



Proposal for a national strategy to promote financial literacy in Finland

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Abstract

By the joint agreement of the Bank of Finland, the Ministry of Justice and other key authorities, the Bank of Finland initiated in February 2020 the coordination of activities related to the promotion of financial literacy and, based on this, prepared a proposal for a national strategy.

Finland's national strategy for financial literacy is based on substantive facts and analyses. The strategy takes into account the starting level of Finns' financial literacy, the conditions prevailing in the market and the societal situation. The strategy was created in close collaboration with key researchers and actors in the field. This will promote the adoption of the strategy, commitment to it, and acting in accordance with it. The OECD's International Network on Financial Education (INFE) guidelines, and examples from other countries have been utilised in the financial literacy strategy.

The mission of Finland's financial literacy strategy is to make people understand the importance of finances in their own lives and to act in their own finances in an ethical and sustainable way. The vision of the strategy is for Finns' financial literacy to be the best in the world by 2030.

Improving the financial literacy of citizens will generate wellbeing for the whole national economy, for all of its sectors. For private individuals, this means that they are able to make good financial decisions and avoid difficulties with their finances.

The main steering instrument of the strategy is a function to be established in Finland that will help coordinate the work of dozens of private and third-sector actors in Finland, which is currently fragmented and partly duplicated. Through coordination, the promotion of financial literacy will become more systematic and goal-oriented, and it will monitor changes in the economic operating environment. When financial literacy work is done in the future in line with the strategy, resources will be used more efficiently, good practices will spread to be utilised by more actors, cooperation and synergy will be improved between different actors, and the effectiveness of activities will be increased.

To implement the strategy, a practical action plan will be prepared at national level, which will specify the measures to be undertaken, the actors implementing them and their timetables and goals. The plan will also agree on the division of responsibilities and cooperation. Although the quality and impartiality of work promoting financial literacy has been attended to well in Finland, it will also be important to ensure these aspects in future.

Easy-to-find and low-threshold advisory and information services should be established for selection and decision-making situations in citizens' financial affairs. Actors engaged in work promoting financial literacy also need compiled, up-to-date information on actors, activities, data and materials.

The implementation of the strategy must be monitored and evaluated. This will be best achieved by evaluating the results and impacts of activities, as it is possible to verify them and to do so successfully also in the short term. Results and impacts must be measured systematically both on a general level as well as for individual target groups, projects and actions. The implementation of the national strategy for financial literacy requires the involvement of an interdisciplinary research community, which will ensure the development of research in the field.

The national strategy for financial literacy will have one owner, who will undertake to be responsible for the implementation of the strategy and enable the promotion of financial literacy in the network of actors. In Finland, the management of the financial literacy strategy is most naturally suited to the Ministry of Justice. The governance model for monitoring, controlling and coordinating the implementation of the financial literacy strategy must be light, but effectively serve the implementation of the strategy. A specific issue with regard to the strategy is the need to resolve the funding of activities, particularly for the third sector, and to establish and maintain a research network.



Foreword

Spending money and making payments are everyday matters. In a functioning society, they have been made as easy and reliable as possible for people. Finns are also among the most active in digital payments, and Finland benefits from the high quality and availability of these services.

Spending money may, for various reasons, become a significant source of concern in daily life. When payments are made inconspicuously in digital applications, tracking and planning of finances may be easily overlooked. And at the turning points of life – starting studies, beginning a family or retiring – the balance of income and expenditure may also be undermined. It is then that good financial planning may be of assistance.

Over the past year, the Bank of Finland has prepared a proposal for a national financial literacy strategy. This will be the first of its kind in Finland. The proposed measures of the strategy are based on knowledge, research, international recommendations and an extensive survey of financial literacy activities.

The main idea of the strategy is to increase people's understanding of the importance of financial management. Finns' financial literacy is, on average, on a good level, but there are differences between the various population groups. Through systematic and well-resourced financial literacy work, it is possible to improve citizens' knowledge and skills extensively and thereby proactively mitigate over-indebtedness and other financial problems.

2020 was a dismal year for health and the economy. The economic effects of the coronavirus pandemic

had a sudden impact on the finances of many Finns, as layoffs and redundancies increased. There is now a particularly urgent need for a low threshold to counselling and information services, which may be helpful in proactively facilitating citizens' selection and decision-making situations in all economic circumstances.

During the coronavirus pandemic, remote activities and virtual interaction have been developed at a rapid rate. This should be continued and good practices replicated for various contexts and between different actors. Digital services can be used to reach large numbers of people efficiently and equitably.

The coronavirus year has not dampened the efforts of the organisations, companies and authorities engaged in financial literacy work. Representatives from 84 organisations have participated in a network established by the Bank of Finland. The current proposal for a national financial literacy strategy is the result of active and wide-ranging cooperation, and I would like to thank all those who participated in the strategy work for their important contribution.

I also thank Minister Anna-Maja Henriksson and the Ministry of Justice for their contribution in preparing the financial literacy strategy work and for the excellent cooperation displayed. The Ministry of Justice has a natural foundation via citizens' financial and debt counselling services to steer activities in accordance with the strategy in Finland. The Bank of Finland will continue to make its own contribution to this work.

Finns are in an excellent position to manage their finances so that they obtain from their financial resources the most benefit and security for their lives. The coronavirus year has shown that, despite good financial knowledge and competence, an external shock can suddenly derail both the national economy and household finances. Assistance and support for financial management will become increasingly available as work to promote financial literacy is steered and planned on the basis of this strategy.

Olli Rehn
Governor, Bank of Finland

Financial literacy project description and responsibilities

The proposal for a national strategy to promote financial literacy in Finland was prepared in the Bank of Finland's financial literacy project in 2020. The work was led by Senior Adviser Anu Raijas. The main actors engaged in financial literacy work and researchers in the field participated in the preparation of the strategy.

The progress of the financial literacy project was overseen by a **steering group** established for the purpose. The group was chaired by Deputy Governor of the Bank of Finland Marja Nykänen and its other members were Permanent Secretary Pekka Timonen (Ministry of Justice), Counsellor of Education Kristina Kaihari (Finnish National Agency for Education), CEO Elli Reunanen (The Finnish Financial Ombudsman Bureau - FINE) and CEO Juha Pantzar (Guarantee Foundation).

A **Bank of Finland project group** was responsible for project planning, conducting the studies necessary to prepare the strategy, and writing the financial strategy proposal. The preparation of the strategy was supported by participation in the activities of the OECD's International Network on Financial Education (INFE). The Board of the Bank of Finland Museum, consisting of representatives from different departments of the Bank of Finland and the Financial Supervisory Authority, also participated in the project.

Expert groups were formed from actors engaged in financial literacy work.

- A **research group** conducted a [background analysis](#) of the current state of Finns' financial literacy in the light of the recent research and studies. The research group comprised Panu Kalmi (University of Vaasa), Mette Ranta (University of Helsinki) and Olli-Pekka Ruuskanen (Pellervo Economic Research PTT).

- A **group responsible for surveying and evaluating actors and projects** gathered information on financial literacy promotion actors, activities and projects, and evaluated their work. A [report](#) was published on this. The following were represented in the group: Economy and Youth (TAT), Finance Finland, the Association for Teachers of History and Social Studies in Finland (HYOL), the Finnish Federation of Settlement Houses (FFSH)/My Finances network, the Financial Skills Project & the Helsinki Deaconess Foundation, Junior Achievement Finland, the Guarantee Foundation, the Consumers' Union of Finland, the Martha Organisation and the Financial Supervisory Authority.
- An **operating model development group** prepared a proposal for national cooperation. The group included the following: the Ministry of Justice, the Ministry of Education and Culture, FINE, Sitra, the Finnish Foundation for Share Promotion, the Martha Organisation, Tradeka, Upper Secondary Schools' Entrepreneurship and Financial Education Network, the Finnish Union for Senior Services (VALLI), the University of Jyväskylä/Kokkola University Consortium Chydenius, and the Financial Supervisory Authority.

The fruits of the project were presented throughout its course to a **network** of actors and projects in which a total of 84 organisations participated – from various bodies engaged in promoting financial literacy, including authorities, public actors and the education sector, organisations, associations, foundations and networks as well as financial and business actors. The network met three times and the views of the various actors were widely consulted in online meetings to support the writing of the strategy.



1. Introduction

By the joint agreement of the Bank of Finland, the Ministry of Justice and other key authorities, the Bank of Finland initiated in February 2020 the coordination of activities related to promotion of financial literacy and, based on this, has prepared a proposal for a national strategy. The preparation of the draft strategy has been overseen by a project steering group. The Bank of Finland will submit the draft strategy to Minister of Justice Anna-Maja Henriksson in January 2021.

The elements of the national strategy for financial literacy are:

- Rationale for a national approach
- Specifying objectives
- Considering situational and circumstantial factors
- Identifying and reaching different target groups
- Preparing an action plan
- Strategy monitoring and research
- Sharing up-to-date information
- Governance, steering, coordination and financing

The **implementers** of the strategy will be all the actors in different sectors that are working towards

strengthening citizens' financial literacy. The strategy will benefit the actors involved, as it will help to improve the goal orientation and effectiveness of activities. The strategy will clarify the division of responsibilities between actors and will streamline activities by eliminating possible duplication. The strategy process does not come from the top down; the draft strategy has been created in interaction with actors in this field. Thus the strategy will be jointly approved and the actors will commit to its implementation.

The ultimate beneficiaries of the strategy will be individual citizens; the goal is to increase citizens' knowledge of financial matters and financial management, and to influence their behaviour and attitudes. **The objective of the strategy is, on the one hand, to prevent people from getting into difficulties with their own finances and, on the other hand, to support people to make advantageous choices in the financial markets.**

It must be possible to update the strategy if, for example, shortcomings are found within it or significant changes affecting people's finances take place in the financial markets or society.

2. Rationale for a national approach

The digitalisation of financial services has changed people's management of finance matters. As a result, services accessibility and financial market participation varies within and between different population groups. Household debt problems and an increase in payment defaults have highlighted concerns about people's ability to manage their finances¹. At the same time, some people are unsure about saving and investing. Financial literacy is a key civic skill, the importance of which is becoming increasingly important in a constantly changing economic environment. People need financial literacy in making short- and long-term decisions about their own finances.

The overall goal of the financial literacy strategy is to improve citizens' financial literacy. This requires systematic and goal-oriented education, which has been shown in scientific research to improve financial literacy (see e.g. Kaiser et al. 2020).

Financial matters are closely connected with the different areas and stages of people's lives. Finances are an essential part of people's lives and can be approached from different perspectives. It is therefore important that all of the key actors impacting people's financial literacy participate in implementing the financial literacy strategy. It is also important to support and develop the concrete financial skills that are deeply embedded in the lifeworld of communities and individuals.

Falling within the scope of the financial literacy strategy are authorities and other public actors as well as private and third sector actors engaged in work to improve people's financial literacy. Financial education in schools is linked to the strategy but not directly included in it. School education implements a curriculum based on laws and decrees in which one of the key objectives has long been to strengthen the financial literacy of children and young people, and this has been reinforced in recent years. The objectives of the strategy are linked to curricula and to the continuum of developing financial literacy, and

their utilisation in future curriculum work will also help to develop financial education in schools in line with common national guidelines.

The education sector is also involved in the strategy through financial education work undertaken for schools by external parties and via various cooperation projects. Multidisciplinary actors outside schools can support the implementation of curricula and provide (further) training for teachers. Teachers, like students at different school levels, are therefore within the scope of the strategy and among its key beneficiaries.

In promoting financial literacy, the importance and influence of different sectors vary. The strategy should therefore distinguish between statutory official activity², general interest activity, market-based activity, education and scientific research, all of which operate on differing principles. Due to the large number of actors and activities, and the lack of coordination, there is duplication and competition for the same "customers". Actors cooperate mainly in joint projects, but such cooperation is also often concentrated in the Helsinki Metropolitan Area and between certain familiar partners. To boost the promotion of financial literacy, cooperation and new partnerships between actors are needed on both a regional and national level. The strategy will provide structure to activities aimed at promoting financial literacy: it will encourage more efficient use of resources, spread good practices to be utilised by more actors, improve cooperation and synergy between different actors, and increase the effectiveness of activities.

Many countries have a national strategy for promoting financial literacy. According to a survey conducted by the OECD in June 2015, 59 countries had or were actively promoting a financial literacy strategy. Of Finland's neighbours, Sweden, Denmark and Estonia were implementing their first national strategy at the time. (OECD 2015.) Discussions

¹ In addition to shortcomings in financial literacy, life management problems caused by exclusion, for example, often underlie debt problems and payment default entries.

² The public sector will likely be subject to similar obligations for sector regulation (European Union 2020; see also European Commission 2020).

within the OECD/INFE network³ in the autumn of 2020 revealed that in countries that have a national strategy for financial literacy, an effective division of responsibilities quickly provided both advice and various tools to alleviate people’s financial distress during the coronavirus pandemic. This is one powerful reason for adopting a financial literacy strategy; it can be used to respond quickly to and resolve people’s financial emergencies. The OECD has adopted a Recommendation on Financial Education, an appendix of which contains recommendations on the preparation and implementation of a national

strategy for financial education as a means of coordinating the promotion of financial literacy (OECD 2020a).

Citizens’ financial literacy also affects individuals and all market actors on the societal level. Citizens’ good financial literacy generates wellbeing for actors in the national economy and mitigates inequality and exclusion. Sector actors consider it important that a financial literacy strategy be created for Finland. This proposal will facilitate its construction.

3. Specifying of objectives

The financial literacy strategy will specify both financial literacy and activities to promote it. These specifications must be known and accepted by all actors; it is important that actors understand the key foci of activity in the same way. It is natural to talk about **financial literacy** as synonymous with financial capability. *Financial*, in this context, refers to household finances. We use the **OECD definition of financial literacy**, in which financial literacy is a combination of the **knowledge, behaviour** and related **attitudes** necessary to make sound financial decisions (Atkinson & Messy 2012).

In addition to these three dimensions, three levels (basic, intermediate and expert) of financial literacy and their content must be distinguished in the different aspects of private finances: everyday spending, planning of one’s own finances and financial preparedness, purchasing, borrowing, saving, investing/owning and insuring (see table below). The different levels must take into consideration the fact that support for financial literacy is needed on different levels of income and education but that the content of this support varies.

	Basic literacy	Good literacy	Expert literacy
Everyday spending			
Planning own finances and financial preparedness			
Purchasing			
Borrowing			
Saving			
Investing/owning			
Insuring (incl. employment pension insurance)			

³ The OECD’s International Network on Financial Education (INFE) is a forum for cooperation in the promotion of financial literacy. The network makes recommendations for the promotion of financial literacy and provides guidelines to member countries in preparing a financial literacy strategy. In addition, the network has developed international indicators for measuring financial literacy. The network has highlighted the need for an actor at national level responsible for coordinating the promotion of financial literacy and for the regular measurement of financial literacy.



The work done by different actors to promote citizens' financial literacy is **promotion of financial literacy or financial education**. This is done both on a practical level and in various research and development projects. In practice, financial literacy is promoted through, for example, training, visits, meetings, events, counselling services, guides, tools, games and websites arranged for different target groups.

A good strategy requires a common objective accepted by all parties that is clearly and articulately formulated and also communicated to political decision-makers for their approval. The mission of Finland's financial literacy strategy is to make people understand the **importance of finances** in their own lives and to act in their own financial matters in an **ethical and sustainable way**. The vision of the strategy is for Finns' **financial literacy to be the best in the world** by 2030. This will be achieved by improving the **various aspects of financial literacy** as well as related **advice and access to information**. The vision takes into account the different aspects of private finances – everyday spending, financial planning, purchasing, borrowing, saving, investing/owning and insuring – and the competencies required in them.

In promoting financial literacy, it will be necessary to specify what kind of changes are being sought

in its various dimensions: knowledge, behaviour and attitudes. The top-level goal will therefore be broken down into more concrete subgoals, for which indicators verifying the achievement of the goal will be set. For subgoal indicators, targets will be set, for example, as follows: at least 80% can define inflation (knowledge), at least half make a monthly budget for their finances (behaviour) and at most half get pleasure from spending money at once (attitudes). In additions to the dimensions, specific goals can also be set for the different levels of financial literacy and, for example, age groups.⁴

The subgoals for advice and access to information could be, for example, the following: more than half of Finns use financial literacy online or advisory services, at least 80% of the actors engaged in promoting financial literacy belong to a financial literacy network, and at least two new forms of activity for cooperation and interaction emerge during the year.

For the subgoals, the period within which they are achieved will be specified. The subgoals will be formulated together with the actors so that they are realistic to achieve in activities of different sectors/actors and for different target groups.

⁴ The formulation and measurement of subgoals will utilise Kalmi and Ruuskanen's (2016) study of Finns' financial literacy, in which 11 indicators were developed for financial knowledge, 9 for behaviour and 3 for attitudes. The survey was partly modified from the OECD's 2011 financial literacy survey, and it was also used to obtain data comparable with the international FLatWorld data (Lusardi & Mitchell 2011). At that time, questions suitable for Finnish conditions were formulated, and their appropriateness was also tested. The Finnish data were used in the OECD's 2016 international comparison of financial literacy (OECD 2016).

4. Considering situational and circumstantial factors

The national financial literacy strategy will be built on the circumstances prevailing in Finland and on the situation prevailing in society and the market (see OECD 2015). The strategy will take into consideration both macro-level changes and financial market innovations that have an impact on people's finances.

The global economy and digitalisation have created new types of services for consumers and have transformed the nature of consumers' financial transactions. Purchasing, paying and consequently the use of money are constantly changing as a result of digitalisation. Digitalisation is changing service accessibility and thus financial market participation in different population groups. The long-continued low level of interest rates has increased indebtedness and created for borrowers a perception of very cheap credit. One major change in the 21st century markets has been the provision of credit by actors outside the traditional financial sector, which has increased the availability of credit to an even wider customer base. Extensive societal changes caused by economic conditions affect people's finances primarily via the labour market situation. All of these changes challenge the different aspects of financial literacy.

It would be important for people to be able to manage their financial affairs in the changing situation in the best possible way for them, understanding the risks involved. Adapting to change also requires people to understand the national and international economy. People's choices in consumption, indebtedness and saving are always made in a certain economic environment. An understanding of the more common macroeconomic concepts as well as an ability to perceive changes in the economic environment therefore supports choices made in one's own finances.

In addition to perceiving changes in the operating environment, an ability to prepare financially or adapt one's own finances and financial resilience in the change and transition stages of life is needed on an individual level (see Chapter 5). In addition to unexpected spending, there is a need to prepare for a sudden decline in income.

Financial literacy is linked to many other of today's essential skills, such as digital and media literacy⁵. It is worth considering these as elements related to the operating environment, focusing on private financial issues.

5. Identifying and reaching target groups

The promotion of financial literacy should be targeted at specified target groups. If the target group is *all citizens*, there will be uncertainty about who the activity and message will reach. It is necessary to know who needs support with their financial literacy and in which aspects support is needed.

According to the latest research and studies, and in international comparisons, the financial literacy of Finns appears to be good, but research has also identified gaps in knowledge of financial matters and in financial behaviour (Raijas et al. 2020). For

example, women, the lowly educated and those on low incomes have been found to be less interested in money matters (see e.g. Danske Bank 2019), which presumably also affects their financial literacy.

Both existing and new research will be used in specifying target groups. In addition to research, the knowledge of professionals who interact with citizens (e.g. social sector, education, occupational health care, supervisors and shop stewards) will also be used in specifying target groups. This information can be obtained in a culture of open discussion.

⁵ Media literacy is also needed in financial matters because, through marketing for example, options unfavourable to the individual, such as high-interest credit products, can be made to look attractive.



In the 2018 PISA financial literacy survey, 15-year-old Finns tied for second place. The Finnish results showed that young people said that they received financial literacy information from teachers more often than in other countries, and this proved to be a stronger link to financial literacy. The study revealed, however, high polarisation between students within schools. (OECD 2020d.) In the light of this information, it is important to ensure that teachers have the relevant skills in teaching financial matters and that they receive (further) training at all school levels, and to consider means to support household financial literacy. This work should be continued in good cooperation between the various actors.

The promotion of financial literacy is currently focused on school-age children and young people. Many parties have established themselves in schools: banks, Finance Finland, Economy and Youth TAT, the Finnish Foundation for Share Promotion, Perintäritari Oy, the Bank of Finland, the Finnish Financial Ombudsman Bureau FINE, the Finnish Competition and Consumer Authority, the Youth Academy, the Children and Youth Foundation, the Finnish Youth Housing Association NAL, Junior Achievement Finland and the Martha Organisation. (Raijas 2020.) This work is important and valuable, but it also requires coordination.

Financial literacy is lifelong learning in an ever-changing operating environment. It cannot be assumed that the knowledge and skills acquired in basic and upper secondary education will last

a lifetime without updating. Strengthening financial literacy is important at all stages and contexts throughout life:

1. Childhood and youth: in early childhood, day care and clubs; at school age, school, courses, hobbies (teachers' further training + departments of teacher education, TAT Me and My City, JA programmes, 4H, societies and organisations, confirmation camps or similar)
2. Adulthood: conscription, child health clinics⁶, social services offices (financial services and social work), the Social Insurance Institution (Kela), Ohjaamo guidance centres⁷, state legal aid offices' financial and debt counselling, libraries, adult education centres and institutes, open universities, organisations' course activities, jobs, trade unions, political parties, banks and insurance institutions
3. Retirement age: pre-retirement courses (pension insurance companies, employment pension organisations + listing from the previous section) and maintaining financial literacy and technology skills related to financial management (organisations, banks, Kela, municipalities, pension insurance companies)

⁶ In Sweden, the *Gilla din ekonomi* network has produced a guide for parents receiving their first child, see <https://dittbarnochdinapengar.se/>

⁷ The Ohjaamo centres, located in different parts of Finland, provide guidance to people under 30 years old in work, education and everyday matters (<https://ohjaamot.fi/etusivu>).

Favourable situations and moments in people's lives to embrace financial matters should be identified. In addition to life stages, there is a need to identify the following situations and groups in the specification of target groups:

1. Predictable life changes and transitions stages in the course of life, e.g. young people starting independent life and entering employment, starting a family, and retirement
2. Preparing for unexpected risk situations on the individual level (lay-offs, illness, accidents, disability, unemployment, relationship separations) or in the economy (economic cycles or other macroeconomic changes)

3. Financially vulnerable groups, such as people in irregular employment and the low-paid, pensioners and the elderly, and immigrant families

Financial literacy – like other expertise – is highly polarised among citizens: some of the population are financially expert while others have difficulty obtaining enough money for necessary everyday expenses. The importance of financial literacy varies for different target groups and therefore different issues must be emphasised in its promotion. The target group must also be taken into account when choosing the form of action and implementation.

6. Preparing an action plan

The financial literacy strategy is not just a top-level declaration; a practical and written action plan will be prepared for its implementation. This will take place during spring 2021 in cooperation with the network of actors.

In different countries, the time span of action plans for financial literacy strategies varies between 3 and 10 years. As the operating environment is changing rapidly, in Finland **an action plan for up to five years will be prepared**. The action plan should be reviewed during the planning period if, for example, there are changes in the operating environment, the economy or among actors that have a significant impact on citizens' finances.

It is important that all relevant actors support the updating of citizens' financial literacy. As there are many actors in the field, it is important to form an overall picture of activities and to agree on an appropriate division of responsibilities and cooperation, avoiding duplication of effort. Different actors may also through their own work complement the actions of others. The division of responsibilities between actors should take into account each actor's expertise, special skills, strengths, interests and

resources. Cooperation and interaction between parties promoting financial literacy may effectively promote the delivery of the various actors' expertise to the right address. It is worth cooperating extensively across sector boundaries and, through this, seek new openings with, for example, the fourth sector (social media, blogs, YouTubers), utilising peer meetings. New forums dealing with financial matters are required in order to reach people who need support and advice.

The measures to be undertaken and the actors implementing them and their timetables will be recorded in the action plan. The goals set for them (see Chapter 3) and their monitoring will be recorded in the action plan as precisely as possible, while maintaining some room for manoeuvre and flexibility. The activities must form a mutually complementary entity. New forms of activity and ways of working should also be boldly trialled. Measures will be implemented cost-effectively. They must be examined from the perspective of scalability and usability for both the various actors and target groups.

While the focus of the action plan will, of course, be on promoting financial literacy, in addition to this

advocacy work will also be agreed to highlight the importance of financial matters and the promotion of financial literacy.

In the promotion of financial literacy, the public must be able to trust in its quality and impartiality, because they can then make financially important decisions of long-lasting impact based on the information they receive. It is important that parties that finance activities do not seek to raise the profile of their own work at the expense of others. **As part of the action plan, guidance will be prepared on the quality criteria and impartiality of the promotion of financial literacy and financial education** (see OECD 2015). Much work will be required to review the activities and materials, and therefore a manual or corresponding document will be prepared in connection with the action plan to ensure the quality and impartiality of the activities. An example is provided by the Spanish *Code of Good Practice for Financial Education Initiatives* (Banco de España 2018).

7. Strategy monitoring and research

In monitoring and evaluating the strategy, it will be important to distinguish between the evaluation of results and impacts and the evaluation of effectiveness. **The simplest approach will be to focus on evaluating the results and impacts of activities, as it is possible to verify them and to do so successfully in the short term.** In this, concrete changes that have taken place as a result of the measures taken will be described and measured. In the evaluation of results and impacts, attention will be paid to how the goals set for activities have been achieved (the level of capability and how it has developed) and to the kind of impacts (e.g. reduction of financial problems) the activities have had. Impacts will become evident before **effectiveness**, which is more difficult to evaluate because it is influenced by many different factors, materialises at the societal level, and often not until a longer period of time has passed. Of course, an effort must also be made to evaluate it. In monitoring and evaluating the implementation of the financial literacy strategy, the focus will be on how the measures recorded in the action plan achieve the goals set for activities. The evaluation will examine the possible development of measures. The results and impacts of the national strategy and

In quality assurance, procedural obligations such as self-regulation will be used; those implementing the financial literacy strategy will undertake to adhere to them. The situation in Finland is good, in that there is no evidence to date of a lack of quality or impartiality in activities promoting financial literacy.

Deploying the strategy, as well as its implementation and monitoring, will require continuous dialogue and cooperation between actors. In addition, there will be a need for dialogue and discussion between actors in the field on the state of financial literacy and factors influencing it. For this, regular meetings and communication channels between the actors will be agreed where, in addition to monitoring the implementation of the strategy, a picture of the operating environment will be formed and possible needs for updating the financial expertise strategy, blind spots, and research and development gaps will be taken into account.

associated activities will be monitored systematically and regularly using the indicators developed for this. Indicators must also be developed as the operating environment and societal situation change.

Systematic measurement of results and impacts should be done on a general level as well as for target groups, projects and measures. Actors should be encouraged to continue to carry out research on their own activities and it would be beneficial for this to be utilised throughout the network of actors. A survey of the level and development of the financial literacy of the whole population will be conducted every three years, measuring the achievement of the subgoals specified in the action plan (see Chapter 3). Finland should participate periodically in OECD/INFE international surveys, which has not happened since 2014 (see OECD 2016). In addition, results and impacts can be measured at a more detailed level. These will be specified separately in the action plan. Alongside quantitative measurement, qualitative research will also be required. Qualitative studies will increase understanding of financial literacy and the factors affecting it, and will complement the data generated by quantitative methods.

Scientific research must be one of the essential elements of the implementation and monitoring of the financial literacy strategy, but various background studies and surveys should also be conducted.

Scientific research should be used in evaluating the results and impacts of projects and activities as well as their effectiveness. Research should be carried out in interaction with practical activities, for example through various trials and in identifying relevant target groups. Research knowledge can be used to develop tools and instruments for promoting financial literacy. Research will provide knowledge needed for the strategy, which will substantially reinforce the implementation of the action plan and strategy.

National and international research knowledge on financial literacy and its status, financial management problems and their root causes, financial literacy development activities, effectiveness research, as well as its implementation, tools and methods, must be compiled in order for it to be utilised. Various materials of practical actors and experiences of professionals (e.g. contacts with financial and debt counselling's Proactive Financial Counselling, FINE and the Guarantee Foundation), which shed some light on the state of citizens' financial literacy, should also be compiled and used in the evaluation of activities. Research can be used to monitor changes

in the operating environment, in which case it will also be possible to react to them. All of this will strengthen the study of financial literacy.

Financial literacy research should utilise the 2019–2025 multi-disciplinary DigiConsumers research project, funded by the Strategic Research Council of the Academy of Finland, in which 33 partners from various sectors are participating. The project is seeking solutions to improve the financial and consumer skills of young people between the ages of 13 and 25, particularly in digital environments. (<https://digiconsumers.fi/>.)

The implementation of the national strategy for financial literacy requires the involvement of an interdisciplinary research community that has the competence to implement scientific research. Suitable disciplines include economics, economic sociology, economic social work, social policy, legal policy, behavioural economics and consumer research. A financial literacy research network, compiling and coordinating related interdisciplinary research and maintaining international contacts, may be established. The most natural coordinator of such a research network would be a university or research institute.

8. Sharing up-to-date information

Easy-to-find and low-threshold advisory and information services should be established for decision-making situations in citizens' financial affairs. A suitable place for this could be, for example, the suomi.fi platform, where a section already exists for managing personal finances (<https://www.suomi.fi/citizen/personal-finances/managing-your-personal-finances>). The website is also being used to build a data exchange layer for different life situations, and it would be worth integrating financial affairs into this. It should be agreed that responsibility for producing and communicating the content of this site be assigned to some natural party. The website is probably not extensively used at present, so its profile should be

raised through communication and marketing.⁸ One model could be the Dutch *Money Wise* platform, where various actors promoting financial literacy provide people with practical and easy-to-understand tips and tools from different areas of private finances. The platform is updated by the Money Wise Programme Office. (<https://www.wijzeringeldzaken.nl/english/>).

The problem of finding up-to-date information has also been highlighted by actors involved in promoting financial literacy. Information about actors, activities, data and materials should be collected in one place and updated regularly. Information sharing should be transparent, impartial, regular and interactive.

⁸ In this, it is worth taking into account the update of the Ministry of Justice's financial and debt counselling website, which aims to expand financial counselling.

An up-to-date bank of actors and competencies, bringing together all ongoing activities, projects, information and materials, should be established on the online platform for those involved in promoting financial literacy.⁹ This will also promote cooperation between actors. In addition, it will be of benefit to actors in, for example, the development of remote activities, digital materials and services.

The internet is an effective place for sharing content that promotes financial literacy, but it must also identify other places, situations and life stages where financial matters need to be highlighted and where this can be done naturally. It would be beneficial to utilise the various structures and institutions that already exist (see Chapter 5).

In the exceptional circumstances of the coronavirus pandemic, interactive remote activities as well as digital materials and services were rapidly developed. This should be continued, because these types of activities are cost-effective, reaching large numbers of people efficiently. In this area, it is good to share knowledge and expertise among actors, as both the development and implementation of new practices take up a lot of resources.

Citizen engagement must take into account the different target groups as well as accessibility to messages. Communications with target groups should be in plain language and in different languages, because the same message and channels are not suitable for everyone. The form and channel of communication should be selected according to the target group. Potential channels should be extensively mapped and harnessed to promote financial literacy. Communications should take in account the accessibility of information to those who seek it, but also the active provision of information to those who do not know how to search for it, but who have been identified as possible target groups. For this reason, both traditional and digital channels should be actively used in communications. It is also recommended that the media be used in communications.

The Bank of Finland is a full member of the OECD's International Network on Financial Education (INFE). The Bank of Finland provides information on international news to those engaged in promoting financial literacy.

9. Governance, steering, coordination and financing

The national strategy for financial literacy will have one owner, who will undertake to be responsible for the implementation of the strategy and enable the promotion of financial literacy. The owner must have the competencies and resources for this. The effectiveness of activities will be guaranteed by strong ownership of the strategy and the commitment of central government. An impartial, widely trusted and sufficiently authoritative central government body serving everyone equally will be selected as the party permanently responsible for the financial literacy strategy, and this body will monitor and supervise the implementation of the strategy and coordinate activities in Finland. Permanent funding from the central government budget or some other public financing must be secured for the implementation of the strategy.

Matters related to the promotion of financial literacy are the responsibility of many ministries: the Ministry of Justice, the Ministry of Education and Culture, the Ministry of Economic Affairs and Employment, the Ministry of Finance and the Ministry of Social Affairs and Health. Examining the interface of these ministries with the finances of individuals, the management of the financial literacy strategy in Finland would most naturally be handled by the Ministry of Justice or the Ministry of Economic Affairs and Employment. This is based on the fact that both deal with the financial matters of individual people and both provide advice for citizens regionally: the Ministry of Justice has the state legal aid offices' financial and debt counselling; the Ministry of Economic Affairs and Employment has the Finnish Competition and

⁹ *Mun talous (My Finances)* activity has collected, structured and linked to its own website a range of online Finnish-language material (<https://muntalous.fi/materiaalit/>) produced to support personal financial management. It also provides for its network a weekly news bulletin.

Consumer Authority's national consumer advice. Financial and debt counselling is more regionally comprehensive than consumer advice. On the other hand, the scope of consumer advice is extensive: it provides information on consumer rights as well as mediation in disputes between the consumer and companies. Consumer financial matters are not the immediate focus of advice, however. From a content perspective, the implementation of a financial literacy strategy would be best suited to financial and debt counselling, where current counselling activity would be expanded.¹⁰ Via the Ministry of Justice, other policies should also be taken into account, such as the implementation of inclusion and consumer protection in the financial markets.

The strategy will help steer the work of dozens of private and third-sector actors in Finland, which is currently fragmented and partly duplicated. Independent operators are involved, however, so activities cannot only be prescribed from above. The role of policy and governance is to meet the conditions for improving financial literacy and to lead change aimed towards it. The central government will undertake financial literacy work in active dialogue with these actors. The key actors will be represented in the organisation to be established for the strategy.

The governance model for monitoring, controlling and coordinating the implementation of the financial literacy strategy must be as light as possible, but to effectively serve the implementation of the strategy. Resources must not be wasted on governance; they must be allocated to the activities themselves. The office model in use in Sweden may be partly applicable in Finland (see <https://gilladinekonomi.se/om/om-gdc/>). An **office**¹¹ of a few employees would handle administrative matters, would plan and coordinate practical activities, and would be responsible for the network's regular meetings¹² and communications. The implementation of the strategy will be supervised and directed by a cross-administrative, multidisciplinary **steering group** appointed by the Government, as in the Netherlands

(see Money Wise 2020). The strategy would be implemented in practice by **network**¹³ actors that have financial literacy promotion activities and experts. A programme council, which will decide on activities, will be elected from among the network's actors for the strategy period and could include, for example, the largest banks, Finance Finland, FINE, Economy and Youth TAT, the Finnish Foundation for Share Promotion, the Guarantee Foundation, the Martha Organisation, the Deaconess Foundation and the Finnish National Agency for Education. The Bank of Finland/Bank of Finland Museum could lead the programme council. Activities will be organised on a national, regional and local level. The financial literacy strategy must have a strong link to central government, which will support and oversee the long-term goals of the development of citizens' financial literacy. This linkage will ensure that societal or governance-related situations and changes support the implementation of the financial literacy strategy.

The third sector is a key practical actor for citizens, but it often has to fund financial literacy promotion activities with competitive project funding. The project nature of the funding poses challenges both to the development and evaluation of activities and for the establishment of good practices. Continuously applying for funding as well as the project nature of activities make activities short-term and fragmented, and increase uncertainty with regard to continuity, which adversely affects planning of long-term activities. In addition, competition for financial resources may be an obstacle to collaborative development and counselling work. Funding also influences the activities of organisations such that, after receiving project funding, they have to commit to certain types of activities for a set period of time, and they may have little scope to change their activities, even if circumstances and situations change in citizens' everyday lives. Third-sector actors should be guaranteed funding for the promotion of financial literacy through the common understanding of several ministries. Separate funding will also be required for the establishment of a researcher network and the relevant research.

¹⁰ The role of financial and debt counselling 817/2017 (713/2000) is to provide information and advice to private individuals on financial and debt management, to assist in financial management, to identify possible solutions to debtors' financial problems and to help debtors when clarifying options to reach a settlement with their creditors, assist debtors in handling matters related to debt restructuring, and direct debtors to seek legal assistance, if necessary. Since 2020, approximately 190 person-years have been allocated to financial and debt counselling. Counselling resources have been strengthened since the beginning of 2020 by 19 person-years. The additional resources will improve the availability and timeliness of counselling and combat over-indebtedness.

¹¹ The office personnel must have communications and information resources.

¹² Meetings on different themes may also be arranged for a limited number of participants.

¹³ Network refers to the network, consisting of 84 organisations, established in the Bank of Finland's financial literacy project.

10. Summary

We have based the national strategy for financial literacy to be formulated for Finland on essential facts and analyses, involving researchers and actors in the field. The financial literacy strategy is a model tailored to Finland, utilising OECD/INFE guidelines and international examples. It is important to take into account the starting level of Finns' financial literacy, the conditions prevailing in the market and the societal situation within which activities take place.

The mission of Finland's financial literacy strategy is to make people understand the importance of financial literacy in their own lives. The vision of the strategy is for Finns' financial literacy to be the best in the world by 2030.

The financial literacy strategy will improve the financial literacy of citizens, which will generate wellbeing for the whole national economy. This will be realised through systematic and goal-oriented education, taking into account the prevailing and changing economic operating environment. The strategy will help coordinate the work of dozens of private and third-sector actors in Finland, which is currently fragmented and partly duplicated. The strategy will encourage more efficient use of resources, spread good practices to be utilised by more actors, improve cooperation and synergy between different actors, and increase the effectiveness of activities. The time for building a financial literacy strategy is currently favourable, because the key parties have responded very positively to it.

In the strategy, it will be important to make a concrete implementation plan that decides on the length of the strategy period and the structure and content of the action plan. Another aspect related to the implementation of the strategy is ensuring the quality and impartiality of activities. The third key task is to specify in cooperation with the actor network the subgoals for the aspects of financial literacy.

Easy-to-find and low-threshold advisory and information services should be established for

decision-making situations in citizens' financial affairs. The problem of finding up-to-date information has also been highlighted by actors involved in promoting financial literacy. For them, information about actors, activities, data and materials should be collected in one place and updated regularly.

The implementation of the strategy must be monitored and evaluated. The simplest approach will be to focus on evaluating the results and impacts of activities, as it is possible to verify them and also to do so successfully in the short term. Systematic measurement of results and impacts should be done on a general level as well as on the level of individual target groups, projects and measures. The implementation of the national strategy for financial literacy requires the involvement of an interdisciplinary research community that has the competence to implement scientific research.

The national strategy for financial literacy will have one owner, who will undertake to be responsible for the implementation of the strategy and enable the promotion of financial literacy. In Finland, the management of the financial literacy strategy is most naturally suited to the Ministry of Justice. The governance model for monitoring, controlling and coordinating the implementation of the financial literacy strategy must be as light as possible, but to effectively serve the implementation of the strategy.

A specific issue with regard to the strategy is the need to resolve the funding of activities, particularly for the third sector, and to establish and maintain a research network.

The different elements of the financial literacy strategy are closely linked. The strategy must therefore be examined as a whole. Different actors will implement the strategy in different ways and, in this, there must be a reasonable degree of flexibility and room for manoeuvre for changing circumstances and situations.

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