Business Education  
Eurizon Asset Management



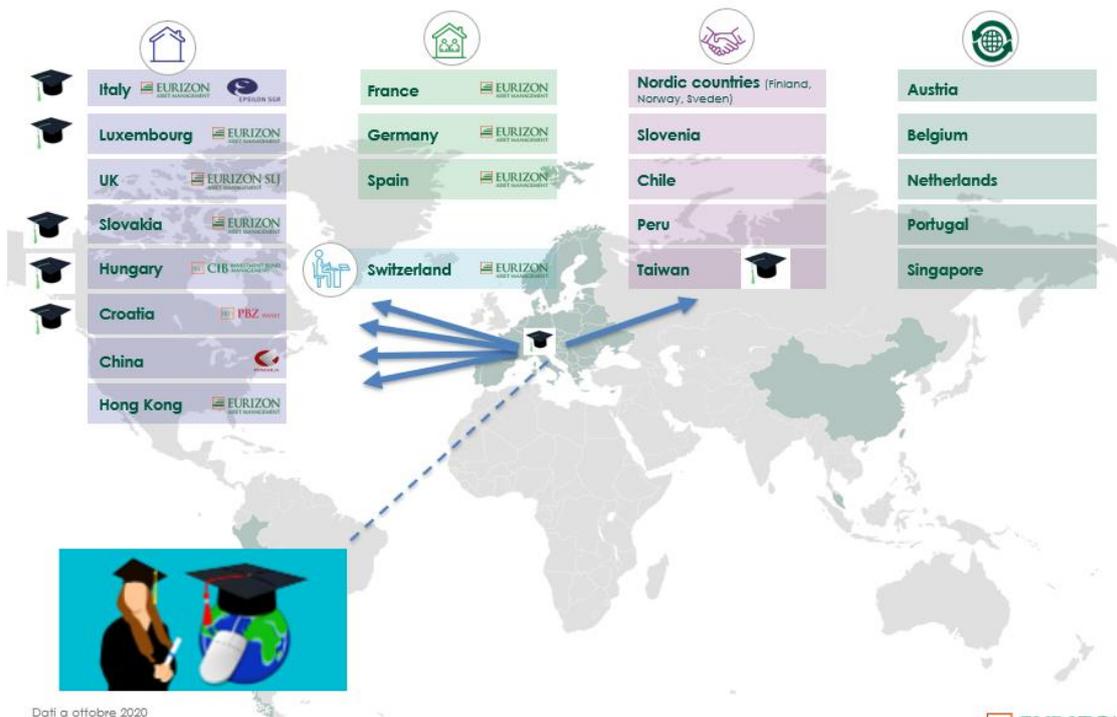
### I. Introduction

Asset Management has long played a crucial role in society, but knowledge of its language and logic has never been completely understood by the broader public. This is the reason why Eurizon Capital created in 2018 a space dedicated to financial education, Eurizon Wise, where the main determinants of managed savings could be explained in a simple and smart way. We intend to enrich, on a continuous basis, the hard and soft skills of our distributors and customers by investing in certified and up-to-date training modules on topics such as financial markets and products, macroeconomic scenarios, sustainability, behavioural and financial regulation. Our ambition, therefore, is to spread a financial humanism that enhances people and their projects, transforming the complexities of financial markets into reliable opportunities.

### II. Initiatives on financial and investor education

#### 1. Eurizon Wise

Eurizon Wise is the training programme created to promote financial literacy: a complete ecosystem that makes available to Eurizon Capital’s distribution networks, institutional customers and final consumers its best-in-class knowhow through on-campus courses, webinars, videos and glossaries, some of which are accessible online 24 hours a day and also available on a dedicated App.



Although the initiative is based in Milan, and has a particular focus on the Italian market, Eurizon Wise is also accessible in other countries, with content in English and local languages, in order to make it more accessible.

### Context

An increasingly changing and complex global financial context requires urgent actions to raise the level of financial literacy. This is particularly true in Italy, a country with a modest financial culture. The centrality and the importance of this issue has not gone unnoticed by Eurizon Capital which, by creating Eurizon Wise, is helping address the challenge.

Financial education has become increasingly important during the COVID-19 pandemic emergency. The current market situation is probably the most complex in our recent history, because it involves instability in financial markets and threats to people's health and safety. Therefore, we constantly want to be close to our clients, always supporting them.

The aim of Eurizon Wise is to offer more professional trainings in line with the highest national and international standards; greater financial knowledge for savers and investor with the aim to supporting them in their investment decisions; greater knowledge of financial products, with the aim of supporting clients, particularly during volatile market conditions. Furthermore, it will build more trust in the market to ensure a sustainable growth over time.

### Content

Eurizon Capital believes that greater financial literacy can support savers and investors in understanding the financial products and making them active and aware parts of the investment process. Through Eurizon Wise, we are demonstrating our attitude and goal of strengthening our relations with our clients in the deep concept of Financial Humanism, a topic dear to us, and one which we intend to promote over time.

Our training courses are provided both by academics from the Bocconi University's School of Business Management (SDA Bocconi) and by our asset managers, macro researchers and analysts. We believe that such a mix between theory and practice is more effective in understanding the risks and opportunities associated with each investment choice.

Eurizon Wise structures and customises its content according to the target audience, their education gap and needs, and in line with ESMA's 'Guidelines for the assessment of knowledge and competence'.<sup>87</sup> The training content is oriented to different type of users with different levels of expertise.

### Investors

For our inexperienced retail clients, we created cartoons because we believe that providing a solid basis for enriching and enhancing the technical speaking and the reading markets ability could intensify customer relations, even further in anticipation of times of crisis. In addition, we created glossaries for the general asset management terms as well as for more specific terms relating to ESG (Environmental, Social, Governance) and private markets in order to build a "common language" among our retail investors. For illustrative purposes, videos and glossaries are available for topics including: "Introduction to Portfolio Theory and risk measures", "ESG and Sustainability", "Real Economy and Markets", "Benefits and effects of diversification" and "The time horizon of the investment".

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<sup>87</sup> ESMA, *Guidelines for the assessment of knowledge and competence*, December 2015 ([link](#)).

**Intermediaries**

For our more experienced partners and clients, such as banks, financial advisors and institutional investors, Eurizon Wise develops academies, either in person or via webinars, on more technical topics to help them hone their investment skills. Amongst others, courses available on our platform include: “Macro scenario analysis and markets”, “ESG: active shareholding and the investment process”, “Active management and the changes caused by COVID-19”, “From Portfolio Optimisation to Investor Decisions: how Pir, Alternative Pir and Eltif work”, “Green bonds” and “Taxation”. These training courses will meet the certification requirements set by the Italian authorities and the European Financial Planning Association (EFPA).

**Delivery**

Eurizon Capital pays particular attention to the delivery because we believe that the “form is substance”: consequently our trainings are delivered in a simple and clear way so that it is easy to learn and to make decisions based on the ideas and knowledges provided by Eurizon Wise.



**The Platform**

**FULL EURIZON WISE**

- | On-line Pick & Pack
- | Webinar/Aula
- | Ask the experts
- | Academy tematica
- | Campus Milano
- | E-mails

- | Webinar/Aula
- | Ask the experts
- | E-mails

**DIGITAL ACADEMY EURIZON WISE**



The learning platform, with an interactive and attractive layout, is user friendly and works with every device. The available solutions refer to an edition called ‘Full Eurizon Wise’, which includes online customised Pick & Pack, webinars, academies, campuses and up-to-date e-mails. In addition, there is a version called ‘Digital Academy Eurizon Wise’ made up of webinars, video lessons, up to date mails as well as the possibility to ask experts directly for advice and financial tips.

Among the most popular ways of delivering content, it is worth highlighting campuses at our headquarters, webinars on market scenarios and financial news and academies with specific formats to effectively convey product features and benefits. The Pick&Pack model is also widely appreciated. It offers each user an open and modular range of contents, allowing them to customise their own

learning path: each training pill can be “picked” from a central library and then “packaged” in order to create a customised path, both in terms of contents and delivery method. In addition, the highlights available at the end of each module provide a sophisticated summary that is always appreciated.

The use of “emotional intelligence” by our educators as a model of communication is based on active listening and the ability to combine emotions and rationality. We thus express the passion that we put into our work and the high level of competence that defines us.

### Evaluation

Just a year after the launch of Eurizon Wise in 2018, a pool of 2000 users was reached; this is continuing to rise.

This real success demonstrates both the growing interest of our clients and partners in these financial topics and the Eurizon Capital's constant commitment to providing and delivering training that concretely contributes to improving the financial knowledge and expertise of each of our clients and partners. We use self-assessment tests, final verification tests and satisfaction questionnaires to evaluate the progress made by the users, as well as the interest and effectiveness of topics and formats proposed to them, recalibrating our offering as required.

It is therefore unsurprising that Eurizon Capital has distinguished itself over the years by winning a wide range of prizes and awards. These include the Best European Asset Management Firm at the Funds Europe Awards in 2020 and the Financial Innovation Italian Awards from AIFIn thanks to Eurizon Wise among other things. These important results contribute to evaluating Eurizon Capital, not only for the excellence in managing products and the results obtained but also for the quality of corporate and services contributions offered.

## 2. Il tuo capitale umano

Eurizon Capital's constant attention to young people is clearly demonstrated by our partnership with Assogestioni called ‘Il tuo capitale umano’ (Your human capital). This plays a crucial role in offering internship and *ad hoc* testimonial to university students and young learners. It consists of roadshows in different universities – not only in economic departments – to explain the nature of our business, the professional opportunities in the industry and to raise awareness of topics such as sustainability, ESG, the role of regulators, the reasons to invest, etc. Some participants are offered at the end an internship programme that allow Eurizon Capital to identify young talents.

## III. Lessons learned

Since the start of our commitment to spreading financial culture, our initiatives and their empathic attitude have allowed us to attract and involve our customers by creating a context of emotional rationality. Our fluid form of communication has allowed us to create a stable relationship with our clients: our ability to combine emotions and rationality allows us to express the passion we put into our work and our high-level distinctive expertise. Moreover, our business model could be clarified through our digital platform: our clients can browse through a rich variety of different contents, starting from the basic concepts of financial markets, macroeconomic scenarios and financial markets’ news, ESG and sustainability topics.

## Fidelity International – Initiatives on Financial and Investor Education

**Natalie Westerbarkey**  
Head of EU Public Policy  
Fidelity International



### I. Introduction

At Fidelity, we think of ourselves as investors with heart and soul. We have a passion for the capital markets, and our aim is to share that passion with our clients, present and future. In order to share our passion, we know that it will not be sufficient simply to provide information to our customers. Instead, we need to instil in our customers a capital markets mindset and accompany them through the process of building knowledge and confidence in their investment skills.

For us, this process begins with guidance, which we distinguish from the sales and promotion processes of our investment solutions and funds themselves. We locate guidance within a wider strategy of promoting financial wellness among EU and global citizens, which might result in an investment or encourage citizens to pay down their debt or build up a cash nest-egg instead.

We have a long way to go in offering such guidance, but we have made a start, specifically in the form of two initiatives we launched in 2021, the ‘Investing Masterclass’ and the ‘Pension Workbook’. These deliver basic financial and investment-related content to an audience beyond our current client base, targeting a group of people who are aware of inflation, the pension gap and the need to rethink their financial situations, but who do not know what to do or where to start.

At this point, we offer the Investing Masterclass as a video course designed to communicate the main principles of investing and the Pension Workbook which serves as a manual on how to undertake retirement planning by presenting various options and steering users to appropriate individual products.

#### **Box 16: Fidelity International’s financial literacy surveys**

At Fidelity, we believe that citizens often “do nothing” simply as a consequence of not knowing where to begin, combined with a feeling of lack of confidence. This assumption has been supported by one of our recent surveys, which showed that 39% of participants feel worried by their ability to manage their own finances. While 54% reported that they are generally interested in managing their money better, only one-third of participants thought that investing could be good for them. And, within the group of people who already invest – or can imagine themselves doing so – 33% identified pension savings as their main investment goal.<sup>88</sup>

We also recently conducted a survey in Germany focusing on statutory pension provision. This proved that a majority of German citizens are fully aware of the need to make additional savings for retirement above and beyond national pension provision; 21% of participants feared that they will not receive any statutory pension at all, while another 32% felt worried by this possible scenario.<sup>89</sup>

<sup>88</sup> Fidelity International & Opinium, Global Thought Leadership Research, 2021.

<sup>89</sup> Fidelity International & INSA Consulere, German Statutory Pension Survey, 2021.

## II. Initiatives on financial and investor education

We hope our Investing Masterclass and Pension Workbook, alongside our financial literacy surveys, will become valuable tools to help EU citizens build up knowledge and self-confidence, enabling them to make better-informed investment decisions and ultimately manage their money better. Compared to some similar initiatives in Germany, we chose a more interactive and engaging way to fortify (potential) end investors in the decision-making process, using entertaining stories, tests and quizzes as well as fun video content.

### 1. Investing Masterclass

The act of investing still faces prejudice and headwinds within Germany society. Many citizens hesitate to invest because they think investing is convoluted, precarious, and really only an option for wealthier, better-informed, individuals. The topic is therefore charged with negative emotions and we feel the only way to combat such feelings and to turn hesitance into enthusiasm is to provide entertaining educational content – that is to say, “Edutainment”.

This is where the Investing Masterclass comes into play with its ten videos – each varying in length



between 90 and 180 seconds – featuring four professional actors and featuring education on basic investment terms, rules and concepts all wrapped in stories from everyday life.<sup>90</sup>

Each video answers a basic question a prospective customer would probably ask themselves as they move through their decision-making process. For example:

- How to decide between saving and investing, or maybe doing both?
- How to invest in ETFs, and what is the distinction between active and passive investing?
- How much money is needed for retirement?

By breaking down investing into small and snack-sized portions, and explaining investment fundamentals without relying on technical terms or jargon, the masterclass brings the topic down to a level at which everyone feels comfortable. The format enables the user to understand the technical foundations of investing without being forced to read through texts loaded with technical terms. Watching the short videos telling everyday stories from a regular family makes investing tangible, and helps individuals pick up the points they need “on the go” rather than in daunting detail; it feels easy to understand. These emotions and experiences boost confidence in individuals’ skills and the competency to invest.

It is important to understand that the Investing Masterclass is not a sales channel for Fidelity or Fidelity products. We do not link the guidance we offer to specific investment solutions or funds, but rather position ourselves as a neutral and trustworthy partner aiming to deliver financial literacy in a broader society.

<sup>90</sup> [Link](#) to Investing Masterclass.

The Investing Masterclass is also mainly targeted at an audience separate from our existing target audience of investors. We use social channels, mainly Facebook and Instagram, to open the world of investment to a wider target audience that we do not currently reach as customers. In addition, we use static banners, animated banners and a teaser video to promote the initiative via paid advertising, e.g., OTT spots or programmatic advertising. The new audience will be then retargeted by means of our regular brand campaign.



## 2. Pension Workbook

Most German citizens believe that the statutory pension, which is guaranteed by the state as a key component of an intergenerational contract, is the fundamental pillar of their future retirement savings. Yet the demographic reality of this contract means that fewer and fewer working-age individuals are having to pay for more and more pensioners as they reach, and live through, retirement. Meanwhile



the “retirement reality” is that individuals need to turn to private pension products to supplement the state pension, and many such private pensions have been introduced to German employees via workplace schemes sponsored and/or offered by their employers. However, some of these private pension schemes are either challenging for private investors to understand or do not clearly communicate their advantages and risks. Consequently, too many people feel overwhelmed by the information offered and fail to make good and timely decisions on their retirement planning.

Having talked to many customers over the past few years, we recognise that investment topics related to specific life situations (for example, retirement planning) are of great interest to them against a background of confusion and hesitance. By developing our Pension Workbook, we are seeking to explain facts that we know people both need and want to understand about their retirement planning.<sup>91</sup>

Many individuals will have come across this topic in books, magazines and videos multiple times, and so we wanted to find a new, unique and tangible way of helping them grasp their own situation through a blend of hard facts and life experience. We therefore developed a format that allows people to actively

<sup>91</sup> [Link](#) to Pension Workbook.

participate and become aware of their own particular situations. The workbook is divided into two chapters: the first covers basic educational information, while the second allows the reader to take a “Do-it-yourself” approach to their finances through checklists, tests and tables for them to tailor and use.

Knowing that many of our clients prefer to work with brochures, we decided to create a PDF that is available for download on our website and can also be distributed at events. The reader is provided with many examples from daily life, all of which reinforce why private pension planning is of paramount importance for one’s financial future nowadays, meaning the workbook is not technical and stiff.

Going forward, we also plan a fully digital version with online interactive tools designed to help customers run through the checklists, tests and tables on their laptops, tablets or smartphones.



### III. Evaluation

Providing guidance in support of a broad societal target group – as distinct from selling specific solutions, funds and pension products – still has a long way to travel in the EU retail landscape. And yet it is important to take some first steps and for the asset management industry to assume responsibility for developing a financially educated society. This is why we have developed our Investing Masterclass and Pension Workbook, which we think will also have a “halo effect” of a significantly higher brand awareness, and opening up new doors to new and extended audiences in investment business.

As far as Fidelity International is concerned, we are actively measuring the success of both initiatives via digital key performances indicators (e.g., impressions, view-throughs and downloads) while at the same time we are gathering feedback from customers and prospects. Boosting our brand awareness and positioning ourselves as a trustworthy partner remains a secondary goal for both initiatives as we look to build up our future customers. We are looking forward to continuing to provide guidance, not simply to our own clients but also to a broader target group in a society where everyone should have the basic financial literacy and confidence to manage one’s own finances.

## Generali Investments – Initiatives on Financial and Investor Education

### Simona Pasero

Head of Internal Communications  
Generali Asset & Wealth Management

### Michele Seghizzi

Head of Communications  
Generali Asset & Wealth Management



## I. Introduction

Generali Group has taken a strong commitment to empower people, as underlined in the Group's mission to *“enable people to share a safer future by caring for their lives and dreams.”* One of the pillars of such empowerment is education, and financial education in particular.

The problem of financial illiteracy is well known among national governments and industry players. Statistical data show that, on average, the level of financial knowledge is low, which is also evidenced by the high rate of household savings in Europe.<sup>92</sup> Information and education are vital to strengthening the trust of citizens in financial markets, mobilising financial resources and increasing capital inflow into capital markets.

Furthermore, financial education represents one of the key pillar for the post COVID-19 economic and social recovery and growth, so that the new phase will be genuinely sustainable and future oriented. As the global pandemic has shown us, meaningful and conscious choices on pension plans, insurance plans and financial choices are fundamental to manage and react to extraordinary events.

As part of our commitment to financial education, we took part in a number of initiatives in the recent years. These include the Financial Education Month, promoted by the Italian Ministry of Economy and Finance during which we organised free events, and the Financial Education Week, organised by the OECD where we used our social media to promote the 'Guide to the 12 principles for saving and investing', including digital polls on topics such as investment trends, ways to support the real economy, and others.

## II. Initiatives on financial and investor education

### 1. 2021 Financial Education Month

#### Context

In October, Generali Group took part for the second time in the Financial Education Month (2021 Edition), promoted by the Italian Ministry of Economy and Finance, in partnership with the Bank of Italy. Generali Group organised free events to highlight the importance of financial literacy and the need to increase awareness of financial topics in Italy.<sup>93</sup>

<sup>92</sup> Eurostat, *Quarterly sector accounts – households*, January 2022 ([link](#)).

<sup>93</sup> [Link](#) to the website for more information.

In total, Generali organised eight webinars on different topics and published video messages dedicated to women, young students, families and savers. These events were promoted by Assicurazioni Generali, Alleanza Assicurazioni, Generali Investments and The Human Safety Net Foundation.

We were pleased with the response to the initiative, which attracted many participants. We interpreted the high participation in the initiative as a sign of the need for financial education and, at the same time, the willingness of people to learn more about saving and investing.



### Content

The cycle of eight webinars covered a wide range of topics and were particularly aimed at investigating the current financial challenges with a forward-looking perspective.

Alleanza Assicurazioni held a Masterclass, in collaboration with The Global Thinking Foundation, entitled 'Planning is Women: the Masterclass on Financial Education'. The Masterclass was in three sessions and saw the participation of the CEO of Alleanza Assicurazioni, Mr Davide Passero.

The initiative was aimed at providing families with an overview of how to efficiently manage a family's economies from financial budgeting to retirement options. The three Masterclass sessions covered the following topics:

- Economic choices for the family: the importance of financial planning;
- Diversification and risk-return relationship: the sustainable management of savings to achieve family goals;
- Insurance and pension plans: the tools for risk protection and retirement planning.

Generali Investments organised three webinars that attracted more than 420 participants, to increase knowledge and awareness on savings and pensions investment:

- Multi-pillar pension system, pension plans and international careers. The workshop was aimed at increasing awareness of pension plans and related rights;
- Alternative Investments: new paradigm of retirement investments. The seminar, in which the Generali Group Chief Investment Officer Mr Francesco Martorana took part, navigated the investments in real assets and their benefits, from a financial and non-financial perspective;

- An ageing society: a socio-demographic analysis on population ageing and its economic implications. This event addressed the megatrend of the population ageing and its implications from a financial perspective, and included the contribution of the Generali Insurance and Asset Management Head of the Research Team and Equity Strategist, Mr Michele Morganti.

Assicurazioni Generali held a conference on insurance solutions for first-time parents. This addressed young parents and aimed at giving them the instruments to choose the best insurance options for their children's future.

The Financial Education Month also saw the participation of The Human Safety Net Foundation. This initiative of Generali for Communities extends the Group's purpose to the most vulnerable of the society through financial support, learning initiatives, network and assets. The Foundation, with the participation of its Executive Director Mrs Emma Urshich, held a webinar – developed in partnership with UNICEF and Aflatoun International – focused on the importance of financial education for families in Italy and around the world. The objective was to strengthen the financial decision-making of parents of young children and to optimise the use of limited resources to foster the development of their children. The project was also possible thanks to the subscriptions of Generali employees, who joined We SHARE, the share ownership plan launched in 2019.<sup>94</sup>

### Delivery

The initiative was delivered through webinars, to allow everyone to participate, regardless of where they live or are located. We leveraged the potential of the digital format by creating interactive webinars and using graphs, images, PowerPoint presentations and interactive sections.

The events saw the participation of many of our experts, such as the Generali Group Chief Investment Officer Mr Francesco Martorana; CEO of Alleanza Assicurazioni, Mr Davide Passero; Executive Director of The Human Safety Net, Mrs Emma Ursich, Generali Insurance and Asset Management Head of the Research Team and Equity Strategist Mr. Michele Morganti. Thanks to their expertise, they guaranteed clarity and completeness in explaining these topics.

During the webinars, the participants had the opportunity to ask questions via chat during the Q&A sessions following the expert presentations talks. We also received many email requests to receive the slides presented during the events.

### Evaluation

We did not undertake surveys as, for privacy reasons, we did not ask the participants to register to join the webinar. However, we received a lot of positive feedbacks from participants and the events were a success, as reported in numerous newspaper articles.

Generali had organised many pilot webinars to check the contents' accessibility, the technological connection and the format chosen, in order to deliver the best possible outcome for the Financial Education Month webinars.

## 2. Other initiatives

Prior to the 2021 Financial Education Month, several Generali subsidiaries participated in a number of other financial education initiatives. In October 2020, Generali Investments took part in the previous edition of the [Financial Education Month](#), where Generali held five online webinars investigating several topics. These included the impact of COVID-19 on the insurance industry, the retirement options

<sup>94</sup> [Link](#) to the website for more information on the Human Safety Net.

available on the market, demographic trends and the retirement savings in Europe, the asset management companies operations and their role in the investment process, financial bonus and concessions available on the market. The events were a success, as reported in many newspaper articles. We saw more than 1800 participants and received positive feedback from the audience and the press.



In March 2021, Generali Investments France, as a Member of the AFG (Association Française de la Gestion Financière), took part in the Financial Education Week organised by the Organisation for Economic Co-operation and Development (OECD). The topic of the [2021 Financial Education Week](#) was “Take care of yourself, take care of your money”. The event was an occasion to share the AFG and Generali financial educational mission “be the actor of your savings”. During this week, together with online webinars that addressed both young people as well as adults, more than 200 educational workshops were organised in many regions in France. The topics investigated during the online webinars ranged from the principles of saving and investing, to identifying and preventing financial scams, fintech, financial stability and positioning of the country and sustainable finance. Generali Investments France shared on its social networks the ‘Guide to the 12 principles for saving and investing’, reaching more than 11,400 reactions.<sup>95</sup> We also leveraged the potential of social media, by introducing digital polls on topics such as investment trends, ways to support the real economy or the definition of the concept of impact investors. This saw an high level of participation and gave us valuable insights into public opinion on these topics.

### III. Lessons learnt

According to the organisers, the adaptation of the language of the subjects – which is always complex and technical – to a simpler and more accessible form was challenging. As our target audience also included young people, we wanted to make sure our presentation was useful for everyone and easy to follow. Despite the embedded potential difficulties, the explanations of the experts and the leverage of the digital tools turned out to be an asset. In fact, the format chosen attracted many participants and the very interactive Q&A sessions demonstrated that the audience was interested and curious to dig deeper into the topics presented.

<sup>95</sup> AFG, *12 principles for saving and investing*, 2020 ([link](#)). The guide is also available in English ([link](#)).

The high participation levels in the series of lectures highlighted the need among customers for financial education that ultimately strengthens our commitment. In light of the successful completion of the events, our commitment does not stop here: we plan to reconnect with AFG in France to participate in further educational initiatives in France.

## Annex: Overview of member initiatives

N°	Initiator	Name	Target	Content	Delivery	Evaluation
1	VÖIG	VÖIG-Lehrgang	Investment professionals	Asset management, incl. portfolio and risk management	In-person sessions ( <a href="#">link</a> )	Unsolicited feedback
2	VÖIG	DIDI's Investmentfonds leicht gemacht	Retail investors	Financial products: concept and structure of investment funds and their usage by retail investors	Brochure, made available to teachers and teaching centres ( <a href="#">link</a> )	Unsolicited feedback
3	VÖIG	Initiative 2050 – For a carefree future	Young investors	Pension saving: supplemental pension schemes and their importance	Five videos, distributed on YouTube and social medias ( <a href="#">link</a> )	Videos views: 200,000
4	VÖIG	Academic activities	Investment professionals	Investment funds related topics	Participation in seminars, conferences, and contribution to books and academic journals	Unsolicited feedback
5	BEAMA Lead: Febelfin	My money and me	Retail investors	<ul style="list-style-type: none"> <li>- Core concepts: money issues, saving, budgeting, and borrowing</li> <li>- Financial products: basic information on stocks &amp; stock markets</li> <li>- Digital finance: cyber-security</li> </ul>	Website with articles on the different topics ( <a href="#">link</a> )	Unsolicited feedback
6	BEAMA Lead: Febelfin	7 tips to take your first steps on the stock market	Retail investors	Core concepts: Keep 'rainy day' savings, build your financial knowledge, identify your investor profile and strategy, invest long-term, diversify, be cautious	Webpage ( <a href="#">link</a> )	Unsolicited feedback
7	BEAMA Lead: Febelfin	Everything you need to know about pension savings in 8 key points	Young investors	Pension savings	Webpage ( <a href="#">link</a> )	Unsolicited feedback

## OVERVIEW OF MEMBER INITIATIVES

8	BEAMA Lead: Febelfin & Assuralia	Club Invest	Retail investors	Financial products: saving accounts, insurance products, investment funds, actions and obligations, derivatives	Webpage with videos ( <a href="#">link</a> ) and campaign with well-known Belgians to promote the website. The videos are also available on YouTube.	- Website hits - Request by financial institutions to use the videos
9	AFG	12 principles for saving and investing	Retail investors	Core concepts: saving, financial needs, investment horizon, diversification, risk & return, and investment advice.	Brochure ( <a href="#">link</a> ) complemented by a social media campaign.	EducFI label
10	AFG	AFG Formation	Investment professionals	Asset management	Seminars & e-trainings ( <a href="#">link</a> )	Unsolicited feedback
11	AFG Lead: IEPP	La Finance pour tous ("Finance for everybody")	Retail investors	AFG input to the initiative: pension saving	Website ( <a href="#">link</a> )	Unsolicited feedback
12	AFG Lead: AMF	The employee savings week	Employers	(Complementary) pension saving	Website and events ( <a href="#">link</a> )	Unsolicited feedback
13	BVI	Hoch im Kurs	Students	- The economy - Core concepts - Digital finance	Booklet with additional information on a website ( <a href="#">link</a> )	- Uptake: 1,400,000 brochures and 1,500,000 hits on the website - Teacher surveys: 93% of teachers have a positive opinion of the initiative and 75% used the booklet in class
14	BVI	School visits	Students	Core concepts: money management,, provisions for the future, etc.	Presentations in class	Uptake: 800 presentations
15	BVI	Geld check (finance app)	Young investors	Budgeting	Application ( <a href="#">link</a> )	Uptake: application downloaded 35,000 times
16	ALFI	ALFI's 30th anniversary celebrations	Investment professionals	Raise awareness among investment professional as regards the importance of promoting financial education	Conference	Unsolicited feedback

## OVERVIEW OF MEMBER INITIATIVES

17	ALFI Lead: Jonk Entrepreneuren	Fit for Life	Students	<ul style="list-style-type: none"> <li>- Personal finance</li> <li>- Educational options</li> <li>- Career options</li> </ul> <p>ALFI contribution: Human and financial resources to Fit for Life.</p>	Presentations in class	Human and financial resources allocated: €25,000 and 30 volunteers from the ALFI's membership
18	ALFI	Understanding Investing	Retail investors	<ul style="list-style-type: none"> <li>- Core concepts: financial needs, saving &amp; investing, and financial strategies</li> <li>- Financial products: different investment products and how to access these, plus specific information on investment funds and their benefits</li> </ul>	Website and YouTube channel with articles and videos ( <a href="#">link</a> )	Website hits: 200K page views and over 3,000 subscribers from different geographical regions. 70% of the audience is made of young people aged 18 to 24, 43% women and 57% men
19	ALFI Partners: ABBL, CCSF, etc.	ABBL Foundation for financial education	Future investment professionals, retail investors	<ul style="list-style-type: none"> <li>- Financial education</li> <li>- Vocational training</li> </ul>	Events & trainings	Unsolicited feedback
20	APFIPP Partners: supervisors and trade associations	Workbooks for students	Students	Core financial competencies for students: needs, expenditures, uncertainty, saving, financial products, etc. ( <a href="#">link</a> )	Books ( <a href="#">link</a> )	Unsolicited feedback
21	APFIPP	Produce & Save & Investment	Students	<ul style="list-style-type: none"> <li>- Core concepts: saving &amp; investing</li> <li>- Financial products: Investment funds</li> </ul>	Sessions	Participation: 50 high school students
22	APFIPP	Trainings for small and medium enterprises	Employers	Complementary pension savings	Sessions	Unsolicited feedback
23	APFIPP Partner: Euronext Lisbon	World Investor Week events	Students	<ul style="list-style-type: none"> <li>- 2019 – Saving and Investing to prepare for the Future</li> <li>- 2020 – Invest talk: Saving &amp; Investing (<a href="#">link</a>)</li> <li>- 2021 – Invest Talks: Security and Behaviours in the Investments(<a href="#">link</a>)</li> </ul>	Sessions and webinars	<ul style="list-style-type: none"> <li>- 2019 - Participation: 400 secondary school students</li> <li>- 2020 - Participation: 1000 viewers / Total hits: 4700 views (by the end of the year)</li> <li>- 2021 - Participation: 1000 viewers / Total hits: 20.000 views (after a week)</li> </ul>

## OVERVIEW OF MEMBER INITIATIVES

24	SASS Lead: National Bank of Slovakia	5money	Retails investors	Core concepts with tailored content for different target groups: children, families, etc.	- Website with articles, videos, quizzes, etc. ( <a href="#">link</a> ) - In-person and online lessons at universities	Evaluation when the project will have had the time to develop (website hits, feedback from participants, and financial literacy surveys in schools)
25	INVERCO	Rumbo a tus sueños ("Reach your dreams")	Students	- Core concepts: inflation, budgeting, financial goals, and investment horizons. - Sustainable finance	In-persons/online sessions, including study cases and games	- Uptake: 26 programmes with 600 students participating - Surveys with speakers and students
26	INVERCO	Ideas that help you save money	Retails investors	Core concepts: inflation, compound interest (rainy-day) savings, investment objectives and horizons, investor behaviour biases	Videos and infographics ( <a href="#">link</a> )	Video views: 2.727
27	Fondbolagens Förening	Young Personal Finances	Students	- Core concepts: budgeting, saving & investing, etc. - Financial products: loans, insurance, savings, shares, and investment funds	In-person sessions and book ( <a href="#">link</a> )	- Uptake: 25.000 students per year (1/4 of students) and 250.000 students since the start of the initiative - National survey: Increase in financial literacy since 2017
28	The Investment Association	Investment 20/20	Students	Understanding of investment management, including the role of the industry and its positive impact	In-persons sessions and e-comms, including newsletters and social media ( <a href="#">link</a> )	- Uptake: 200 sessions in 2021 - Student survey: 80% of students thought they had a very good understanding of the industry
29	The Investment Association	Fund Communication Guidance	Asset managers	How to communicate efficiently with clients to ensure that they can compare different products	Brochure ( <a href="#">link</a> )	Upcoming evaluation: The IA will assess IA member fund communication against both the IA guidance and FCA rules and guidance
30	Allianz Global Investors Lead: IW Junior	Fit for the Economy	Students	Core concepts: conscious spending, financial plaining, rainy day savings, debt management, etc.  The content is tailored for each session with the help of the teachers.	In-person/online sessions, including pre-structured modules and exercise available in an handbook to complement the lessons	- Uptake: 26 volunteers for the 2019/2020 school year - Survey for students after each session

## OVERVIEW OF MEMBER INITIATIVES

				AGI contributes to the initiative by making available volunteers to animate sessions.		<ul style="list-style-type: none"> <li>- Online evaluation of teachers and volunteers (with possibility to make suggestions)</li> <li>- The results of these surveys are used to adapt the content &amp; delivery.</li> </ul>
31	Allianz Global Investors	Allianz Global Investors Academy	Retail investors, distributors	<ul style="list-style-type: none"> <li>- Core concepts: inflation, risk &amp; return, asset classes, diversification, investment strategy, etc.</li> <li>- Sustainable finance</li> </ul>	Website with a social media campaign ( <a href="#">link</a> )	<ul style="list-style-type: none"> <li>- Prior-evaluation by the AGI's marketing and sales teams as regards the design of the website</li> <li>- Uptake: it will be evaluated based on click rates</li> </ul>
32	Amundi	Amundi Academy	Distributors		Online platform	Participation: 14,000 users
33	BBVA Partners: universities, medias	Instituto de BBVA de Pensiones	Retail investors	Pension saving	<ul style="list-style-type: none"> <li>- Website with articles and infographics (<a href="#">link</a>)</li> <li>- Experts Forum: research and educational articles (<a href="#">link</a>)</li> <li>- Simulators (<a href="#">link</a>)</li> <li>- YouTube</li> <li>- Events at universities</li> <li>- Collaboration with media</li> </ul>	<ul style="list-style-type: none"> <li>- Uptake: Website: 400.000 views monthly. Simulators: 6.000.000 simulations since inception. YouTube: 1.100.000 views.</li> <li>- Feedback received</li> <li>- Annual survey (<a href="#">link</a>)</li> </ul>
34	BlackRock Partners: Belgian banks and BELvue museum	Financial Literacy Fund – Mysteries of Finance	Students	<ul style="list-style-type: none"> <li>- Economy: price, taxation, social security</li> <li>- Core concepts: budgeting</li> <li>- Financial products</li> </ul>	Expo at the BELvue museum	Participation: 450 students
35	BlackRock Partner: Euronext Amsterdam	Scholenstrijd	Students	Core concepts: investing, behavioural finance	Online investing game, in-class lessons, and an excursion for the classes with the best results during the online game	Uptake (2021): 20 lessons with 560 students
36	BlackRock Partner: French bank	ETFs & savings plans education	Retail investors	Financial products: ETFs	Videos, webinars, and articles	Participation: 1600 live connections, with over 27 000 replays

## OVERVIEW OF MEMBER INITIATIVES

37	BlackRock Partner: German providers	Converting savers to investors	Retail investors	Financial products: ETFs	Saving calculator ( <a href="#">link</a> ), videos ( <a href="#">link</a> ), e-brochure ( <a href="#">link</a> )	Uptake 2020: 53,000 unique visitors, 438,000 using the Savings Calculator Tool. 76% increase since 2020.
38	BlackRock	Educational roundtables for journalists	Journalists	Financial products, including ETFs	(e-)seminar	Uptake: Four seminars with 35 journalists
39	Candriam	Candriam Academy	Investment professionals	Sustainable finance	Online platform with videos and visual aids ( <a href="#">link</a> )	- Label (EFPA, CFA, etc.) - Participation: 10,500 members - Survey: 82% were quite or extremely satisfied
40	Eurizon Capital	Eurizon Wise	Retail investors, professional investors, distributors	- Economy: taxation - Core concepts: inflation, diversification, investment horizon, etc. - Advanced asset management - Sustainable finance	In-person/online sessions, videos, glossaries, “ask an expert”, e-mails	- Uptake: 2000 users - Test/surveys
41	Eurizon Capital Lead: Assogestioni	Il tuo capitale umano (“Your human capital”)	Future investment professionals	- Professional opportunities - Core concepts: reasons to invest - Sustainable finance	In-person sessions	Unsolicited feedback
42	Fidelity International	Investing Masterclass	Retail investors	- Core concepts: saving & investing, pension savings, etc. - Financial products: ETFs	Videos and a social campaign on Facebook and Instagram	Up-coming evaluation: - Views, impressions - Surveys
43	Fidelity International	Pension Workbook	Retail investors	Pension saving	(e-)brochure, which follows a “Do-it-yourself” approach by offering checklists, tests and tables	Up-coming evaluation: - Downloads - Surveys
44	Generali Group Partners: Human Safety Net Foundation, UNICEF, and	2021 Financial Education Month	Retail investors	- Core concepts: financial planning, risk-return, diversification - Pension saving - Financial products: insurance and pension plans, real assets	8 webinars	- Pre-assessment: pilot webinars to test the delivery - Post-assessment: feedback and media coverage

## OVERVIEW OF MEMBER INITIATIVES

	Aflatoun International					
45	Generali Investments	2021 Financial Education Week	Retail investors		Webinar	<ul style="list-style-type: none"> <li>- Uptake: 1800 participants</li> <li>- Media coverage</li> <li>- Feedback from participants</li> </ul>
46	Generali Investments France	AFG Guide to the 12 principles for saving and investing	Retail investors	Generali Investments promoted the guide on social media with polls	Social media campaign	Unsolicited feedback

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European Fund and Asset Management Association

## About EFAMA

EFAMA is the voice of the European investment management industry, which manages over EUR 30 trillion of assets on behalf of its clients in Europe and around the world. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors.

Besides fostering a Capital Markets Union, consumer empowerment and sustainable finance in Europe, we also support open and well-functioning global capital markets and engage with international standard setters and relevant third-country authorities.

EFAMA is a primary source of industry statistical data and issues regular publications, including Market Insights and the authoritative EFAMA Fact Book.

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