

## Commission encourages better financial education for EU citizens

The Commission has adopted a Communication on Financial Education in which it stresses the importance of increasing the ability of Europe's citizens to understand and work with financial products and services. The Commission believes that better financial education will bring substantial benefits for consumers, the economy and society and in the Communication sets out some basic principles to guide financial educators and announces some practical initiatives.

Too many consumers lack a basic understanding of financial products and services. They do not choose the products that best meet their needs or make financial provision for the future. Financial education, the Commission believes, is a key element in 'empowering' citizens to take more appropriate financial decisions.

The new Communication sets out some basic principles to guide providers of financial education, based on existing best practices. These include:

- a call to make financial teaching available throughout citizens' lives, starting at school;
- the need to ensure impartiality and objectivity when delivering financial education;
- a recommendation to tailor programmes to the real needs of the target audience.

The Commission gives priority to the creation of a network of financial education practitioners. The opportunity for networking and learning from experience is supported by many stakeholders.

To promote this further, the Commission plans to establish a group of experts in financial education comprising representatives of Member State authorities (including education experts), financial services providers, consumer organisations and other groups where appropriate.

The aim will be to share and promote best practice on financial education; assist the Commission in identifying problems in its provision; advise the Commission on how the above principles are being implemented; monitor the performance and delivery of financial education and contribute to the evaluation of the measures contained in this Communication in the period to 2010.

The Commission wants to provide sponsorship to Member States and private actors to help them organise national/regional conferences on financial education. Most financial education programmes are local, regional or, at best, national in scope. As such, there is a need for awareness-raising events to take place as close to the target audiences as possible.

### Online database

The Commission plans to develop an online database of financial education schemes throughout the EU. The purpose of this is to facilitate consultation of good practice and research findings. The online database will be made available in 2008.

It also plans to support the development of a teacher training module on financial literacy. The Dolceta initiative has already proved very useful in facilitating the teaching of financial issues to adult learners.

Building on this, the Commission will start to develop a module on financial education for teacher-training purposes.



### Complement to consumer protection

Financial education, the Commission stresses, should be seen not only as a means to address information asymmetries between consumers and providers, but also as a complement to consumer protection and to ensuring responsible behaviour by financial services providers.

This Communication is one element in the package of measures on retail financial services set out in the Commission's report on a Single Market for 21st Century Europe, whose aim is to improve the delivery of the benefits of financial market integration to Europe's citizens.

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