Building a Financial Education Approach
A Starting Point for Financial Sector Authorities
FINANCIAL INCLUSION SUPPORT FRAMEWORK
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LIST OF ACRONYMS

ATM  automated-teller machine
BCB  Central Bank of Brazil
FSP  financial service provider
M&E monitoring and evaluation
NFES national financial education strategy
PIN personal identification number
EXECUTIVE SUMMARY

Financial capability is the capacity to act in one’s financial interest, given socioeconomic and environmental conditions. Financially capable individuals who make good financial decisions and interact effectively with financial service providers (FSPs) are more likely to achieve their financial goals and therefore improve their households’ welfare.1 The expectation is that financial education programs, when effectively designed and delivered, can be implemented as tools to increase consumers’ financial capability.

While the importance of financial capability has been studied empirically, questions remain about program effectiveness, whether and how effectively these skills can be taught to consumers, and if financial education programs lead to sustained behavioral changes that improve one’s financial wellness and inclusion. When studied analytically, the results of financial education have been mixed.2 (See box 2.)

A robust body of evidence shows that, on average, conventional approaches to financial education (that is, financial-literacy events, training sessions, seminars, workshops, and classroom-based lectures) are mostly unsuccessful in sustaining behavioral change.3 Despite the uncertain impacts of financial education, policy makers embraced financial education as a policy instrument. Roughly 100 countries have put in place formal or national financial education strategies (NFESs) whose overarching aim is to improve levels of financial capability nationwide.

Not surprisingly, many financial sector authorities (who are often tasked with championing an NFES) have also faced challenges playing an effective role in the financial education space.

For many, the strategy-development or data-collection process has been overly cumbersome—leading to less successful outcomes—and directed time, energy, and resources away from more effective policy tools. Others opted to design and implement a broad range of financial education campaigns directly but were met with varying (if not minimal) levels of success. Executing education programs directly, particularly conventional financial education,4 is an ambitious task for financial sector authorities. They often lack the reach, infrastructure, resources, and personnel to implement large-scale education programs cost-effectively.

Financial education can also be more expensive5 and less impactful than legal and regulatory reforms that fall more squarely under the regulatory periphery of a financial sector authority. Evidence6 points to financial education underperforming when compared to key facts statements7 or other risk-based supervisory tools.

That said, several new financial education methods have been rigorously tested in recent years and yielded positive results.8 Emerging evidence suggests that key behavioral tools and practices, such as simplifying financial education into concrete, actionable steps, personalizing education, providing short, timely messages, and making education
convenient and easy to access, have successfully changed consumer knowledge, decision-making, and financial behaviors.

The objective of this report is to help guide financial sector authorities to build a more effective approach to financial education. The report synthesizes available resources and complements existing knowledge about financial education. It also explores the appropriate role for financial sector authorities within financial education and outlines a practical approach for financial sector authorities who choose to develop financial education agendas or strategies. Lastly, the report provides an overview of the best tools and practices to improve the effectiveness of financial education initiatives.

Financial Sector Authorities Have a Key Role to Play in Financial Education

The expansion of digital financial services highlights the importance of financial capability, as consumers need to navigate a rapidly evolving financial sector. Digital finance poses traditional risks, such as fraud or overindebtedness, and it heightens new risks to consumers, such as those that arise from the use of alternative data or algorithmic scoring models. Consumers—including more vulnerable and less literate consumers—are often required to learn quickly how to access and use digital products and services appropriately, protect their personal information, reduce vulnerability to fraud, govern data, understand consent and confidentiality, and navigate a digital financial landscape.

Helping consumers mitigate core financial risks should be the central focus of an authority’s financial education approach. When delivered effectively, financial education can help consumers acquire these necessary skills to make financially sound decisions. Helping consumers mitigate core financial risks also has direct implications on financial well-being, inclusion, and stability.

Narrowing the scope to addressing immediate financial risks posed to consumers helps financial sector authorities remain more targeted and have greater impact. This report does not intend to discourage broader financial education activities altogether but argues that broader endeavors, given the uncertainty of their impact, should be considered (if ever) only after authorities have adequately helped consumers mitigate core financial risks, should time and resources permit.

The Relationship between Consumer Protection and Financial Education

Financial education, when effective, can reinforce shared objectives to achieve a responsible, financially inclusive sector and help support consumer protection and prudential supervisory regimes. Financial education interventions take a bottom-up approach and focus on improving the capability of the consumer, whereas consumer-protection interventions focus on improving and making responsible the practices of providers. The expectation is that financial education can support consumer-protection objectives by helping ensure that consumers are financially capable when provided with appropriate products and services delivered by responsible FSPs.

That said, it is important to state the caveat up front that financial education cannot substitute for consumer-protection and sound prudential regulation, which is critical to ensure the development of an inclusive and stable financial sector.

The rapid expansion of digital finance poses a range of new risks as well as new manifestations of existing risks to consumers, putting many policy makers in developing countries in a tough position: they are working to tackle new challenges posed by digital finance and COVID-19 while also simultaneously implementing baseline consumer-protection and supervision frameworks.

Although financial education can help consumers mitigate risk and navigate an evolving financial sector, financial education should not take precedence over or divert resources away from establishing a robust consumer-protection and prudential regulatory regime, which is essential to the core mandate for many financial sector authorities.

How Financial sector Authorities Can Build an Effective Financial Education Approach

Focusing on addressing the inherent risks posed to consumers can help authorities prioritize educational interventions and optimize their comparative advantages by ensuring that the activities fall within the regulatory scope of their institution and are appropriate, given their resources and mandate. In this regard, building an effective approach requires the following essential operational steps (which are further detailed below and throughout the report):

STEP 1: Assess the landscape

STEP 2: Prioritize goals

STEP 3: Build an effective framework
STEP 1: Assess the Landscape

In addition to taking stock of best practices and gathering insights from related stakeholders, such as market-conduct and consumer-protection supervisors, financial sector authorities should also conduct an assessment to identify if consumers nationwide are receiving enough information (i) to access and use their products and services appropriately, (ii) to prevent and mitigate risks during uptake and usage, (iii) to troubleshoot issues through available consumer-protection mechanisms, and (iv) to know their rights.

The assessments should focus on points of interaction between consumers, FSPs, and government financial programs (that is, cash transfers, agricultural lending, and so forth) to assess the existing information, education, and training provided and to identify gaps in consumers’ knowledge and capabilities relating to accessing, using, and mitigating risks appropriately. To do so, assessments should gather the perspectives of consumers, FSPs, government institutions that provide financial services at scale (that is, cash-transfer programs, remittance programs, and so on), and other related financial sector authorities and stakeholders.

Assessments can be conducted through a variety of means, including desk research, mapping exercises, customer journey mapping, consumer profiling, stakeholder interviews, phone surveys, coordinating with supervisors to analyze regulatory reports or complaints, and so forth. Ideally, the assessment should shed light on key financial education gaps within the market as well as opportunities where core financial education messages can be integrated to help consumers navigate their financial lives.

Depending on the number of core risk areas and needs identified, it may be difficult to tackle all areas at once. Financial sector authorities should consider how best to prioritize their goals by assessing trade-offs between lower-hanging fruits (that is, for example, integrating a few core messages into a cash-transfer program), their capacity and resources, and existing consumer risks with greatest implications on inclusion/stability.

STEP 2: Identify and Prioritize Areas of Consumer Risk

A comprehensive assessment (see step 1) will identify immediate needs from the perspective of different types of consumers as well as core gaps across different product lines during key interactions between consumers and their FSPs or financial programs. Financial sector authorities should be able to detect emerging areas of consumer risks that warrant priority as well as core education gaps and needs of different consumer profiles. In addition, the assessment should also shed light on opportunity areas where core financial education messages can be integrated to help consumers navigate their financial lives. Depending on the number of core risk areas and needs identified, it may be difficult to tackle all areas at once. Financial sector authorities should consider how best to prioritize their goals by assessing trade-offs between lower-hanging fruits (that is, for example, integrating a few core messages into a cash-transfer program), their capacity and resources, and existing consumer risks with greatest implications on inclusion/stability.

STEP 3: Build an Effective Framework

Focusing on addressing core financial risks to consumers and keeping assessment recommendations and findings in mind, financial sector authorities can begin to identify key action areas to build an effective framework. In successful frameworks, financial sector authorities are generally required to take action in the following three areas:

- Partnerships with key institutions to embed financial education into existing financial programs. Financial sector authorities should build partnerships...
to support key institutions to embed financial education into programs offering financial services at scale (that is, cash-transfer programs, agricultural lending programs, and so on). Priority partners are often other government institutions (that is, the ministry of agriculture, ministry for social protection, and so forth), and financial sector authorities can play a key role in helping them integrate financial education into the design of their large-scale financial-service program.

➤ **Guidance to regulated entities.** Financial sector authorities are well placed to provide guidance to FSPs (generally nonbinding) that can help encourage providers to integrate financial education holistically into their day-to-day operations and interactions with consumers.

➤ **Financial education tools offered to the public.** Financial sector authorities often play a role developing a set of publicly available resources (generally web based) provided to consumers and practitioners. The resources focus on addressing those core educational needs under their remit and mandate that have implications on inclusion and stability. This often requires coordination with stakeholders beyond government institutions and FSPs, including with nongovernmental organizations, industry associations, and consumer associations, both to support integration of priorities into their existing financial education activities and to elevate the collective consumer voice to define educational needs.

➤ **Cross-cutting monitoring and evaluation (M&E).** A practical M&E framework that tracks progress, monitors resource allocation, helps pilot new initiatives, and, to the extent feasible, measures impacts, is a cross-cutting principle to apply across all three financial education action areas.

**Making Financial Education More Effective: Tools, Channels, and Best Practices**

Across every action, choosing the right tool and delivery channel is a critical step to ensure that financial education interventions are appropriate for their target audience. A wide variety of financial education tools and delivery channels (that is, SMS messages and nudges, instructions at an ATM, consumer training at bank branches, and so on) can be used to advance consumer capabilities and address the needs of specific population groups. Reviewing effective financial education tools and delivery channels can help authorities understand which tools may best apply within a particular financial education intervention to meet the needs of consumers.

The report synthesizes the growing body of literature on this topic to help financial sector authorities guide the design and implementation of successful financial education policies and initiatives. Implications on gender, vulnerable populations, and digital finance are embedded throughout the chapter. Drawing from existing resources, a high-level summary of good practices, principles, and guidance around financial education can be summarized by the six following principles:

- **Use evidence.** Build initiatives based on the priorities, findings, and recommendations of assessments that identified the educational needs of consumers and particularly the mitigation of core risks. When using digital financial services, addressing new manifestations of both existing risks and new risks to consumers, particularly vulnerable consumers, should remain a core focus.

![General Framework for a Financial Education Approach](image-url)
Leverage behavioral designs. Financial education is more meaningful when activities incorporate behavioral designs, such as targeting “teachable moments” (that is, a time when an individual is about to make an important financial decision); leveraging nudges, reminders, and default options; and periodically reinforcing messages, among other behavioral tools.

Address the needs of women and vulnerable populations. The development of sensitive, localized, and culturally appropriate financial education initiatives should be a major consideration when developing financial education for women and other vulnerable groups (that is, indigenous populations, less literate groups, the elderly, and so forth). This includes ensuring female leadership and the representation of other vulnerable groups within the financial education space (and financial sector more broadly), collecting adequate data to inform decisions, and addressing the differing needs of women and other vulnerable groups, whose risks may be heightened due to social or societal constraints.

Know the individuals and families to be served. Financial education should be client focused and reflect the demographics, cultural and financial context, and learning needs and preferences of the target population. Education must be relevant in the context of their financial lives and help inform consumers about financial decisions that can be realized in the short or medium term.

Use a wide range of tools and channels. Nontraditional channels (that is, chatbots, SMS messages, tablets, phone applications, and so on), informed by empirical behavioral research, can also help ensure that learning is being put into action.

Learn by doing. Practicing helps consumers master their financial knowledge and skills. This is particularly important for digital finance, as it improves familiarity and confidence when conducting a digital transaction. Incorporating simulations (that is, simulating a transaction on an ATM or a mobile phone) helps consumers practice using new technologies and testing key functions.

NOTES
2. Table 1 contains a consolidated list of rigorous evaluations and meta-analyses that assess the impact of financial education.
3. Table 1 contains a consolidated list of rigorous evaluations and meta-analyses that assess the impact of financial education.
7. A Key Fact Statement summarizes total cost, fees and charges, and key terms and conditions in a clear, simple format.
9. See World Bank, Consumer Risks in Fintech.
11. Important to note that financial education provided by FSPs should avoid any potential conflict of interest, such as marketing and advertisement of specific financial products presented as financial education.
12. Resources are often provided to practitioners of financial education or to entities who are well equipped to integrate or offer financial education as part of their programming.
1. EVIDENCE ON FINANCIAL EDUCATION AND CAPABILITY

Financial Capability Is Important . . .

Financial capability is the capacity to act in one’s financial interest, given socioeconomic and environmental conditions. It encompasses the knowledge, attitudes, skills, and behaviors of consumers with regards to managing their resources and understanding, selecting, and making use of financial services that fit their needs.

It assumes that a consumer is capable of effectively navigating the financial marketplace to their benefit, which increasingly also means managing digital financial services. For instance, individuals who make good financial decisions and interact effectively with FSPs can be considered financially capable and more likely to achieve their financial goals and therefore improve their households’ welfare.13

The expectation is that financial education programs, when designed and delivered effectively, can be implemented as tools to increase consumers’ financial capability. When provided effectively, financial education will help consumers make better choices and improve their financial health, allowing them to save, borrow, and invest more safely. This may not only promote responsible consumer behavior but also advance broader financial inclusion while helping to ensure stability and the effective functioning of the financial markets.

. . . but Many Conventional Financial Education Programs Have Been Ineffective.

While the importance of financial capability has been studied empirically, questions remain about program effectiveness,14 whether and how these skills can be effectively taught to consumers, and if financial education programs lead to sustained behavioral changes that improve consumers’ financial wellness and inclusion. When studied analytically,15 conventional financial education approaches (that is, financial-literacy events, training sessions, seminars, workshops, and classroom-based lectures) have achieved mixed results at best.16 Studies suggest17 that conventional approaches are expensive, resource intensive, and not always effective in providing for sustained behavior change and improved financial outcomes.18

In many cases, flaws in the design and delivery of such financial education activities resulted in less impactful results.19 For instance, the education may not have been relevant for recipients or didn’t address recipients’ immediate financial needs. Education may not have been delivered in time to aid short-term financial decision-making. Financial education generally involves numbers, which requires a basic level of numeracy or literacy. Providing financial education to more vulnerable or less literate populations will be a challenge if recipients do not have access to strong educational systems or core infrastructures. Financial education may also involve future projections—which can be hard to consider for recipients who are food or resource insecure, particularly if short-term needs are not fully met. The education may not have been within the context of products and services accessible in their daily lives, and so forth.

Despite Uncertainty, Financial Sector Authorities Embrace Financial Education . . .

Despite the uncertain impacts of financial education, most policy makers and financial sector authorities around the world have embraced financial education as policy instruments. Roughly 100 countries have put in place formal or national financial education strategies whose overarching aim is to improve levels of financial capability nationwide. Government-led financial education strategies are often championed by financial sector authorities whose mandate includes improving the financial well-being of individuals or enterprises in their jurisdiction.
The terms financial literacy, financial education, financial capability, and financial well-being are interrelated and often used interchangeably, but they represent unique concepts. This note uses the following definitions:

Financial education is a tool for increasing consumer financial literacy. According to the Organisation for Economic Co-operation and Development, financial education is the process by which financial consumers and investors improve their understanding of financial products and concepts and, through information, instruction, and objective advice, develop skills and confidence to become more aware of financial risks and opportunities to make informed choices, know where to go for help, and take other effective actions to improve their financial well-being.

Financial literacy represents the level of aptitude in understanding personal finance. It often refers to awareness and knowledge of key financial concepts required for managing personal finances and is generally used more narrowly than financial capability.

Financial capability is the capacity to act in one’s best financial interest, given one’s socioeconomic and environmental conditions. It encompasses the knowledge (literacy), attitudes, skills, and behaviors of consumers regarding managing their resources and understanding, selecting, and making use of financial services that fit their needs.

Financial well-being is closely related to financial capability, and a consensus is emerging that financial well-being is the ultimate measure of success for financial education efforts. Financial well-being is loosely defined as a state of being wherein a consumer has control over day-to-day, month-to-month finances, has the capacity to absorb a financial shock, is on track to meet financial goals, and has the financial freedom to make the choices that allow them to enjoy life.

### BOX 1

**Comparing Financial Literacy, Financial Education, Financial Capability and Financial Well-Being.**

The terms financial literacy, financial education, financial capability, and financial well-being are interrelated and often used interchangeably, but they represent unique concepts. This note uses the following definitions:

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Financial literacy represents the level of aptitude in understanding personal finance. It often refers to awareness and knowledge of key financial concepts required for managing personal finances and is generally used more narrowly than financial capability.

Financial capability is the capacity to act in one’s best financial interest, given one’s socioeconomic and environmental conditions. It encompasses the knowledge (literacy), attitudes, skills, and behaviors of consumers regarding managing their resources and understanding, selecting, and making use of financial services that fit their needs.

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### BOX 2

**Understanding the Evidence on Financial Education and Capability**

A growing number of studies show that, on average, conventional approaches to financial education have not been successful either in imparting lasting knowledge or in changing people’s financial behavior. That said, results have also been mixed, and newer methods of financial education that leverage behavioral insights and technology-based delivery have shown a lot of promise. Table 1 synthesizes a select set of emerging evidence and meta-analyses to make sense of results and draw insights into how financial education practitioners and policy makers can move forward.

<table>
<thead>
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<th>SOURCE</th>
<th>RESOURCE</th>
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| World Bank | Financial Education Programs and Strategies  
Can You Help Someone Become Financially Capable?: A Meta-Analysis of the Literature  
Does Financial Education Impact Financial Literacy and Financial Behavior, and If So, When? |
| CFI²² | A Fourth Era: Balancing Behavioral Interventions with Quality Education |
| IPA²³ | Beyond the Classroom: Evidence on New Directions in Financial Education |
| Management Science | Financial Literacy, Financial Education, and Downstream Financial Behaviors |
| GFLEC²⁴ | Financial Education Affects Financial Knowledge and Downstream Behaviors |
Building a Financial Education Approach: A Starting Point for Financial Sector Authorities

... and Many Have Faced Challenges Trying to Play an Effective Role in Financial Education.

Not surprisingly, many financial sector authorities (who are often tasked with championing an NFES) faced challenges playing an effective role in the financial education space.

For many, the strategy-development or data-collection process had been overly cumbersome—leading to less successful outcomes—and directed time, energy, and resources away from more effective policy tools. Broad financial education strategies and complex M&E systems can be difficult for policy makers to implement, particularly as many financial education activities and outcomes may be less tangible than, for instance, establishing an infrastructure or opening an account. Sometimes the development of the agenda itself kept authorities from focusing on more effective policy tools or caused fatigue, making it difficult to identify opportunities and implement targeted education initiatives for those who need it most.

Other authorities opted to design and implement a broad range of financial education campaigns directly but were met with varying (if not minimal) levels of success. Executing education programs directly, particularly conventional financial education, is an ambitious task for financial sector authorities—they often lack the reach, infrastructure, resources, and personnel to implement large-scale education programs cost-effectively.

When ineffective, financial education is often more expensive and less successful than legal and regulatory reforms that fall more squarely under the regulatory periphery of a financial sector authority. For instance, evidence points to financial education underperforming when compared to key facts statements or other risk-based supervisory tools. Financial sector authorities are equipped with legal powers and tools to address related policy agendas, such as financial consumer protection, and can do so at scale.

That Said, Alternative, Well-Designed Approaches to Financial Education Do Hold Promise.

Although a robust body of evidence shows that, on average, conventional approaches to financial education are not always successful, several new methods have been rigorously tested in recent years and yielded positive results.

For example, a rigorous evaluation in the Dominican Republic tested the impact of Banco ADOPEM offering its microenterprise clients a simple and practical "rule-of-thumb" training for financial decision-making as compared to conventional accounting training. The "rule-of-thumb" training included lessons such as storing business and personal cash in different drawers to keep...
accounts separate. Clients who were offered the rule-of-thumb training were 8–25 percent more likely to engage in the various healthy business practices that were taught, a significant difference from those who received no training at all. Meanwhile, the practices of clients who were offered the conventional accounting training did not significantly improve along most dimensions.

A rigorous evaluation of Chile’s Superintendencia de Pensiones’ financial education initiative, which installed computer kiosks in several social service offices, found that a personalized pension simulation experience significantly increased the probability that users would make voluntary contributions to their pension and increased the amount they contributed compared to the generic experience. (See box 14.)

The Government of Colombia offered cash-transfer beneficiaries a tablet-based application called LISTA that used video modules, simulations, and games to teach financial skills and concepts. LISTA users had more informal savings, were more likely to have a savings goal, and had greater trust in banks. (See box 15.)

In Brazil, the Central Bank of Brazil coordinated with the Ministry of Education to offer financial education as part of its school curriculum. The efforts were found to have a positive impact not only on students, but also on their parents. (See box 16.)

According to Innovations for Poverty Action, emerging evidence on these successful approaches suggests that simplifying financial education into concrete, actionable steps, personalizing education, providing short, timely messages, and making it convenient and easy to access can help make programs more effective at changing consumer knowledge, decision-making, and financial behaviors than conventional methods.
The Objective of This Report Is to Help Guide Financial Sector Authorities Build a Successful Approach to Financial Education.

In general, it is difficult to draw broad conclusions on the efficacy of financial education since no single method of delivering financial education exists. Financial education initiatives vary considerably in design, delivery, and content, making it difficult to generalize the impact of financial education.

This report will explore the role of financial sector authorities in financial education. Financial sector authorities are often tasked with implementing an NFES or approach but have also faced challenges during implementation. At the same time, they hold a unique comparative advantage as a regulator, supervisor, or other financial sector authority.

The objective of this report is to help guide financial sector authorities to build a more impactful approach to financial education. It also explores the appropriate role for financial sector authorities within financial education and outlines a more effective, practical approach for countries choosing to develop financial education agendas or strategies. The aim of this report is to answer the following common questions posed by financial sector authorities regarding financial education:

i. Should financial sector authorities intervene with financial education?

ii. How can financial sector authorities provide financial education effectively?

iii. What tools and practices can be used to ensure impact?

In addition, the report synthesizes available resources, complements existing knowledge about financial education, and provides an overview of the best tools and practices to improve the effectiveness of financial education initiatives. The report draws from growing evidence regarding what makes financial education efforts successful and integrates good practices throughout the report.

While the report focuses on financial sector authorities, given their common role facilitating the implementation of national financial education agendas, lessons and tools can be applied more broadly to other financial education practitioners, including other government authorities, nongovernmental organizations, schools, or private-sector players.

2. SCOPE OF FINANCIAL EDUCATION: CONSIDERATIONS FOR FINANCIAL SECTOR AUTHORITIES

2.1 The Relationship between Consumer Protection and Financial Education

Consumer-protection regimes promote responsible financial practices and work to establish and enforce rules on the market behavior of FSPs. Such regimes ensure that consumers are given clear and comprehensive information, are protected from unfair and abusive practices, and can easily access dispute-resolution channels to resolve conflicts with their FSPs, and that FSPs have adequate transparency and disclosure protocols in place. Many consumer-protection, market-conduct, and supervisory authorities also introduce customer-centric approaches to regulation that require providers to employ customer-centric strategies, report on customer outcomes, govern financial products better, and adequately assess customers to meet needs appropriately.

Financial education interventions take a bottom-up approach and focus on improving the capability of the consumer. When effective, financial education interventions help empower consumers—particularly more vulnerable and less literate consumers—by ensuring that they have the capability to make informed financial decisions, access and use products and services appropriately, exercise rights, meet obligations, and are aware of available resources and redress mechanisms in the case of complaints. The expectation is that financial education can support consumer-protection objectives by helping ensure that consumers are financially capable when provided with appropriate products and services, delivered by responsible FSPs. It can thereby reinforce shared objectives to achieve a responsible, financially inclusive sector.

Sometimes, the boundaries between financial education and consumer-protection activities can intersect or be unclear. For instance, both financial education and consumer-protection activities work to ensure that financial customers have adequate resources to understand key facts, disclosure documents, and available protections. Financial consumer-protection regimes will often issue requirements for FSPs to make available disclosure documents and standardized key facts statements and sometimes take extra steps to encourage FSPs to train their staff to read disclosure documents aloud and
answer related questions, particularly for vulnerable consumers with literacy limitations. Videos or other training materials have also been used in some markets. Financial education initiatives are conducted in a similar vein, and often encourage or provide resources to FSPs to ensure that consumers are equipped with enough financial education to form a sound estimate of their financial situation, understand the implications and benefits of new products and services, and be financially capable to make good decisions about a particular product, service, or provider.

That said, the rapid expansion of digital finance is posing a range of new risks and new manifestations of existing risks to consumers, and the COVID-19 pandemic has also increased the incidence of financial fraud, and credit risks. Many policy makers in developing countries are placed in a tough position: they are working to tackle new challenges posed by digital finance and COVID-19 while also simultaneously implementing baseline consumer-protection and supervision frameworks. Currently, financial sector authorities around the world are not only identifying and understanding these new consumer risks but also considering what regulatory measures are available to address them.

It is important to state the caveat up front that financial education cannot substitute for consumer protection and sound prudential regulation, which is critical to ensure the development of an inclusive and stable financial sector. Although financial education can potentially help consumers mitigate risk and navigate an evolving financial sector, financial sector authorities—given the uncertainty around the impacts of financial education—should consider trade-offs between allocating resources toward financial education as compared to consumer protection.

If policy makers need to consider how to allocate limited resources, focusing on establishing a robust consumer-protection regime should take precedence over financial education, since financial sector authorities are well equipped with the legal powers and tools to address financial consumer protection and can do so at scale—and this is not always the case with financial education.

### 2.2 Financial Sector Authorities Have a Key Role to Play in Financial Education

Financial education can help consumers mitigate core financial risks, particularly risks posed by entities whose regulation generally falls within the remit of a financial sector authority. Authorities can leverage their comparative advantage to integrate financial education effectively within the financial sector and vis-à-vis regulated entities, and they can employ financial education to reinforce shared consumer-protection objectives.

The expansion of digital financial services also highlights the importance of financial capability, as consumers need to navigate a rapidly evolving financial sector. Financial inclusion has progressed considerably over the last decade, and digital financial services have played a pivotal role in bringing about the expansion of financial services to women, the poor, and underserved individuals and enterprises at scale.

Despite its benefits, the rapid digitization of the financial sector is also heightening traditional risks as well as new risks to consumers. Faster opportunities for payments, credit, and insurance—often combined with retail/impulse purchases—can lead, for instance, to credit-related risks such as overindebtedness, fraud-related risks (that is, via agents, stolen PINs, and identity fraud), data-related risks (that is, privacy issues, consent to data sharing), transparency risks (that is, vulnerability to providers’ unscrupulous financial behaviors), and recourse-related risks, among other risks such as those that arise from the use of alternative data or algorithmic scoring models.

Consumers are often required to learn quickly how to access and use digital products and services appropriately, protect their personal information, reduce their vulnerability to fraud, govern data, understand consent and confidentiality, and navigate a digital financial landscape.

Many international surveys demonstrate that individuals’ financial capabilities in dealing with formal financial services and digital finance often fall short in many ways—whether it is the inability to understand how to open and use a new transaction or mobile-money account, how to keep a PIN safe, how interest rates are calculated, or the inability to make an informed decision when borrowing money. The COVID-19 pandemic has also demonstrated how threats to consumers can increase in times of crisis and economic stress. (See box 5.)

Underserved and newly banked consumers in particular, who lack experience with the regulated financial sector, may be more vulnerable to financial risks. Since the underserved often have less formal education and lower financial capabilities, they may be more susceptible to high-pressure sales tactics, excessive and hidden fees and charges, expensive predatory lending, nontransparent terms and conditions, inadequate disclosures, and discrimination. Overall, it can be difficult for them to understand the full implications of their product and service or how to access and use a product and service appropriately.
Building a Financial Education Approach: A Starting Point for Financial Sector Authorities

Vulnerabilities faced by the unbanked and underbanked can lead consumers to take products that are ill suited to their needs, resulting in overindebtedness and financial stress, rather than the benefits of financial inclusion. In addition, a lack of awareness of financial products and perceived ineligibility/self-exclusion are leading reasons for financial exclusion. Sixteen percent of unbanked adults globally cited distrust of the financial system as a major barrier.

Improving financial capability can help consumers mitigate financial risks. When delivered effectively, financial education can be integrated across the financial sector to help consumers acquire the skills required to make financially sound decisions and mitigate core financial risks.

The ongoing COVID-19 pandemic has disrupted the economic security of millions of families and affected everyday life across the globe. The World Bank estimates that between 143 million and 163 million people will fall back into poverty in 2021. Vulnerable and socioeconomically disadvantaged groups have been affected most, and women in particular have been left behind. Throughout the pandemic, women disproportionately reported decreases in income and overall job losses and were less likely to know about or access public support.

At the same time, the COVID-19 pandemic has accelerated the adoption of digital financial services around the world. More than 100 countries worldwide scaled up their social assistance programs to provide direct financial relief to the poor via bank accounts or mobile wallets. Governments often expanded their reach by including technology-based processes, such as online registration systems, automatic data verification, beneficiary-enrollment sessions to open digital accounts, and transferring payments directly through basic bank accounts or e-wallets. More consumers are now using digital financial services, since the availability of cash-based services has gone down and the costs of cash-based services have increased. In addition, COVID-19 has driven digital ID adoption. Low-income countries in particular have pushed to simplify electronic know-your-customer regulations and requirements for customer due diligence, which are generally more inclusive for less literate consumer groups. In some countries, on-the-spot photographs and thumbprints can now be used to open accounts.

As consumers rapidly make the transition to digital financial services and vulnerable population groups fall back into poverty, the COVID-19 pandemic is highlighting how risks to already vulnerable consumers can grow in times of crises. For instance, the COVID-19 pandemic has heightened risks around scams, fraud, credit risks such as nonperforming loans, and exploitation.

Throughout the pandemic, and to aide recovery, financial education will be crucial to ensure that consumers are knowledgeable about their rights, can make good financial decisions, and understand the range of financial products available to support their livelihoods. Financial education can support these efforts.

For instance, financial education can help build consumer capabilities, so consumers are capable of effectively using the digital financial services available to them and can avoid frauds such as phishing, hacking attacks, unauthorized use of data, and discriminatory treatment. Financial education can also be used to help consumers understand their rights and borrow responsibly. Overindebtedness fueled by easily accessible online products was a cause for concern even before the pandemic and is likely to exacerbate as consumers face financial difficulties born out of the economic downturn. In this milieu, it is pertinent to educate consumers in a way that affects their borrowing behaviors, and to promote awareness of consumer rights to reschedule debt, delay payments, and take advantage of other forbearance required to get through emergencies.

**BOX 5**

**Implications of COVID-19 on Financial Education**

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2.3 The Central Focus of an Authority’s Financial education Approach Should Be Helping Consumers to Mitigate Core Financial Risks

Helping consumers mitigate core financial risks should be the central focus of an authority’s approach to financial education. Given the transition from traditional banking to digital services, risks can be heightened, particularly for new users of digital financial services, since face-to-face interactions are becoming less and less common for emerging digital products and services. Narrowing the scope to addressing the immediate financial risks posed to consumers helps financial sector authorities remain more targeted and achieve greater impact. Financial sector authorities should consider helping consumers mitigate risk by providing financial education that strengthens consumers’ capability to do the following:

- **Choose products/services appropriate for their needs:** For consumers signing up for any new product or service, a robust consumer-protection regime requires FSPs to provide clear and easily digestible product information, including terms, conditions, and disclosure documents. However, such documents are not always well understood, particularly by newly banked or less literate consumers. Risks may increase when information is disclosed only digitally (for instance, on a mobile phone), since it can be more difficult for less tech-savvy users to comprehend. Financial education interventions can potentially help enable consumers to ask the right questions and perceive when products or services are unfair, deceptive, or unbalanced. Additional information or education efforts may help support a consumer’s knowledge and understanding of key disclosure and informational documents, delivered both traditionally and digitally.

- **Access and use their digital products and services appropriately:** Many new recipients of digital payment often have a limited conceptual understanding of electronic payments—for instance, where money is physically housed when using a mobile-money account. Many consumers do not know how to use e-payment services, are unable to transact by themselves, and have a limited understanding of the purpose and functionalities of a transaction account. Teaching the basics of electronic payments and simulating different functionalities or how to transact are common financial education tools that can help improve trust, particularly when network connectivity is less reliable. For instance, simulations have helped new consumers navigate mobile-money interfaces, and posting pictures and instructions on walls near ATMs has helped facilitate transactions. These are only a few of many successful financial education initiatives that have helped consumers navigate digital financial services, and additional examples are highlighted throughout the report.

**TIP:** Authorities and practitioners may find it useful to refer to the World Bank Group’s policy research paper *Consumer Risks in Fintech—New Manifestations of Consumer Risks and Emerging Regulatory Approaches*, which identifies a range of consumer risks posed by fintech and explores emerging consumer-protection regulatory approaches for consideration. The Better Than Cash Alliance report *Responsible Digital Payment Guidelines* may also be useful for policy makers working to assess core risk areas within a market, and the Global System for Mobile Communications has recently published *codes of conduct for mobile-money providers*.

- **Protect themselves from overindebtedness, delinquency, and default:** Robust consumer-protection regimes require FSPs to disclose and be transparent about the terms and conditions of loan products, including clear repayment schedules, effective interest rates, loan tenure, miscellaneous fees and charges, and any prepayment penalties. Such disclosures are critical to help mitigate risks of overindebtedness, delinquency, and default. However, previously underserved or less financially literate customers may be offered digital credit more quickly than traditional loans. Even with full disclosure and transparency, limited financial capability can make it challenging for consumers to understand the implications of credit on their financial lives. For instance, a study demonstrated that 31 percent of digital borrowers in Tanzania defaulted on a digital loan, and 9 percent reported reducing food purchases to repay a loan. Similarly, in Kenya, roughly 12 percent of digital borrowers defaulted on a digital loan, and 20 percent reduced food purchases to repay a loan. Not understanding loan costs or terms correlated with higher levels of late repayment and default.\(^5\) Financial education tools (that is, text message reminders, rule-of-thumb education sessions for repayment, and so forth) may help improve responsible borrowing and debt management for consumers and mitigate risks of loan delinquency.

- **Know their rights:** Building knowledge around available consumer-protection processes and rights is critical to maintaining trust in the financial system, particularly when shifting toward digital products for the first time. Further education can help consumers understand their rights and protection mechanisms. Providing targeted information using educational tools...
can have positive impacts on consumers’ trust in the financial sector and their ability to access and use an account appropriately.

- **Protect their personal information**: Fraud is common around the world, particularly when customers do not understand the need to protect passwords, PINs, debit/credit cards, or personal information. First-time consumers in particular often lack basic numeracy skills and financial literacy to use ATMs, passwords, and PINs effectively. As a result, consumers sometimes ask agents or other bystanders to help—for instance, by typing in their PIN codes directly. Teaching the importance of protecting personal information and the parameters of legal consumer/agent/third-party interactions has helped consumers avoid risky behaviors such as sharing personal data, ID card numbers, account information, and PINs.

- **Govern their personal data**: Upon consenting to new products or services, consumers should be educated about their right to privacy, including understanding the types of data that can be legally asked of them, the terms for sharing data with external entities, and acceptable data-storage protocols. Automated or recurring digital consent (which may be missed by less tech-savvy or less educated consumers) is also an emerging consideration.

- **Other consumer-education needs** that are not otherwise addressed by regulation/supervision and have direct implications on financial well-being, inclusion, and stability.

It is important to reiterate that helping consumers mitigate financial risks should be the central focus and primary objective of a financial sector authority’s financial education approach. Financial education, when delivered at the right time, can help consumers to manage the unintended negative consequences and risks of financial services and to take advantage of their benefits. It can be leveraged as a supplementary tool to support consumer-protection interventions and reinforce shared objectives of achieving a responsible, financially inclusive sector.

This report does not intend to discourage broader financial education activities altogether but argues that broader endeavors, given the uncertainty of their impact, should be considered (if ever) only after authorities have adequately helped consumers mitigate core financial risks, should time and resources permit. Otherwise, broader education approaches can distract authorities from first helping consumers navigate financial risks, which is closer to their institutional remit and mandate.

Nongovernmental organizations, schools, and other stakeholders are better suited to tackle competencies beyond core financial risks. Such activities can complement a financial sector authority’s approach but should not be the authority’s overarching focus.

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**BOX 6**

**Lack of Financial Awareness Contributed to Overindebtedness among Kenyans Using Digital Credit**

In 2011, 42 percent of Kenyan adults owned a transaction account, but the rate of ownership rose to 82 percent in 2017 (Global Findex). Access to a mobile-money or M-PESA account provided a gateway to broader financial inclusion, and new mobile-money products penetrated the market. One was M-Shwari, which used mobile phone transactional data to create credit scores and disburse loans. By 2019, digital credit helped to serve previously underserved consumers: approximately half of loans issued in Kenya were digital. However, a rise in default and delinquency quickly followed the rise in digital credit, and the percentage of digital loans that were nonperforming (16 percent) was approximately three times higher than that associated with traditional products (5 percent).

The phenomenon was partially due to low levels of financial capability. Consumers in Kenya did not always have a firm understanding of the information shared by providers about pricing, terms, and conditions, or of how their personal data would be shared. In addition, increasing incidents of identity fraud (often because personal data was not protected inadequately) was a key issue cited by suppliers.
3. HOW FINANCIAL SECTOR AUTHORITIES CAN BUILD AN EFFECTIVE APPROACH

Focusing on addressing the inherent risks posed to consumers can help authorities prioritize educational interventions and optimize their comparative advantages by ensuring that the activities fall within the regulatory scope of their institution and are appropriate, given their resources and mandate.

To build a successful approach, financial sector authorities will need to explore partnerships with key institutions to embed financial education into existing financial programs, provide relevant guidance to regulated entities, and offer tools to the public (both consumers and related stakeholders). These efforts often require close collaboration with key government institutions and ministries, industry associations, and consumer associations, among other partners.

In this regard, building an effective approach requires the following essential operational steps (which are further detailed below and throughout the report):

- **STEP 1:** Assess the landscape
- **STEP 2:** Prioritize goals
- **STEP 3:** Build an effective framework

3.1 Assess the Landscape

Taking stock of best practices (see table 3, chapter 4), reviewing recent diagnostics (that is, NFESs and financial sector assessment programs, among others), and gathering insights from related stakeholders, such as market-conduct supervisors, consumer-protection regulators, and relevant industry and consumer associations, is an excellent place for authorities to start. Mapping existing financial education initiatives can also help to share effective practices.
Once preliminary research is complete, financial sector authorities can conduct a series of assessments (to the extent feasible) to identify if consumers nationwide are receiving enough information (i) to access and use their products and services appropriately; (ii) to prevent and mitigate risks during uptake and usage; (iii) to troubleshoot issues through available consumer-protection mechanisms; and (iv) to know their rights.

The assessments should focus on points of interaction between consumers, FSPs, and government financial programs (that is, cash transfers, agricultural lending, and so forth) to assess the existing information, education, and training provided and to identify gaps in consumers’ knowledge and capabilities relating to accessing, using, and mitigating risks appropriately. To do so, assessments should gather the perspectives of consumers, FSPs, government institutions that provide financial services at scale (that is, cash-transfer programs, remittance programs, and so on), and other related financial sector authorities and stakeholders.

Assessments can be conducted through a variety of means, including desk research, mapping exercises, customer journey mapping, consumer profiling, stakeholder interviews, phone surveys, coordinating with supervisors to analyze regulatory reports or complaints, and so forth. Ideally, the assessment should shed light on both key financial education gaps in the market and opportunities where additional education and information can be embedded to address these gaps.

### 3.1a Assessing Consumers

A strong consumer voice is critical for understanding the emerging areas of risk facing consumers and their key educational needs. Connecting to core consumer groups and associations can help policy makers identify emerging threats, consumer concerns, grievances, and complaints. Consumer risks in finance are often at the top of consumer associations’ concerns. Coordinating with market-conduct and consumer-protection authorities, analyzing complaints data, using social media applications, and leveraging supervisory technology to monitor emerging concerns can also help policy makers better understand consumers’ needs and concerns and detect potential crises.

Assessing a consumer’s financial service journey can also yield insights into knowledge gaps during points of interaction with traditional and digital FSPs. Journey mapping can help identify key stages of decision-making and provider/product interactions where consumers may need more information to make financially sound decisions.

Surveys and other assessment tools, such as qualitative focus groups, also help analyze the needs of target populations to identify education. (See box 8, on the World Bank’s Project Greenback 2.0.) They help segment and draw insights specific to vulnerable population groups, such as underserved individuals, rural consumers, women, the elderly, and so on. Many authorities have used needs assessments or gap analyses to understand consumer needs with regards to content, delivery tools, and channels. Such assessments can help authorities prioritize information around specific risks or address the educational needs of certain population groups.
The World Bank’s Project Greenback 2.0 works with migrant communities, market players, and local authorities to increase the transparency and efficiency of remittance services. The project fosters change by developing and promoting best practices oriented to the needs of migrants and their families. One component of Project Greenback 2.0 is increasing the financial capability of migrants and their families who send/receive remittances.

In the context of the Remittances and Payments Program in Bosnia and Herzegovina, Project Greenback 2.0 used a series of assessments and surveys to assess the needs of remittance beneficiaries in Bosnia and Herzegovina to improve their remittance programs.

First, the project undertook a needs assessment to understand the needs, habits, behaviors, and financial knowledge of remittance senders and receivers. To tailor the program’s educational content, focus group discussions with remittance receivers took place in cooperation with community foundations and local authorities. Discussions were also held with representatives of financial institutions to get a comprehensive understanding of the banks’ activities, their presence in the area, the use of products and services, and common habits and behaviors in dealings with consumers from the area.

The assessments revealed that cutting costs, a greater focus by financial institutions on inclusion, and better education would contribute to wider use of regulated money-transfer channels. Despite knowing the advantages of formal remittance channels, recipients reported that they either are not used to using them or didn’t have enough knowledge to use them appropriately, and that this prevented them from taking up formal remittance products.

The assessments helped to fine-tune the financial education interventions and content that were to be integrated directly into Bosnia and Herzegovina’s remittance program.

When building a financial education approach and assessing core areas of needs and priorities, elevating the voice of consumers is critical. To do so, financial sector authorities should explore the following avenues (among others):

1. Consumer groups such as consumer or community associations
2. Regulatory consultative bodies, which integrate the consumer voice into financial regulation
3. Social media apps and social media monitoring through supervisory technology, to enable policy makers to understand consumers’ needs and concerns and detect potential crises

For additional guidance, financial sector authorities should refer to the Consultative Group to Assist the Poor’s report Elevating the Collective Consumer Voice in Financial Regulation, which outlines how financial sector authorities can further amplify the consumer voice within the financial sector.
Many methods can be employed to help financial sector authorities chart a customer’s journey and understand their financial education needs. For instance, the World Bank’s Project Greenback 2.0 has developed many tools to assess the financial education needs of migrants and their families who send/receive remittances.

The Global System for Mobile Communications has applied a human-centered design approach to assess the experiences of digital cash-transfer recipients and to develop personas to tailor the design and delivery of mobile-money services.

The Center for Financial Inclusion also released a methodology to help chart the Customer Journey in the Digital Age and to identify the technical and operational challenges that emerge during a customer’s journey.

The Consultative Group to Assist the Poor also developed a customer journey map that captures and communicates a customer’s journey through a specific product or service experience, such as signing up for a loan or repayment, throughout the lifetime of a product.

Many similarities can be drawn from all the customer journey tools used by policy makers: Customer-centric assessments typically generate user personas created for target customers; they capture knowledge from various customer-facing employees within a range of organizations (that is, bank staff, agents, call center staff, and so on); and they help clarify the needs of consumers at every point of interaction with specific products or services. The tools often focus on the following three overarching and important stages:

- **Identification/discovery:** Customers identify a need for a financial service, become aware of different projects/services, ask questions, and compare services prior to selection.
- **Opening/onboarding:** Opening an account, know-your-customer verification (in the case of loan underwriting), agreeing to terms/conditions, and making initial transactions, payments, or loan repayments.
- **Using:** Accessing and using products and services appropriately; engaging with providers, staff, agents, and so forth; expanding toward broader services; resolving problems and troubleshooting; and renewing service.

**3.1b Assessing Financial Service Providers**

Assessing current practices of FSPs, and whether they offer enough education to help their consumers become financially capable to make informed financial decisions, can help policy makers understand opportunities for providers to integrate core education and if some practices are leaving consumers at risk—for instance, if FSPs are not providing adequate resources to help consumers understand key informational documents, if they are cross-selling products without the full understanding of consumers, and so on. This area of assessment is in addition to gathering insights from consumers, associations, related stakeholders (that is, consumer-protection or market-conduct supervisors), and market-monitoring tools. (See section 3.1a.)

Understanding financial providers’ existing practices can help policy makers pinpoint gaps during a consumer’s financial experience, particularly for newly banked consumers, and identify where further information could help protect or better prepare consumers during core interactions, such as opening an account or making a transaction.

Conducting an assessment across the full financial sector can be an ambitious task. To help prioritize, financial sector authorities should focus on assessing practices of FSPs that fall within the remit of the financial sector authority and where key consumer risks are suspected. In addition, conducting interviews with FSP staff and mapping FSPs’ existing financial education initiatives can help policy makers understand the experience of current practitioners, core gaps, and lessons learned. Not only can policy makers leverage successful methodologies, pretested design
tools, and curriculums, but mapping assessments can also help policymakers coordinate with key stakeholders to provide guidance on how FSPs can best integrate financial education and build on successful programs already existing in their country.

3.1c Assessing Government Institutions That Provide Financial Services at Scale

Taking stock of large-scale government initiatives that deliver financial services nationwide is a critical step to developing a successful financial education approach. This includes, for instance, assessing if large-scale government financial programs (that is, agricultural loan programs, programs that provide loans to micro, small, and medium-sized enterprises, social service programs, cash-transfer programs, pension programs, and remittance programs), which often reach millions of households, provide enough information for their recipients to access and use their products and services appropriately and in a way that contributes to their overall financial well-being.

In addition, as governments work to digitize financial services (that is, pensions, wage payments, international remittances, social cash transfers, and so on), recipients face new challenges when trying to access or use their products appropriately. For instance, recipients of digital social cash transfers, which generally cater to vulnerable and financially excluded populations, may not fully understand how to access or use their new digital instrument or e-payment product. The absence of proper onboarding and educational materials can amplify certain risks posed to beneficiaries (that is, PIN and agent fraud, data privacy issues, and so forth), particularly more vulnerable beneficiaries who may already face greater hurdles in accessing and using their products and services.

Conducting a thorough landscaping and assessment exercise helps shed light on the universe of financial services provided by government institutions and the financial education tools employed as part of the program (if any) to ensure appropriate consumer access and usage. The results may help to identify clear opportunities and action areas where further financial education can be integrated into large-scale government programs to prepare and improve the consumers’ financial behaviors at scale.

Large-scale government financial programs are often well positioned to leverage their own programmatic infrastructures/training platforms and embed core financial education. The results may provide necessary education to millions of vulnerable consumers to help them mitigate risks and improve their financial behaviors. See the World Bank toolkit Integrating Financial Capability into Government Cash Transfer Programs for additional guidance and details.

3.2 Identify and Prioritize Areas of Consumer Risk

A comprehensive assessment (see section 3.1) will help financial sector authorities identify immediate needs from

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**BOX 11**

**Mapping Financial Education in Mexico as Part of the World Bank’s Financial Inclusion Global Initiative**

As part of the Financial Inclusion Global Initiative, the World Bank conducted a financial education mapping assessment in partnership with the financial sector authorities in Mexico, to support Mexico’s Financial Education Committee.

The assessment aimed to map existing financial education activities of FSPs and entities in the federal government against the sociodemographic characteristics and financial-literacy levels of the Mexican population. It did so by interviewing key stakeholders (that is, related government officials, consumer-protection authorities, and so forth) and FSP staff and conducting analyses based on surveys of consumers’ financial literacy. This helped to assess existing financial education efforts, the impact of existing programs, and core consumer needs and gaps and opportunity areas for FSPs and government institutions to scale up financial education in a practical way throughout the financial sector.

The assessments by the Financial Inclusion Global Initiative informed Mexico’s financial education efforts outlined in Mexico’s recently issued Policy on National Financial Inclusion.
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the perspective of consumers, as well as core gaps across different product lines during key interactions between consumers and their FSPs. In addition, depending on the types of consumer research employed, policy makers should be able to assess the greatest needs along the lines of different consumer personas (see box 10), which can help them understand the financial services used most frequently, identify core informational gaps and needs across different types of consumers, and define the biggest areas of consumer risks—for instance, those that are most prevalent or have severe implications on different types of consumers’ financial well-being.

Emerging areas of consumer risks and core education gaps that require intervention can then be prioritized. Ideally, assessments should shed light on opportunity areas where core financial education messages can be integrated via different platforms and delivery channels to help consumers (with varying levels of literacy and financial capability) navigate their financial lives.

Since it may be difficult to tackle all areas at once, financial sector authorities will need to consider how best to prioritize goals and assess trade-offs between lower-hanging fruits (that is, integrating a few core messages into a cash-transfer program to help recipients access their account) and broader but more nuanced financial education needs (that is, better budgeting practices for all consumers), and they will also need to consider which interventions are realistic, given an institution’s mandate, comparative advantage, capacity, and resources. Addressing gaps in financial education that may be causing a disproportionate public reaction (that is, when consumer discontent with and distrust of one type of provider spills over to the broader financial sector), or that can threaten financial stability indirectly, may take priority over other areas of financial education—depending on the goals of the financial sector authority.

3.3 Build and Implement a Financial Education Framework

Focusing on addressing core financial risks posed to consumers, and keeping assessment recommendations and findings in mind, financial sector authorities can begin to identify key action areas to build an effective framework. Financial sector authorities should focus their financial education framework to take action in the following four areas:
3.3a Partnerships

Building partnerships with key government institutions that provide financial services at scale can help embed important messages and financial education to prepare and protect millions of financial beneficiaries nationwide. Priority partners are often other government institutions (that is, the minister of agriculture, ministry for social protection, and so forth), and financial sector authorities play a key role in helping them integrate financial education into the design of their financial service program.

One benefit of this approach is that government programs offering financial services (that is, cash transfers, pension programs, agricultural lending programs, and so on) often have organizational and operational infrastructures in place that can be leveraged to integrate a few quick, core financial education messages to protect their recipients from risk. The World Bank developed the toolkit *Integrating Financial Capability into Government Cash Transfer Programs*, which offers concrete guidance and a recommended approach for policy makers and practitioners alike. The toolkit includes key guidance to help stakeholders not only design, implement, and develop relevant content, particularly for digital cash-transfer programs, but also to leverage a wide range of tools and touchpoints pertinent to specific government cash-transfer programs.

A common, parallel practice to note is to partner with a ministry of education to embed financial education into school curriculums. Unlike lecture- or classroom-based financial education campaigns provided to adults, financial education embedded directly into school curriculums for students has demonstrated success. For example, a study in *Italy* found a positive impact on the knowledge of students in primary and secondary school resulting from financial education. And a study in *Brazil* found an impact on the knowledge and behavior of secondary-school students. Partnerships with FSPs as well as private-sector

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**BOX 13**

**The Mortgage Loan Repayment Crisis in Kyrgyzstan**

In April 2021, 15 women from Kyrgyzstan threatened to set themselves on fire if their interest debt was not forgiven. Sixty additional women also gathered in front of other government buildings with similar demands. The women, primarily single mothers, had borrowed money with interest from private individuals and commercial banks and could not repay the loans on time. They demanded that the interest debts they had accumulated over the past three years of the loan term should be forgiven. To resolve the situation, the country’s prime minister arrived in person to reach an agreement with the protesters, according to which their situations would be reviewed individually.

While the crisis was widely publicized, Kyrgyzstan has not been known for exorbitant interest rates in the financial market; on the contrary, most of the FSPs boast about their responsible lending practices, including the fact that many leading providers have been certified by the Smart Campaign.

Potential drivers of the crisis may have been insufficient screening of borrower creditworthiness by providers, relatively high interest rates, and gaps in consumer protection (for example, a right of providers to seize the customer’s only place of residence in case of default). That said, the limited financial capability of the vulnerable borrowers, who did not understand how interest on mortgage loans accumulates over time, undoubtedly contributed to the crisis. Additional financial education may have better prepared borrowers to understand the full terms and conditions of their credit products.
**BOX 14**

**Leveraging Financial Education to Increase Chile’s Pension Contributions**

Chile’s national pension authority, the Superintendencia de Pensiones, piloted a financial education program and tested its impact on increasing voluntary contributions to government pension funds.

The pension authority’s approach was to provide personalized retirement information to government workers across eight government offices in metropolitan Santiago. To do so, the pension authority installed self-service kiosks where some government workers were randomly assigned to a treatment group. The workers received a personalized simulation session that used their financial data (extracted from the government database), along with new information solicited and plugged in directly by the user, to issue a set of customized recommendations on how additional contributions can increase their retirement savings.

A rigorous evaluation indicated that, on average, workers who received the personalized simulation sessions voluntarily contributed 12 percent more to the pension fund than workers who received only generic information on ways to improve retirement savings.

**BOX 15**

**Embedding Tablet-Based Financial Education Programming into Colombia’s Conditional Cash-Transfer Program**

Más Familias en Acción, a conditional cash-transfer program in Colombia, provided cash transfers to 2.6 million poor families—specifically, mothers whose payments were disbursed through ATMs, mobile wallets, and agents.

To improve the financial capability and skills of recipients and enable them to use digital financial products, Fundación Capital designed the LISTA Initiative, which distributed to community leaders shared tablet computers and smartphones programmed with financial capability games.

Community leaders then granted cash-transfer participants time to study the training application at their own pace at home. The application let users play games, organize and visualize savings, expenses, and debt, and contained relevant information and simulations for ATM use and mobile wallets.

A rigorous evaluation found that the LISTA tablet-based financial education had significant impacts on financial knowledge, attitudes toward formal financial services, adoption of financial practices, and financial outcomes. LISTA learners understood savings and budgeting concepts better, tended to prefer saving formally over informally, and had better numeracy than women who did not receive the LISTA tablets. LISTA participants also demonstrated a greater ability to put their knowledge into practice than those in the comparison group; they were more likely to set savings goals and felt more capable teaching others how to use ATMs. These women also reported saving more, both formally (immediately following tablet use) and informally (immediately following tablet use and one year after the program was initiated).
Unlike lecture- or classroom-based financial education provided to adults (which can often be ineffective), there is a growing body of evidence that financial education embedded directly into the school curriculums of elementary and secondary schools can have an impact on the financial knowledge of students.

For instance, in Brazil, the Central Bank of Brazil worked with the Brazilian Ministry of Education over the course of 17 months to integrate financial education into 868 public high schools across six states, reaching approximately 20,000 students. Financial education was integrated into classroom mathematics, science, history, and Portuguese curriculums and relied on interactive classroom exercises on financial education themes, take-home exercises, such as creating household budgets with parents, and role-playing assignments. The curriculums were complemented by teacher training, web-based learning tools, and instructor handbooks.

The program increased student financial knowledge and led to greater participation in household financial decisions by students. “Trickle-up” impacts on parents were also significant, as their financial knowledge, savings, and spending behavior all improved.

A meta-analysis of 37 studies of school-based financial education initiatives also supports these results. It reported improved financial-knowledge test scores and positive changes in financial behavior, but the impact on behavior was found to be small.

Financial sector authorities can provide guidance that encourages providers to embed financial education into their operations. Examples of providers that have incorporated financial education for better business include VisionFund, a microfinance institution in Zambia, which trained credit officers to provide financial education to consumers in selected branches and reduced the non-performing-loan portfolio at branches by 7.7 percent, compared to branches not providing financial education. Ethiopia’s Enat Bank provided financial education specifically for new customers, to teach them how to use their financial products appropriately and mitigate financial issues, and focused on improving women’s financial-management practices. It is important to note that financial education should remain objective and not be used as a marketing initiative for an FSP’s products or services, but financial sector authorities can draw from such examples to support FSPs as they integrate good financial education practices.

stakeholders may also be useful to help embed financial education into financial-service offerings more broadly. That said, many authorities also noted that this activity is time and resource intensive, and that the core responsibility for integrating financial education lies with a ministry of education (or related institution) in partnership and coordination with relevant financial sector authorities.

3.3b Guidance

While financial consumer protection rules help protect consumers, especially regarding disclosure, suitability, and complaint handling, financial sector authorities are well placed to provide guidance to FSPs (generally non-binding) that can help encourage providers to integrate financial education into their day-to-day operations and interactions with consumers. They can encourage FSPs to provide a voluntary second layer of features to help consumers better manage their finances by supporting FSPs as they incorporate customer-centric practices (that is, consumer journeys and user experiences) to define and integrate education and behavioral tools (that is, nudges, reminders) throughout the product and service life cycle.

For instance, the United Kingdom’s Money and Pensions Service undertook an assessment to build their financial education approach to encouraging retail banks to build consumers’ financial capability. Their assessment resulted in a few core recommendations for retail banks to address the United Kingdom’s financial capability challenge: (i) setting financial capability as a strategic goal (and working with the Money and Pensions Service to do so); (ii) integrating financial capability into product and service design and evaluation by understanding consumer needs, providing effective solutions, measuring impact, and sharing learnings; and (iii) driving a cultural shift around money in society.

Financial sector authorities can provide guidance that encourages providers to embed financial education into their operations. Examples of providers that have incorporated financial education for better business include VisionFund, a microfinance institution in Zambia, which trained credit officers to provide financial education to consumers in selected branches and reduced the non-performing-loan portfolio at branches by 7.7 percent, compared to branches not providing financial education. Ethiopia’s Enat Bank provided financial education specifically for new customers, to teach them how to use their financial products appropriately and mitigate financial issues, and focused on improving women’s financial-management practices. It is important to note that financial education should remain objective and not be used as a marketing initiative for an FSP’s products or services, but financial sector authorities can draw from such examples to support FSPs as they integrate good financial education practices.
In 2019, the Central Bank of Brazil (BCB) began to explore new developments in the financial market as opportunities to increase consumers’ financial capability and called upon FSPs to provide a voluntary second layer of features to help consumers better manage their finances.

To do so, BCB published the Communique 34,201, a nonbinding guidance that established the following four principles to foster the engagement of FSPs in bringing financial education to consumers:

- **Aggregating value to consumers** by providing relevant and useful information to support consumers’ financial lives and well-being
- **Broad scope**, to ensure access by all consumers

Additionally, the communique tasked BCB with supporting and monitoring FSPs in their efforts to provide financial capability programs and take further regulatory action, if necessary.

Additional details on the priorities of Brazil’s communique and BCB’s related assessment findings are available in appendix A.
3.3c Consumer Tools

Financial sector authorities often play a role developing a set of publicly available resources (generally based on the web) provided to consumers and practitioners. The resources focus on addressing the core educational needs under their remit and mandate that have implications on inclusion and stability.

This often requires coordination with stakeholders beyond government institutions and FSPs, including nongovernmental organizations, industry associations, and consumer associations, both to support integration of priorities into their existing financial education activities and to elevate the collective consumer voice to define educational needs.

Often, these financial education tools are offered online or through digital platforms (see table 2) whose overarching aim is to promote and facilitate core financial skills that often complement consumer-protection tools, such as websites where consumers can compare financial services. Such tools can help web-savvy consumers make more informed decisions or better manage their finances.

3.3d Monitoring and Evaluation

A practical M&E framework that tracks progress, monitors resource allocation, helps pilot new initiatives, and, to the extent feasible, measures impacts is a cross-cutting principle to apply across all three financial education action areas.

When feasible, authorities should support the piloting of interventions prior to full-scale rollout. Piloting helps test the effectiveness of a financial education intervention on a smaller set of beneficiaries and allows for an opportunity to adjust and recalibrate the financial education content, delivery tools, and mechanisms used to address the needs of consumers. It could also serve as an opportunity to address any shortcomings of the existing model and provide preliminary results on expected impacts and the usefulness of the intervention, saving time and resources for less effective interventions.

BOX 18

Providing Business Tools to Understand Terms, Conditions, and Privacy Policies in the United Kingdom

Evidence shows that a very small proportion of consumers properly read or understand terms and conditions when buying online, as these are typically lengthy and complex. This can make it difficult for consumers to make informed choices and results in a range of negative outcomes. Informed individual choice is important because it helps drive innovation and competition, which boosts productivity and supports well-functioning markets. To help businesses achieve this objective a concise good practice guide for business on presenting terms and conditions and privacy notices online was produced.

In 2019, the British government commissioned its Behavioral Insights Team to develop an evidence-based guide for businesses to improve consumers’ understanding of contractual terms and privacy policies. The guide offered business tools and tested approaches that can be used to encourage consumers to understand fully the terms and conditions of their products, services, and related policies. Without requiring consumers always to read the terms and conditions in full, the guide provided approaches for FSPs to understand key information of their contractual terms and privacy policies.

To develop the guide, the Behavioral Insights Team reviewed existing literature, tested ways to improve consumer understanding of contractual terms and privacy policies, and measured customers’ understanding by testing their ability to answer questions about the policy or monitoring how many customers actually open the full terms, conditions, or privacy policies (which were provided online). Lab testing was then used to test whether a design change improved customer understanding.

The results of the research showed that displaying key terms as frequently asked questions, using icons to illustrate key terms, providing information in short chunks at the right time, using illustrations and comics, telling customers how long it will take to read the full terms and conditions, and telling customers when it was their last chance to read information before making a decision all significantly affected consumers’ levels of understanding.

Similar approaches can be used by financial sector authorities to develop recommendations for FSPs to help their consumers fully understand their financial products and services.
<table>
<thead>
<tr>
<th>REGULATORY AUTHORITY</th>
<th>WEB-BASED FINANCIAL EDUCATION TOOLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Securities and Investments Commission</td>
<td>The MoneySmart website includes financial education information on topics such as money management, debt reduction, and investments. The site also includes online calculators and tools.</td>
</tr>
<tr>
<td>United States Consumer Finance Protection Bureau (CFPB)</td>
<td>The CFPB’s website offers a set of consumer tools, with information on easy-to-recognize terms and topics, such as auto loans, debt collection, credit cards, and bank accounts and services, through which consumers can access practical information needed in that particular teachable moment. The CFPB’s website also includes resources for educators to help them develop and deliver financial education content themselves. The resources are categorized for different population segments, such as adults, youth, or vulnerable consumers.</td>
</tr>
<tr>
<td>United Kingdom’s Money Advice Service</td>
<td>The Money Advice Service is a website tailored to consumers’ practical needs and divides information into different money topics in which a consumer might be interested, such as debt and borrowing or cars and travel. Based on the need, a consumer can access a dropdown menu of information and tools that will inform their decision about, for example, buying a car.</td>
</tr>
<tr>
<td>Banque de France</td>
<td>The Banque de France, French Prudential Supervision and Resolution Authority, and Autorité des marchés financiers have a joint dedicated website that provides practical information on banking products, insurance, and financial investments; provides guidance to consumers before the completion of a transaction or in case of a complaint; helps the public to protect themselves from scams; provides alerts on unauthorized practices, actors, or websites; and collects information or complaints that customers wish to bring to the attention of the authorities.</td>
</tr>
<tr>
<td>South African Financial Sector Conduct Authority (FSCA)</td>
<td>The FSCA’s consumer education department manages a website that presents educational material on topics such as money management, financial protection, and investments.</td>
</tr>
<tr>
<td>Bank of Italy</td>
<td>The Bank of Italy’s website provides a series of services to consumers, including access to credit register data and lists of registered financial providers and products. A special portal called Economics for Everyone summarizes the full range of Bank of Italy’s financial education programming, including initiatives for children, adults, schools, and universities. The portal provides news, videos, calculators, games, and infographics, among other useful tools for everyday choices, including online purchases, opening a current account, managing the family budget, and applying for a loan.</td>
</tr>
<tr>
<td>Banco de Portugal</td>
<td>The Central Bank of Portugal has been promoting financial awareness and financial education through a series of interventions, including a dedicated website (the Banking Customer Portal) that contains information on all key banking products and services in Portugal and various related resources, such as a glossary of financial terms and answers to frequently asked questions. A special focus of Banco de Portugal’s financial education activities has been youth.</td>
</tr>
<tr>
<td>Central Bank of Bosnia and Herzegovina</td>
<td>The Central Bank of Bosnia and Herzegovina developed a financial education web portal that provides content and guidance for consumers and providers. The portal provides in-depth information on key financial services related to capital markets, leasing, and factoring, and the topics were chosen as priority topics to help build consumers’ knowledge of how these financial services work in practice.</td>
</tr>
<tr>
<td>Financial Consumer Agency of Canada</td>
<td>The Canadian Financial Literacy Database offers tools to help individuals identify areas where they could broaden their financial knowledge and skills (through a self-assessment quiz) and then directs them a database of specific resources or events that can help them improve or maintain their financial skills and knowledge. The resources in the database can be searched by topic, population segment, location, or knowledge level. The database also offers a list of financial-literacy events across the country, funding programs that support financial-literacy initiatives, and published research and reports.</td>
</tr>
</tbody>
</table>
Tracking, monitoring, and—to the extent possible—evaluating activities are good practices for any sector-wide initiative. The same holds true for relevant financial education initiatives. As part of financial education frameworks, financial sector authorities commonly support data-collection initiatives to measure the financial capabilities of individuals/businesses, the reach of financial education interventions, and, to the extent feasible, their impact.

Demand-side surveys of individuals, households, and firms help measure a population’s level of financial capability and provide insights on the relationship between financial behaviors and other factors (for example, poverty, employment, and so forth).

That said, conducting a stand-alone demand-side financial capability survey (such as those contracted by third parties) is often costly and resource intensive and may not be a sustainable activity in the long term. Large surveys of financial capability can sometimes duplicate...
broader surveys of financial inclusion. In addition, authorities generally require a smaller set of financial capability indicators to inform policy adequately. Depending on the country—and particularly if other relevant surveys of financial inclusion are available—financial sector authorities may not require a stand-alone survey of financial capability. Instead, key financial capability indicators can often be collected as part of broader surveys of financial inclusion.

One good practice recommended by the World Bank is to coordinate with financial inclusion stakeholders to integrate key financial capability indicators into existing surveys of financial inclusion. Integrating a few, select financial capability indicators into existing, relevant, and established surveys of financial inclusion can be a more effective method of sustainably collecting relevant financial capability data. For instance, the National Bank of Ethiopia, with support from the World Bank, integrated a small set of financial capability indicators into Ethiopia’s Socio-Economic Survey (conducted by the Ethiopian Central Statistics Agency in partnership with the World Bank’s Living Standard and Measurement Survey) to complement Ethiopia’s upcoming NFES and fulfill measurement needs.

In addition to demand-side data, and to the extent feasible, establishing a reporting infrastructure that collects supply-side data on financial education activities relevant to the financial sector authority can help provide information on populations served, content delivered, and channels used. Such data can be collected through regulated financial institutions or, for instance, by adding financial-literacy modules as part of examinations taken by high school students.

That said, it is important for financial sector authorities to consider their capacity and resources to collect relevant data, and trade-offs between implementing cumbersome M&E frameworks and focusing on effective financial education interventions that can help consumers mitigate financial risk. For some authorities, complex M&E systems may direct time, energy, and resources away from more effective policy tools or can be difficult for policy makers to implement in the long term.

4. MAKING FINANCIAL EDUCATION MORE EFFECTIVE: TOOLS, CHANNELS, AND BEST PRACTICES

Across each financial education action, choosing the right tool and delivery channel is a critical step to ensure that financial education interventions are appropriate for their target audience. A wide variety of financial education tools and delivery channels (that is, SMS messages and nudges, instructions at an ATM, consumer training at bank branches, and so on) can be used to advance consumers’ capabilities and address the needs of specific population groups. Before choosing a particular tool, however, it is pertinent to consider the range of stakeholders involved, the needs and preferences of the consumer, and the types of risks that consumers might be facing—particularly new consumers of digital financial services.

Reviewing the different financial education tools and delivery channels can help authorities understand which tools may best apply within a particular financial education intervention to meet the needs of consumers.

This chapter aims to synthesize the growing body of literature on this topic to help financial sector authorities guide the design and implementation of successful financial education policies and initiatives. Implications on gender, vulnerable populations, and digital finance are embedded throughout the chapter. The chapter draws heavily from the World Bank’s Good Practices for Financial Consumer Protection 2017, among many other sources listed below in table 3. The chapter also offers case studies and tips to aid authorities in understanding effective design and delivery practices to be incorporated into financial education initiatives. In general, this report encourages all authorities and stakeholders to review various financial education resources (including those listed in table 3) before designing and implementing any financial education intervention or approach.

4.1 Use Evidence

Build initiatives based on the priorities, findings, and recommendations of assessments that have identified the educational needs of consumers to mitigate core risks. When using digital financial services, addressing new manifestations of existing risks as well as new risks posed to consumers, particularly vulnerable consumers, should remain a core focus. Resources documenting successful approaches in other countries are also readily available and should be consulted to stay abreast of up-to-date evidence-based approaches.37
TABLE 3: Best Practices and Resources to Help Authorities Design Effective Interventions

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>RESOURCE</th>
</tr>
</thead>
</table>
| World Bank | • Good Practices for Financial Consumer Protection  
• Integrating Financial Capability into Government Cash Transfer Programs  
• Financial education Programs and Strategies: Approaches and Available Resources  
• Making Sense of Financial Capability Surveys around the World  
• Financial Capability in Low- and Middle-Income Countries: Measurement and Evaluation  
• Enhancing Financial Capability and Behavior in Low- and Middle-Income Countries  
• Consumer Risks in Fintech—New Manifestations of Consumer Risks and Emerging Regulatory Approaches |
| CGAP | • Elevating the Collective Consumer Voice in Financial Regulation |
| OECD/INFE | • Smarter Financial Education: Key Lessons from Behavioural Insights for Financial Literacy Initiatives  
• The Application of Behavioural Insights to Financial Literacy and Investor Education Programmes and Initiatives  
• OECD/INFE High-Level Principles on National Strategies for Financial Education  
• G20/OECD Core Competencies Framework on Financial Literacy for Adults  
• OECD/INFE Core Competencies Framework on Financial Literacy for Youth  
• OECD/INFE Report on Financial Education in APEC Economies: Policy and Practice in a Digital World |
| Microfinance Opportunities | • Taking Stock: Financial Education Initiatives for the Poor |
| Center for Financial Inclusion/Accion | • A Fourth Era: Balancing Behavioral Interventions with Quality Education  
• Seven behaviorally informed practices for effective financial capability interventions  
• Delivering Financial Capability: A Look at Business Approaches  
• A Change in Behavior: Catalogue of Innovations in Financial Capability |
| Innovations for Poverty Action | • Beyond the Classroom: Evidence on New Directions in Financial Education |
| AFI Global | • The Financial Competency Matrix for Adults: A Policy Framework  
• Financial Education in Latin America and the Caribbean |
| Toronto Center | • How Supervisors Can Improve the Effectiveness of Financial Education |

BOX 21

Canada’s Financial-Literacy Database

As part of Canada’s Task Force on Financial Literacy, the Financial Consumer Agency of Canada developed the Canadian Financial Literacy Database, which provides Canadians with a comprehensive list of resources, events, interactive tools, and information offered by financial education providers, including public, private, and nonprofit sectors across Canada. The database is a one-stop source of information about budgeting and money management, insurance, saving and investing, taxes, fraud prevention, and so forth.

Organizations publish their resources and events through the portal using a resource database input tool. Each organization must register for an account with the Financial Consumer Agency of Canada before it can submit information about a resource. To ensure the credibility and usefulness of the resources and tools listed, the agency reviews all submissions against a set of eligibility criteria before including them in the database. Specifically, the resource should (i) contribute to the financial literacy of Canadians; (ii) be available in English or French or both; (iii) be available to the general public (for free or by paying a reasonable fee); and (iv) not promote the sale of a particular product or service or be in favor of a particular product or service over others.

As of June 2020, the Financial Literacy Database hosted resources from 266 organizations/financial education providers, including public, private, and nonprofit sectors across Canada.
Although convening and coordinating financial education actors can facilitate the sharing of evidence, some activities are more time and resource intensive than others. It is important that financial sector authorities do not focus unduly on resource-intensive coordination activities when trying to gather evidence and shared experiences (that is, collecting information or monitoring every financial education program that exists within a country) at the expense of implementing core financial education initiatives that can help consumers.

### 4.2 Leverage Behavioral Designs

Financial education is more successful when activities incorporate behavioral designs, such as targeting “teachable moments” (that is, times when an individual is about to make an important financial decision); leveraging nudges, reminders, and default options; and periodically reinforcing messages, among other behavioral tools.

**Leverage teachable moments.** Consumers tend to be more receptive to new information around critical financial and life events, such as receiving a cash transfer from the government, opening an account for the first time, or taking out a loan. Such moments can be leveraged to provide financial knowledge, since individuals during those moments are more likely to adopt behavioral changes. Leveraging teachable moments (that is, the opportunity for the right financial education to help a consumer fully understand the implications of their products and services before making a financial decision) is an effective strategy to connect real-life decision-making with financial education and helps to ensure that information is more likely to be retained, used, and can influence cash management behaviors.

**Reinforce messages.** Evidence suggests that a one-off intervention or message is less likely to bring about behavioral change, and that a periodic reiteration of messages should be built into financial education programming. Recurring financial-knowledge messages and reminders through such cost-effective modalities as SMS are some of the most effective options to nudge consumers toward better financial decisions. (See an example from Colombia in box 22.) Incorporating financial education messages and behavioral nudges into people's daily life helps them develop healthy financial habits in a natural way. For instance, mobile-network operators can be leveraged to provide mass messaging of core financial education concepts, messages, or reminders. Cash-transfer recipients may receive SMS educational reminders, or perhaps saving messages may be targeted toward adults enrolled in savings schemes.

**BOX 22**

**Nudging Youth to Develop Savings Habits: Experimental Evidence Using SMS Messages—Colombia Case Study**

A field experiment conducted in partnership with Colombia’s leading commercial banks studied the effect of financial information provided through SMS messages to low-income youth. The information delivered through SMS messages aimed to tackle the following behavior-influencing barriers: (1) limited information, (2) limited self-control, and (3) limited attention.

The experiment randomly assigned 10,000 youth account holders across four treatment groups. Group A received monthly financial education messages aimed at helping young people determine spending priorities and using savings heuristics to achieve savings goals (tests limited-information hypothesis). Groups B and C received saving reminders via SMS monthly and semimonthly, respectively (designed to test limited-self-control and limited-attention hypotheses). Group D did not receive any messages (control). Consistent with the limited-attention hypothesis, youth account holders who receive reminders increased their account balances by over 30 percent during the 12-month period in which they received SMS messages relative to control account holders. The financial education treatment, in contrast, did not increase savings, suggesting that limited information may not be the most binding barrier that prevents youth from saving.

It was also found that the savings effects of reminders were long-lasting. Eight months after the youth stopped receiving messages, those initially assigned to savings reminders still maintained significantly higher balances in their bank accounts than the financial education treatment or control groups.
Use nudges: Global evidence has shown that simple nudges such as messaging can sometimes overcome limited attention issues that often result in an inability, for instance, to stick to a budget or savings plan. For messaging to be an effective tool, the content, timing, and platform must be right. Messages can either encourage or discourage a particular behavior. Encouraging messages aim to develop a positive savings habit. Effective nudges are also personalized. For instance, messages that include a consumer’s specific objective are more effective than a generic message. Reminding customers that their peers have saved 20 percent more in a particular month than they have can motivate customers to save more. Lastly, it can be effective to provide information that makes it psychologically difficult to conduct a bad financial habit—for instance, exploiting social pressures to discourage bad habits.

Automation: Automation has also proved to be extremely effective, particularly for low-income consumers. For example, individuals have a tendency not to enroll in automatic deductions to build savings today but may be more open to the idea in the future. Offering them the option for future automation commits them to saving in the future. This is shown to be surprisingly effective; one of the most successful savings interventions employs the same method.

Make it fun and entertaining: As much as possible, financial capability initiatives should be fun, entertaining, and interactive and use simple messages that will resonate with the target audience. Especially for children and youth, entertainment can be a powerful means to increase financial literacy and form healthy financial habits. (See box 23.) Where practical, the initiatives should involve learning by doing. (See section 4.6.)

4.3 Address the Needs of Women and Vulnerable Populations

According to the 2020 Adult Financial Literacy Survey from the Organisation for Economic Co-operation and Development, which presented data from 26 countries, women and younger adults (aged 18–29) on average appeared to have lower financial-literacy scores. Women often face different constraints than men with respect to accessing financial products and services. Across low-middle-income countries, women are 8 percent less likely than men to own a mobile phone and 20 percent less likely to use the internet on a mobile device. This means that 300 million fewer women than men use the mobile internet in these markets. There also remains a persistent 9 percent gender gap in financial inclusion. Women are often equipped with less financial literacy and...

BOX 23

Using Digital Games and Simulations to Promote Financial Capability in Singapore

PlayMoolah partnered with two of Singapore’s commercial banks, OCBC Bank and DBS Bank, to develop financial education games for children and youth. The platform helped young people learn about money management in a fun way while promoting the bank’s children’s savings account program. The PlayMoolah financial education game was created to encourage saving by children in a fun and exciting way. Children who opened an account at OCBC Bank got access to the game online and on mobile devices. Saving S$50 every month allowed them to get a “secret code” at the bank to unlock new modules and play all the available fun quests, quizzes, and mini games. When evaluated, 78 percent of children saved more at OCBC through PlayMoolah, and S$500,000 in savings deposits were collected in six months.

WhyMoolah is “Singapore’s first real-life financial simulation on mobile” created with the goal of engaging and educating fresh university graduates living in Singapore. By incorporating real-life information and prices, players are able to simulate real-life decisions and see the financial impact of different decisions and lifestyle choices at crucial life stages after graduation, including student-loan repayment, credit cards, savings and pension plans, taxes, salaries, buying a house, housing grants, and so on. The application encourages savings behavior change and offers real rewards—for example, for setting up automated salary deposits every month or signing up for a brokerage account. When evaluated, WhyMoolah contributed to improved brand perception of DBS Bank and more active customer engagement.
The 10thousandgirl program was designed to suit the specific financial needs of women living in regional and remote Australia, with specific attention to women aged 18 to 45 years. To ensure outreach to this population segment, the Regional Women's Financial Literacy Roadshow delivered the following initiatives across 19 locations in regional and remote Australia:

- **Regional Better Money Management Workshops** designed to give women the time, space, and support to focus on their financial lives. The content was supported by a panel of local finance and legal experts, who explained their role, ways in which they can help, and answered questions from attendees.

- **Six-Week Money Makeover Online** personal finance courses aimed at stimulating conversation, action, and learning about planning and best managing personal finances, building financial confidence, and well-being. Participants had access to interactive webinars, videos, a workbook, and online materials. Each week, women received an email with helpful tools, links, and resources and were given short activities.

- **Webinars** were free online one-hour-long videos designed to provide participants with brief guidance from expert panelists on specific financial topics.

- **Metropolitan events** including Money Makeover Workshops and peer-led Money Makeover Girl Investment Groups.

The Regional Women’s Financial Literacy Roadshow registered positive impacts. It increased women’s financial well-being and improved financial behavior. For instance, 61 percent of participants reduced their spending to save more; 57 percent took action toward achieving a dream; 56 percent got back on track to achieving their financial goals; 74 percent reported that they revised their existing insurance policies; and 91 percent of participants felt more motivated to achieve their financial goals.

Digital literacy than men and face greater barriers when trying to prove their identity or establish collateral. In fact, female entrepreneurs in emerging markets, for instance, often do not seek external financing due to the challenges of navigating the process or perceptions of the likelihood of success.

Demographic transitions are also altering population patterns across the globe. As life expectancy increases, some countries are witnessing the aging of their population, while others are going through a youth bulge.

Digital illiteracy among elderly people is a growing concern for national supervisory authorities. According to the United Nations, in 2050 more than 1.5 billion people will be aged 60 years and above. Although technology has huge potential to help older generations safely administer their finances, these individuals have different needs and face different challenges and difficulties when it comes to accessing and using digital financial services. Age itself poses challenges to financial inclusion. As people age, the risk of economic distress and poverty increases owing to a combination of two factors: a reduction in income (and, potentially, the insufficiency of savings) and the emergence of additional expenditure. In addition, low digital capabilities and financial illiteracy are the two main factors causing financial exclusion among older persons.

Additionally, immigration trends are altering the racial and ethnic composition of societies. Policy makers should factor in these demographic shifts to identify target population subgroups for a given financial education initiative.

While technology-driven channels are increasingly being employed to deliver financial messaging, they may compound literacy challenges for population groups that are not as digitally savvy. Vulnerable population groups, for instance, may find it difficult to use mobile-money interfaces or ATMs and may need to rely on members of their social network, especially family members, to carry out transactions for them. To do so, they may freely share PINs or other personal information with those who help them access their accounts.

The development of sensitive, localized, and culturally appropriate financial education initiatives should be a
major consideration when developing financial education for women and other vulnerable groups (that is, indigenous populations, less literate groups, the elderly, and so forth). This includes ensuring leadership and representation of women and minorities in the financial education space (and financial sector more broadly), collecting adequate data to inform decisions, and addressing the differing needs of women and other vulnerable groups whose risks may be heightened due to social or societal constraints.

The following good practices should be considered when developing a financial education approach to ensure that financial education adequately reaches women and vulnerable consumers and suits their needs:

**TABLE 4: Financial Education Content for Underserved Customers: Considerations to Improve Financial Capability for Digital Financial Services**

<table>
<thead>
<tr>
<th>COMMON OBJECTIVES</th>
<th>DIGITAL FINANCIAL EDUCATION CURRICULUM CONSIDERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accessing cash transfer e-payments</strong></td>
<td>Clear explanation with diagrams/pictures of how mobile phone technology works as well as demonstrations to increase confidence.</td>
</tr>
<tr>
<td>Confidence in using e-payment technologies</td>
<td>Basic mappings or visual demonstrations can help explain how the technology works and can be used, particularly for illiterate beneficiaries. Allowing beneficiaries to test and train with the application prior to receiving their stipend will help increase confidence and familiarity with the e-payment technologies.</td>
</tr>
<tr>
<td>Understanding how e-payments work and the technology behind e-payments</td>
<td>Demonstrate e-payment functionalities to provide a clear understanding of what e-payments can and can’t do, how cash will not disappear, and explain dispute-resolution mechanisms for complaints or troubleshooting.</td>
</tr>
<tr>
<td>Understanding that e-payments are a safe place to store money</td>
<td></td>
</tr>
<tr>
<td><strong>Usage of e-payment instruments or accounts</strong></td>
<td></td>
</tr>
<tr>
<td>Knowing how to use e-payments beyond cashing out</td>
<td>Develop content that explains other uses/functionalities for digital accounts and explain the benefits.</td>
</tr>
<tr>
<td>Understanding how to transfer or use e-payments with other accounts</td>
<td>Clarify how accounts correspond to other products and services with the partner institutions, if applicable.</td>
</tr>
<tr>
<td>Increased convenience of e-payments that reduce wait times and travel and can be accessed at any time</td>
<td>Content highlights the benefits of e-payments, including the means to collect payments at convenient times. In addition, content underscores the different and convenient access points available.</td>
</tr>
<tr>
<td>Awareness of additional product or service offerings</td>
<td>Explain the additional financial offerings that beneficiaries are eligible for and that are available from relevant financial providers (if applicable).</td>
</tr>
<tr>
<td><strong>Understanding PIN codes and cards</strong></td>
<td></td>
</tr>
<tr>
<td>Low numeracy levels bottlenecks PIN-based models and cards</td>
<td>Explain in detail the purpose and ease of a PIN, how PINs work, the ability for PIN privacy, and the level of numeracy required. Include clear instructions for using and memorizing PIN codes, and clearly communicate the difference and function of each number.</td>
</tr>
<tr>
<td>Understanding PIN privacy and reducing fraud</td>
<td>Clear awareness that beneficiaries can manage their own PIN, and that they have the option of inputting a PIN themselves, even with the case of an agent.</td>
</tr>
<tr>
<td><strong>Consumer protection for digital products</strong></td>
<td></td>
</tr>
<tr>
<td>Knowing how to troubleshoot e-payment related issues</td>
<td>Clarify that e-payment representatives, agents, cash transfer coordinators, or other providers can be approached at any time and can be asked for clarification or for general troubleshooting. In addition, provide contact details and information on additional resources.</td>
</tr>
<tr>
<td>Little understanding of consumer rights and protections</td>
<td>Explain that consumers have the power to make complaints, and discuss how to make a complaint and how to contact the correct program leaders, financial providers, and government stakeholders to file a claim or dispute. Provide general awareness of consumer rights with e-payment products and services, including existing grievances mechanisms.</td>
</tr>
</tbody>
</table>

Building a Financial Education Approach: A Starting Point for Financial Sector Authorities

- Ensure that women and other minorities are well represented in key leadership and decision-making roles across the financial education space, including in key government committees or the development of financial education agendas.

- To help understand the educational needs of vulnerable consumers, encourage FSPs to hire with more intentionality a representative staff, including more female and minority staff (that is, bank staff, agents, and so on) and female and minority management.

- To inform programmatic design, collect adequate data (quantitative and qualitative) to understand different profiles of consumers and their needs.

- Ensure that consumer voices are well heard, including the voice of associations that work to represent women or minorities specifically.

- Include both female and male representatives during any stakeholder consultations. Depending on the program, dedicate resources to hire female financial education trainers, especially to help facilitate activities and sessions that may be segregated by gender. In addition, include options for female-only, gender-disaggregated environments for face-to-face financial education. House visits help include women who may otherwise have difficulty traveling.

- Identify optimal times for training that work better with the schedules of women or other vulnerable consumers, as their schedules and workloads may differ from those of men, urban residents, middle-aged adults, and so forth. Staff should have a grasp of sensitive approaches to ensure that all consumers can take advantage of the financial education programming.

- It is crucial to avoid referring in content and training to gendered behaviors or stereotypes that affect marginalized consumers, as otherwise it may reinforce false perceptions of different population groups.

- Content should advocate for and include scenarios in which women or other marginalized consumers (as relevant) take active roles in financial management and decision-making.

4.4 Know the Individuals and Families to Be Served

Financial education should be client focused and reflect the demographics, cultural and financial context, and learning needs and preferences of the target population. Education must be relevant in the context of consumers’ financial lives and help inform them about financial decisions that can be realized in the short or medium term.

As noted in chapter 3.1, assessments can be conducted through a variety of means, including mapping exercises, customer journey mapping, consumer profiling, stakeholder interviews, phone surveys, coordinating with supervisors to analyze regulatory reports or complaints, and so on, to shed light on both key financial education gaps in the market and opportunities where additional education and information can be embedded to address these gaps.

4.5 Use a Wide Range of Tools and Channels

In addition to traditional approaches, such as face-to-face instruction, nontraditional channels (that is, chatbots, SMS messages, tablets, phone applications, and so forth), informed by empirical behavioral research, can also help ensure that learning is being put into action.

For instance, key messages and simulations may be useful during program onboarding, while nudges via SMS and default savings options may encourage customers to use or save as part of the program. Educational institutions, on the other hand, may use curriculum-based tools to integrate education into their school systems directly. While web-based tools or other digital platforms may not be effective when trying to teach rural women how to keep their PINs safe, community-driven or highly localized interventions (such as posting exact instructions across all community ATMs) may be more effective.

As the financial education space evolves, programs are now experimenting with nontraditional channels that leverage technology and mass media and are developing content informed by empirical behavioral research, to ensure that learning is being put into action. Ideally, a variety of channels and delivery platforms should be used for financial capability programs, including both face-to-face training programs and nontraditional channels that leverage educational institutions, technology, mass media, or behavioral interventions, such as nudges, reminders, and choice architecture.

Analytical tools based on big data also have the potential to be leveraged by financial sector authorities to improve financial capability. Big data can be leveraged to provide customer support and education by, for instance, helping customers navigate information-dense product offerings or incorporating robo-advice on how to meet savings targets.
### Table 5: Examples of Financial Education Platforms

<table>
<thead>
<tr>
<th>PLATFORM TYPE</th>
<th>DESCRIPTION</th>
<th>INNOVATIVE PLATFORMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILE-BASED PLATFORMS</td>
<td>Using mobile platforms to deliver financial capability through (i) SMS messaging and reminder systems; (ii) voice calling and voice-mails; and (iii) application-based programs.</td>
<td>JUNTOS(^a) uses SMS messaging for reminders and automated conversation based on machine learning technologies to build trust and capability for customers; Banamex(^a) uses texts and calls to provide capability elements to beneficiaries.</td>
</tr>
<tr>
<td>SOCIAL/ LOCAL CONNECTIONS</td>
<td>Leveraging social relationships, key community leaders, or local government authorities to deliver or reinforce key capability messages. Uses informal or formal touch points (like clubs or associations) to provide trainings and trainers.</td>
<td>HERfinance(^c) leverages social interactions to pass along trainings and financial information to other women through workplace-based financial education sessions.</td>
</tr>
<tr>
<td>MASS MEDIA / ENTERTAINMENT</td>
<td>Using TV shows, posters, radio shows, movies, commercials, comics, and so on to provide financial capability concepts.</td>
<td>Nigeria Nollywood Nudge, Makutano Junction, and Scandal all embedded financial capability concepts and themes through videos and soap operas.</td>
</tr>
<tr>
<td>CURRICULUM BASED</td>
<td>Embedding financial capability and literacy programs into available education modules, curriculums, or training. Can use, for instance, schools as a platform to deliver workshops or events.</td>
<td>BANSEFI Mexico provides face-to-face financial capability trainings provided by core program staff before providing cash transfers to recipients.</td>
</tr>
<tr>
<td>TABLETS / PROGRAMMED APPLICATIONS</td>
<td>Embedding financial capability training into tablets or other application based programs (often self-paced)</td>
<td>LISTA(^d) Colombia designed self-paced financial capability modules delivered to CCT recipient villages through tablets. A community organizer provides and rotates the tablets between households, where CCT recipients go through the courses at their own pace.</td>
</tr>
<tr>
<td>ONLINE AND INTERNET BASED</td>
<td>Use of online or internet based websites as either (i) freestanding websites for counseling or advice or (ii) complementary tools by providers.</td>
<td>Mexico’s Consumer Protection Agency CONDUSEF(^e) developed a government-led financial literacy and transparency website (and magazine) to promote financial capability</td>
</tr>
</tbody>
</table>


c. BSR, HERproject, [https://herproject.org/herfinance](https://herproject.org/herfinance).

#### 4.6 Learn by Doing

Practicing is particularly important for digital finance, as it helps consumers master their financial knowledge and skills and improves their familiarity and confidence when conducting digital transactions. Providing tutorials for innovative products helps build consumer confidence through hands-on learning. This may include offering demonstrations of technology-driven products and delivery channels. Incorporating simulations (that is, simulating a transaction on an ATM or mobile phone) helps consumers practice using new technologies and testing key functions. This approach could also be helpful in cases where consumers are not literate enough to read written instructions.

In terms of content delivery, delivering financial education as part of consumers’ digital-payment product may holistically strengthen their familiarity with digital products and services.
In 2019, Central Bank of Brazil (BCB) launched its strategic agenda, *Agenda BC#, including a specific dimension that promoted financial education at schools, for vulnerable groups (low-income and overindebted people), and for financial consumers in general, among other projects. Reaching the third group, which encompasses more than 140 million people of different social groups and behaviors, was (and remains) a challenge.

While not disregarding traditional financial education initiatives developed by BCB itself and other actors, such as courses, seminars, booklets, and videos, BCB looked at new developments in the financial market as opportunities to increase consumers’ financial capability. FSPs were developing new business models using consumer journey and user experience as key elements, integrating behavioral tools, such as nudges and choice architecture, to reshape not only their digital channels but also their relationship with consumers. Financial consumer protection rules were already in place to protect consumers, especially regarding disclosure, suitability, and complaint handling, but FSPs were called to provide a voluntary second layer of features to help consumers better manage their finances.

In September 2019, BCB published Communique 34,201, a nonbinding guidance, which established the following four principles for engaging FSPs in bringing financial education to consumers more effectively: (i) aggregating value to consumers by providing information and initiatives that are relevant and useful to their financial lives; (ii) broad scope, to ensure access by all consumers; (iii) adequacy and customization, using appropriate content, language, timing, and channels and considering each consumer’s characteristics and behaviors; (iv) evaluation and improvement. BCB will support and monitor the results of the financial education initiatives implemented by FSPs.
needs; and (iv) evaluation and improvement, measuring how each financial capability initiative compares to its goals, aiming at continuous improvement. Additionally, the communique stated that BCB would support and monitor FSPs’ financial capability programs and take further regulatory action, if necessary.

In 2020, BCB conducted its first financial education mapping of FSPs. Sixty-eight banks and payment institutions were contacted, of which 60 have replied to the questionnaire, reporting 176 financial education initiatives. In addition to information about the initiatives, FSPs were asked about their corporate governance concerning financial education.

Based on the findings of the first mapping, BCB established the following two priorities, to be developed by FSPs in 2021:

i. Increase the strategic relevance of financial education in each FSP. For BCB, not only is financial education a matter of social responsibility, it is essential for the financial system to reach higher efficiency, and it should be part of FSPs’ core businesses and integrated into FSPs’ strategic planning, internal policies, and other elements of corporate governance. The financial education mapping showed that the majority of FSPs cite financial education neither in their policies (53 percent) nor their strategic planning (60 percent).

ii. Spread the use of impact-evaluation tools so FSPs can understand how financial education initiatives may affect their clients’ behavior more effectively. FSPs are in prime position to develop these analyses. They have access to consumers and their financial data, allowing their financial behavior to be evaluated. The financial education mapping showed that even though 69 percent of the financial education initiatives have some performance measurement, only 19 percent were designed with impact-evaluation features.

The priorities were communicated to FSPs at the Financial Health Summit, organized by Febraban in September 2020. At the time of this report, the Department for Financial Citizenship Promotion at BCB was following up with FSPs on their action plans. Even though Communique 34 is a nonbinding guidance, BCB expects alignment with the principles established by that document. Increasing strategic relevance and using impact-evaluation tools are essential to laying the groundwork for FSPs to embed financial capability elements into the design of financial products.

The BCB’s financial education mapping of FSPs occurs on a biannual cycle: one year dedicated to collecting data through questionnaires and diagnosing the current situation, and a second year for following up and monitoring. However, a new cycle is started each year for different groups of FSPs. In 2021, BCB has started a cycle for the credit-union sector, reaching out to 630 institutions.
APPENDIX B: FINANCIAL-LITERACY CORE COMPETENCIES

Many institutions have provided guidance on core financial competencies that can enable consumers to adopt and use financial services appropriately. For instance, the G20/OECD INFE Policy Guidance on Digitalisation and Financial Literacy sets out the following series of competencies, which enable consumers to adopt and use digital financial services safely:

- **Building trust in digital financial services**: Awareness of different digital financial products and their benefits and risks, knowledge about authorized and unauthorized products and providers, knowledge of consumer rights and responsibilities, and an understanding of the implications of signing a digital contract.

- **Empowering customers, especially vulnerable populations, to counter new types of exclusion**: Awareness of risky behavior involving personal data, understanding the consequences of sharing PINs, account information, or other identifying information, and the ability to assess the kind of information requested and to decide whether it is relevant or needed.

- **Supporting consumers at risk of overreliance on easy access to credit and potential overindebtedness**: Awareness that simplified online lending can increase the temptation to access easy short-term credit, understanding that data may be used to create a profile of personal factors, awareness of the risks of digitally provided short-term credit, knowledge of how to compare different types of digital financial products, and knowledge about how to monitor credit scores.

- **Protecting consumers and small businesses from increased vulnerability to digital crimes**: Knowledge about the existence of online fraud and phishing scams, knowledge about existing redress mechanisms and how to use them, and the ability to comply with safety procedures when making an online transaction.
NOTES

22. CFI: Center for Financial Inclusion.
24. GFLEC: Global Financial Literacy Excellence Center.
34. A key facts statement is a document that provides key facts in a concise and user-friendly manner, using plain language, to help consumers understand the key features and risks of a financial product.
35. World Bank, *Consumer Risks in Fintech*.
39. As mentioned earlier, studies suggest that consumer-protection tools, such as key facts statements, consume less resources and are more effective than financial education materials.
40. Global Findex.
42. See World Bank, *Consumer Risks in Fintech*.
47. OECD/INFE stocktaking survey of APEC economies, 2017–18.
52. World Bank, Business Pulse Surveys.
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54. Roughly 70 percent of respondents in Indonesia and Mongolia reported that their household received some form of government assistance, as did some countries in Latin America (World Bank Group, COVID-19 high-frequency survey).


56. Davidovic et al., “Beyond the COVID-19 Crisis.”

57. Payment Systems Development Group calculations; Remittance Prices Worldwide COVID-19 note (forthcoming)


60. FIGI Symposium 2021, “Guidance for Regulating E-KYC” (Zoom session).


64. Medine, “Financial Scams Rise.”


66. This box draws heavily from the Center for Financial Inclusion’s report Making Digital Credit Truly Responsible: Insights from Analysis of Digital Credit in Kenya.

67. Center for Financial Inclusion, Making Digital Credit Truly Responsible.


70. https://centerforfinancialinclusionblog.wordpress.com/2016/04/20/g2p-and-gender-when-will-pakistani-women-be-able-to-withdraw-their-own-money/


73. Mexico’s Financial Education Committee comprises members from the private and public sector and is chaired by the subsecretary of the Ministry of Finance and Public Credit.


76. Olga Fuentes et al., “Personalized Information as a Tool to Improve Pension Savings: Results from a Randomized Control Trial in Chile” (2016).

77. Innovations for Poverty Action, Tablet-Based Financial Education in Colombia (2016).


80. Microfinance Opportunities, Outcomes Assessment on Consumer Education for Branchless Banking (2014).

81. Central Bank of Brazil.


83. For the Central Bank of Brazil, financial education is reached when citizens have the opportunity to develop the capabilities and self-confidence required to manage their financial resources well. This concept is closer to financial capability than financial education.


85. The Nudge Unit was established in the United Kingdom’s Cabinet Office in 2010 to apply behavioral science to public policy. It is currently owned partly by the Cabinet Office, by NESTA (an innovation foundation based in the United Kingdom), and by employees, and it has operations across the world. See https://www.instituteforgovernment.org.uk/explainers/nudge-unit.
88. CGAP: Consultative Group to Assist the Poor.
93. The Save More Tomorrow program was introduced in the United States in 1998 and to date has helped more than 15 million people save more for their retirement.
94. For more information, see PlayMoolah and WhyMoolah in the Apple App Store.
95. Mighty Savers® is a special account available at OCBC Bank for children under 16 years of age. A parent or legal guardian must be a joint account owner, and both owners must reside in Singapore. The account has no minimum balance and can earn up to 0.2 percent interest a year.
96. Scoring 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.
99. For more information, visit www.10thousandgirl.com and Promoting Women’s Financial Wellbeing in Australia—Evaluation of 10thousandgirl’s Regional Women’s Financial Literacy Roadshow
105. For the Central Bank of Brazil, financial education is achieved when citizens have the opportunity to develop sufficient capabilities and self-confidence to manage their financial resources well. This concept is closer to financial capability than financial education.
106. Brazilian Bank Federation.
107. Other competency frameworks include ITU’s *Digital Financial Services Consumer Competency Framework,* published under the Financial Inclusion Global Initiative, which identifies the knowledge, skills, and attitudes consumers need to participate actively and safely and have trust in the digital financial services ecosystem, and OECD’s *Core Competencies Framework on Financial Literacy* for adults, MSMEs, and youth.