

FINANCIAL EDUCATION IN A DIGITAL AGE

Financial literacy is a core life skill that must be nurtured as early as possible to encourage responsible financial behaviour and to give people the confidence to take control of their finances. Improving the level of financial literacy in Europe is an important societal challenge which requires contributions from a wide range of stakeholders. All stakeholders should take advantage of increased digitalisation to maximise the impact of their initiatives.

1

Integrate financial literacy components into school curricula



One of the main challenges for the future from a policy perspective is to move from raising awareness of financial issues to actually changing individuals' behaviour.

Changing individuals' behaviour can be done by integrating financial literacy components into school curricula, as it not only facilitates change by developing financial capability and responsibility from an early age, but also ensures that the widest possible audience is reached.

2

Develop national strategies for financial education



It is crucial that all national governments recognise the need to raise financial literacy levels and develop appropriate national strategies for financial education, as this lays an important foundation to build on for the future.

Insurance Europe would encourage national governments to take inspiration from the OECD work on financial education. While there are further challenges to be met by national governments in terms of available resources, there is a wealth of knowledge and guidance from the OECD that can serve to identify a wide range of potential measures that could be taken nationally.

3

European Commission Recommendation on financial education



Insurance Europe encourages EU policymakers and regulators to play a greater role in supporting the implementation of national strategies for financial education. The European Commission could come forward with a Recommendation to encourage the adoption of national financial education strategies in EU member states and the incorporation of financial literacy components into school curricula.

4

European Commission promotion of pension tracking services



Promoting the need for citizens to save is first and foremost the responsibility of each EU member state. The European Commission could nevertheless add real value by organising the exchange of information between states about effective financial awareness initiatives that help people to better understand the long-term nature of pensions and the need to provide for an income in retirement.

Insurance Europe would welcome initiatives from the Commission to promote tracking services, which show individuals their entitlements accrued in the different pension pillars. This should ensure that European citizens are properly informed about their expected future pension entitlements.

5

European Day of Financial Education



The European Commission could introduce a European Day of Financial Education that would allow policymakers, citizens, the financial sector, education providers, social partners and the media to focus on best practice and new approaches to financial education at national and EU level.

6

Better, not more, information for consumers



Insurance Europe calls on the European Commission to focus on better, not more, information for consumers. It asks the Commission to consider the cumulative impact of regulations that leads to information overload and the duplication of requirements and to take steps to remove this where it exists.

The rules should focus on requiring that individuals be given high-quality, relevant pre-contractual product information, rather than just a high quantity. EU legislation should also be digital-friendly, technologically neutral and sufficiently future-proof to be fit for the digital age.

7

EIOPA to assume greater responsibility



Insurance Europe calls on EIOPA to assume greater responsibility and do more to fulfil the obligations set out in its founding Regulation to coordinate financial literacy and education initiatives by national authorities. As the European supervisory authority, EIOPA is ideally placed to encourage national authorities not only to share best practice but to push for greater recognition of financial education in national work programmes.

8

Increase the use of digital tools for financial education



Insurance Europe would encourage the greater use of digital tools to reach and engage the public on financial education.

Technology-based tools can contribute to raising financial literacy levels and help overcome some of the barriers to financial education by making it faster and more convenient to access information and by reaching a wider potential audience. As technology develops further, the range of interactive online tools will continue to grow, prompting new and innovative ways of engaging the public.

It will be crucial therefore for all stakeholders involved in financial education to embrace and capitalise on the growing trend of digitalisation to maximise the impact of their initiatives.

9

Increase interactive learning



Research shows that students learn best with methods that are interactive and motivating. Games, with accompanying explanations of basic insurance concepts, are an effective way for young people to learn about these concepts in a way that will best appeal to them. Also, making it possible for students to play these games online responds to the trend of increasing digitalisation.

Insurance Europe would encourage stakeholders to stimulate financial education that is tailored to children's wants and needs.



Financial education in a digital age

Read more about the broad range of initiatives that the European insurance industry is engaged in to increase people's financial literacy and their understanding of insurance.

Available at www.insuranceeurope.eu