FINANCIAL EDUCATION
A BRAZILIAN PERSPECTIVE
CHERRY BLOSSOM FINANCIAL EDUCATION INSTITUTE

José Alexandre C. Vasco
When stating my opinions, these are my own and do not represent necessarily the views of the Board of Commissioners or of the CVM as an institution.
“It takes a village to raise a child”. 

Advisory Committee on Education (CVM)
- CVM Rule # 498
- CVM, SRO’s and capital market associations
- Investor Education (IE)
- Implementation

National Committee for Financial Educ.
- Federal Decree # 7,397
- Multiple public/private agencies
- Financial Literacy (e.g. Schools FE)
- Policy and implementation

Behavioral Sciences Advisory Panel
- CVM Rule # 720
- CVM, researchers and invited organizations
- Inform evidence-based public policy
- Education (FE/IE) and regulation.
- Policy

Centre on Financial Education and Literacy in LAC
- MoU OECD - CVM
- Public organizations in LAC region
- Financial Education
- Policy and implementation

PARTNERSHIPS - TIMELINE
Conventional Model (DIRECT DELIVERY):
- Direct delivery of public goods

New model ("DELEGATED DELIVERY")
- Changes in the division of responsibility for the delivery of public goods (increased participation of private agencies)

COLLABORATION FRAMEWORK

- APPROPRIATE PEOPLE
- HIGH PRIORITY
- Leadership
- OPEN PROCESS
- SHARED GOALS

*Linden, Russel Matthew. Leading Across Boundaries: Creating Collaborative Agencies in a Networked World.*
The partners have a shared, specific interest or purpose that they are committed to and can`t achieve on their own.

The partners want to pursue a collaborative solution now and are willing to contribute to the effort.

The appropriate people are at the table.

The partners have an open, credible process.

The effort has a passionate “champion” (or “champions”), with credibility and clout.

The partners have trusting relationships.

The partners use the skills of collaborative leadership.

BRAZILIAN NATIONAL STRATEGY FOR FINANCIAL EDUCATION
EDUCAÇÃO FINANCEIRA

Você sabe o que é educação financeira?
Descubra aqui o que trata esse tema e como essa questão está estabelecida no Brasil e no Mundo.

clique e saiba mais

NA SEÇÃO FERRAMENTAS VOCÊ ENCONTRA DICAS, TESTES, VÍDEOS, SIMULADORES E MUITAS OUTRAS APLICAÇÕES QUE VÃO AJUDAR A GERIR MELHOR O SEU DINHEIRO E PLANEJAR O FUTURO. APROVEITE!

POUPANÇA
Guarde dinheiro permita a realização de muitos sonhos. Aprenda a construir seu pé da mais.

CRÉDITO
Antes de pegar dinheiro emprestado, sabe escolher as melhores taxas e formas de pagamento.

INVESTIMENTO
Faça o dinheiro trabalhar por você. Aprenda a escolher as melhores opções de investimento.

CONSUMO
Consumir de forma sustentável é importante para autar antucidamento. Veja ricas dicas.

DIREITOS E DEVERES
Conheça e exerça seus direitos e deveres sobre produtos e serviços financeiros cidadãos e bancos.

PREVIDÊNCIA
Prepare-se com antecedência para lidar com situações futuras e essenciais. Aproveite e saia com!

LIFE&MONEY
Coordinated by AEF-Brasil (since 2012):

- **High-School:**
  - 3 books developed and tested (2010-11) – 891 schools/ 26 K students
  - books printed by Min. Education and sent out to 2.974 schools (2014)
  - website FE in Schools launched

- **Primary and Middle School:**
  - 9 books developed (2011-12)
  - Pilot project (RCT 2015) – 200 schools/ 18k students
educação financeira

Escolha por onde deseja começar a navegar:

Ensino Médio

Ensino Fundamental
4ª Semana Nacional de Educação Financeira

De 08 a 14 de maio

Multiplique esta ideia!
De 08 a 14 de maio de 2017
BRAZILIAN “MONEY WEEK”

**EVENTS/INITIATIVES**

- **2014 (*)**: 170
- **2015**: 421 (+148%)
- **2016**: 1044

**PARTICIPANTS**

- **2015**: 707,920
- **2016**: 1,290,476 (+82%)
- Controled pilot project vs. real life operational implementation
- Unexpected lack of financial support
- Implementation issues (coordination public-private)
- Competing priorities
- Governance
- FE as a platform – users create and consume value
<table>
<thead>
<tr>
<th>Strategic Directions</th>
<th>Intensify actions aiming to disseminate FE at school level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Identify, align and foster actions aimed at adults and other selected audiences</td>
</tr>
<tr>
<td></td>
<td>Achieve culture change, making FE more relevant</td>
</tr>
<tr>
<td></td>
<td>Build new partnerships that can support ENEF</td>
</tr>
</tbody>
</table>
Engage and involve all relevant stakeholders in FE

Improve the assessment of target group needs and set pluriannual goals

Continuously improve ENEF governance
<table>
<thead>
<tr>
<th>Initiatives</th>
<th>FE in Schools Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENEF as a “Platform”</td>
<td>Focus on school teachers</td>
</tr>
<tr>
<td>(business model)</td>
<td>Reward good practices (national award etc.)</td>
</tr>
<tr>
<td></td>
<td>Foster research on what works and evaluate</td>
</tr>
<tr>
<td></td>
<td>New tools (games etc.)</td>
</tr>
<tr>
<td></td>
<td>New sponsorship policy</td>
</tr>
</tbody>
</table>

• Interdisciplinary, independent advisory committee: economists, social and psychologists, educators and designers (professors and senior researchers), working on a voluntary basis.

• NEC aims at helping CVM to apply behavioural and social insights into its programs and policies

• Main responsibilities:
  • Review and endorse CVM projects
  • Advise CVM on scientific matters
  • Provide guidance to the CVM’s Office of Investor Protection and Assistance (SOI)

• In order to support NEC activities, SOI set up a Behavioural Sciences Unit (COP)
Sonhamos e...Lá Vamos! Uma Iniciativa de Educação Financeira no Interior de Portugal

9 de janeiro de 2017

Durante o Seminário de Regional sobre Novas tendências em Educação Financeira, em dezembro de 2016, foi apresentada a palestra da Professora Lina Nascimento, que implantou um projeto de Educação Financeira para crianças do Jardim de Infância da Vila do Bispo, uma cidade do interior de Portugal.

Esta semana trazemos um resumo do projeto, a íntegra da palestra e uma breve entrevista com a professora.

Continue lendo →

Compartilhe
PUBLICATION “CVM COMPORTAMENTAL”

Download:
http://pensologoinvisto.cvm.gov.br
http://www.investidor.gov.br
Rio de Janeiro

7, 8 and 11, 12 Dec/2017

This week's events will focus on subjects related to FinTech, Investor education and behavioural studies, including the celebration of the CVM 40th anniversary. Featuring the foremost Brazilian and international scholars and researchers, as well as representatives of regulatory and self-regulatory bodies, the gatherings will provide a multidisciplinary approach in the fields of psychology, economics, anthropology, education and others, as well as offering an opportunity to debate innovative strategies and public policies in financial education.

Schedule

07 / December
THURSDAY
Behavioural Sciences and Investor Education Conference

08 / December
FRIDAY
Behavioural Sciences and Investor Education Conference

11 / December
MONDAY
Regional Seminar on Emerging Trends in Financial Education
• Hub for knowledge exchange on efficient financial education and related issues in Brazil and in the LAC region.

• The Centre’s activities will build on the work of the OECD/INFE and its Research Committee, including:
  - methodologies for collecting qualitative and quantitative data;
  - policy analysis;
  - instruments and research.

• OECD-CVM will also use the Centre to facilitate annual surveys of financial education initiatives in LAC, which will be released at the Centre’s annual meetings (the “Surveys”).
Areas of focus and research shall include, but not be limited to:
- **financial education** aimed at supporting policy goals;
- **financial consumer protection**;
- **financial market trends** and policy issues;
- collection of quantitative and qualitative **evidence** on financial literacy and relevant aspects of financial inclusion and financial consumer protection;
- **effective delivery of financial education** initiatives to various target audiences (e.g. youth; women; small and medium enterprises);
- **financial education policies** aimed at **supporting other policy goals** (e.g. financial inclusion).

*as relevant to financial education.*
✓ knowledge-sharing and organisation of dissemination events. The Parties will organise an annual regional conference at the Centre, with the possible addition of one to two country-specific events elsewhere in LAC;

✓ dissemination and use of relevant OECD/INFE policy and practical tools, methodologies, research and analysis in Brazil and LAC (including translation into Spanish and Portuguese where necessary); and

✓ facilitation of the Surveys and related publications.
O Centro Educacional CVM/OCDE divulga a sua agenda de eventos gratuitos para **abril**.
Confira e inscreva-se.

**Moedas Virtuais Digitais**
Palestra - 5 Abril 2017 - RJ

**Companhia Aberta**
Palestra - 12 Abril 2017 - RJ

**Planejamento Financeiro**
Palestra - 25 Abril 2017 - RJ

Clique no link para mais informações e garanta a sua vaga.
Centro CVM/OCDE de Educação e Letramento Financeiro para a América Latina e Caribe

O Centro Educacional CVM/OCDE oferece a você palestras de Educação Financeira e diversas outras atividades gratuitas. Confira abaixo:

03 Agosto 2016
• **Planejamento Financeiro:** decisões que podem mudar sua vida
  15h às 17h
  **Júlio César Dahbar**
  Superintendência de Proteção e Orientação ao Investidor.

Local: Centro Educacional CVM/OCDE
Rua Sete de Setembro - 111 - 3º andar - Centro
Rio de Janeiro - RJ

Clique no link e inscreva-se gratuitamente.
PUBLIC LIBRARY OF “ROCINHA” (AUG/16)
ROYAL TULIP HOTEL (SEP/16)
“For every complex problem there is an easy answer, and it is wrong”.
(Henry Louis Mencken - american journalist 1880-1956)
Evolving into a full scale “Nudge Unit”, using cognitive insights on behalf of investors

✓ **Objectives:**
  ✓ Understand investors’ decision-making process
  ✓ Develop methodologies and proceedings to stimulate formation of savings and its investment in securities
  ✓ Evaluate the impact of educational, guidance and assistance actions
  ✓ Subsidize financial education programs and rule-making process

✓ **Methodologies:**
  ✓ Investors surveys
  ✓ Small-scale tests
  ✓ Randomized controlled trials
  ✓ Adaptation of successful initiatives in other markets to Brazilian market characteristics
  ✓ Use of social and behavioural insights
• Objective: investigate relationship among financial literacy, personality traits (Big Five)*, and investment behavior.

• Sample: 3,305 individuals aged 18+ (investors from CVM database, visitors of CVM social media, visitors of CVM website, events participants, partnerships, etc.)

• Methodology: quantitative survey, using self-administered questionnaire offered by the SurveyMonkey website.

• Data collection period: from 23 July 15 to 06 April 16.

*Agreeableness, Extraversion, Conscientiousness, Neuroticism and Openness
## Sample vs. Brazilian Population

<table>
<thead>
<tr>
<th>Gender</th>
<th>Survey</th>
<th>Census</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>59.3%</td>
<td>50.6%</td>
</tr>
<tr>
<td>Female</td>
<td>40.7%</td>
<td>49.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education level</th>
<th>Survey</th>
<th>Census</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary incomplete</td>
<td>0.8%</td>
<td>45.3%</td>
</tr>
<tr>
<td>Elementary complete / High school incomplete</td>
<td>3.4%</td>
<td>16.7%</td>
</tr>
<tr>
<td>High school complete / Undergraduate incomplete</td>
<td>35.6%</td>
<td>28.0%</td>
</tr>
<tr>
<td>Undergraduate degree</td>
<td>28.9%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>31.3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly income</th>
<th>Survey</th>
<th>Census</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to R$ 788</td>
<td>3.4%</td>
<td>39.2%</td>
</tr>
<tr>
<td>R$ 788 to 1,576</td>
<td>11.0%</td>
<td>32.7%</td>
</tr>
<tr>
<td>R$ 1,576 to 2,364</td>
<td>10.7%</td>
<td>10.6%</td>
</tr>
<tr>
<td>R$ 2,364 to 3,940</td>
<td>15.6%</td>
<td>8.3%</td>
</tr>
<tr>
<td>R$ 3,940 to 7,880</td>
<td>24.4%</td>
<td>6.1%</td>
</tr>
<tr>
<td>R$ 7,880 to 15,760</td>
<td>20.9%</td>
<td>2.2%</td>
</tr>
<tr>
<td>R$ 15,760 +</td>
<td>14.0%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>
THE “BIG THREE” FINANCIAL LITERACY QUESTIONS

• Suppose you have $100 in a savings account and the interest rate is 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?

• Consider that the interest rate on your savings account is 1% per year and inflation is 2% per year. After 1 year, how much would you be able to buy with the money in this account?

• Please tell whether the following statement is true or false: “Buying a single company’s stock usually provides a safer return than investing in a stock mutual fund.”
2364 respondents (80%) invest in at least one product

Base: 3305 respondents
<table>
<thead>
<tr>
<th>Number of respondents who invest in...</th>
<th>Quantity</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>at least one type of security</td>
<td>1276</td>
<td>38.6%</td>
</tr>
<tr>
<td>one type of security</td>
<td>713</td>
<td>21.6%</td>
</tr>
<tr>
<td>two or three types of security</td>
<td>453</td>
<td>13.7%</td>
</tr>
<tr>
<td>four or more types of securities</td>
<td>110</td>
<td>3.3%</td>
</tr>
<tr>
<td>invest, but not in securities</td>
<td>1358</td>
<td>41.1%</td>
</tr>
</tbody>
</table>

Sample has income and education level higher than population, but less than 40% invest in securities.
• Financial literacy level apparently not associated with saving behavior

• Conscientiousness related with higher probability of saving regularly

• Dealing with money (working, receiving allowance) positively associated with regular saving behavior

• Extraversion predicts lower likelihood of saving behavior in both cases

• Other studies: conscientiousness positively related with pension and bank savings amounts (Kausel et al., 2016)
• 2nd wave of the survey: personality traits x financial literacy x financial behaviors (instead of investment behavior). More variables.

• New Medium Class (C Class) project: new financial literacy product with behavioral insights.

• Risk tolerance x financial well-being x personality traits survey. Testing CFPB scale translation into Portuguese.

• Survey on financial fraud
SUPPORTING THE DEVELOPMENT OF FINTECH IN BRAZIL
FINTECH HUB
Launch of the FinTech Hub

Outreach Strategy
- Fintech startups
- Innovation Hubs
- Market participants

SEMINAR
- FINTECH DAY
- Public discussion
- 500 attendees
- Academia, market participants, fintech startups

REPORT
FINTECH Survey

Jun-Nov. 2016
Apr. 2017
FinTech Hub launched on Jun 7th, 2016.

Activities:
• Establish a dedicated communication channel between the regulator and the market
• Foster research and studies
• Stimulate and facilitate internal discussions
• Provide information and assistance to fintech startups
• **Promote educational initiatives (fintech startups and entrepreneurs)***
• Assess potential impacts on markets regulated by CVM
• Forge partnerships with similar international hubs

*Educational Centre: education (publications and events) and local partnerships.
Guidelines:

• Achieve the right balance between financial innovation and investor protection/financial stability;
• Foster greater competition in markets;
• Proactive approach:
  • expanding the outreach to Fintech startups;
  • identifying trends;
  • monitoring market practices.
FINTECH HUB - 2 BRIDGES

**INTERNAL**
- Chiefs of Staff
- Risk and Research
- Investor Protection
- Oversight/regulation (5)*
- International Affairs
- Planning and IT

**EXTERNAL**
- Market participants
- SRO
- Fintech Startups
- Academia
- Regulators
- Other organizations

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* 5 Offices: Market Regulation; On-Site Inspections; Institutional Investors; Market Surveillance; and Securities Registration.
5 to 9 December 2016

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Registration is over

Schedule

05 / December
MONDAY
“FINTECH DAY”

06 / December
TUESDAY
Research Seminars on Financial Education and Behaviour

07 / December
WEDNESDAY (MORNING)
Ceremony to Mark the 42th Anniversary of CVM Securities and Exchange Commission
CONCLUSION
FROM PIPELINES TO PLATFORMS
A NEW PARADIGM FOR NS?

Pipeline Business Model

CONEF

Producer (FE Content)

Citizens

Consumers (FE Content)

Platform Business Model*

National Strategy PLATFORM

CONEF

Producers/Consumers (FE Content)

Citizens

NGOs

School Departments
Teachers

CONEF

Regulators

Financial
Institutions

Obrigado!

vasco@cvm.gov.br / soi@cvm.gov.br

CVM

- Website: www.cvm.gov.br
- Investor`s Portal: www.investidor.gov.br
- Blog: pensologoinvisto.cvm.gov.br
- “CVM Educacional” (social media):
  - Twitter: twitter.com/CVM Educacional
  - YouTube: www.youtube.com/CVM Educacional
  - Facebook: facebook.com/CVM Educacional
  - Linkedin: www.linkedin.com/company/cvm

ENEF

- ENEF (Life&Money) website: www.vidaedinheiro.gov.br
- AEF-Brasil website: www.aefbrasil.org.br
- FE in Schools website: edufinanceiranaescola.org.br