



OECD International Financial Literacy Measurement

Workshop Financial Literacy around the World

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Center for Research on Pensions and Welfare Policies**

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OECD PROJECT ON FINANCIAL EDUCATION

- Launched in 2003
- Governments' concerns on the consequences of low level of financial literacy
- Three pillars:
 - Data collection and analytical research :
4 reference publication
 - Standard setting :
4 sets of principles and good practices
 - Global dissemination:
 - International conferences
 - Global clearinghouse on financial education
 - International Network on Financial Education

International Network on Financial Education 2008

- Global reach
- Public experts from :
 - 73 countries
 - 150 public institutions
- 2 meetings per year
- Policy areas of work:
 - Measurement of financial literacy
 - Evaluation of financial education programmes
 - Financial education in schools
 - National strategy on financial education
 - Financial inclusion
 - Gender and financial education
 - Social marketing

Measure of financial literacy: A Global policy priority

- National level :
 - Assessing policy needs
 - Identifying target audience
 - Setting a national benchmark
- International level:
 - Identifying best practices
 - Informing international research
 - Informing national policy making process
- **Project to launch an international survey on financial literacy within the INFE-2010**

Methodology for the development of the OECD/INFE international survey

- Creation of an **expert subgroup** within the INFE with support of external expertise
- Stock take exercise on national surveys on financial literacy
- 26 surveys from 18 countries
- Analysis of results: terminology, content, types of questions, survey design, survey analysis
- Basis for the international survey
- **Approval of core questions, survey methodology and supplementary questions by the INFE in 2010**

- **Financial literacy** as a working global terminology covering :
 - “ a combination of awareness, knowledge, skills, attitudes and behaviours allowing individuals to make sound financial decisions to improve their financial wellbeing”

OECD/INFE international survey: content

- **19 core questions** with sub-questions
- Series of **socio-economic questions** : gender, age, family status, geographical location, work and income
- **Content** : an adaptation of the UK model :
 - Day-to-day money management
 - financial control
 - making ends meet
 - Choosing and holding financial products
 - Financial Planning
- **Specific focus on financial knowledge** :
 - very similar to the three questions presented at the workshop:
 - Simple interest rate and compound interest calculation
 - Investment risk and diversification
 - inflation
 - Understanding of simple financial products

OECD/INFE international survey: Choice of questions

- **Criteria:**
 - Questions have been tested and proved high quality and objective
 - Questions already used in national surveys
 - Questions correlated with the concept measured
 - Questions which are globally meaningful and endorsed by public experts

OECD/INFE International Survey: Design

- Volunteering countries responsible for the implementation of the core questionnaire:
 - Selection of a reputable national statistics centre
 - Use of questionnaire as standalone or within broader survey
 - Collect of data
 - Preparation of the data for the analysis
- OECD/INFE set a common framework:
 - Survey for individuals aged 18 year old
 - Personal interview (phone or face to face)
 - 1000 sample with quota/booster sample where relevant
 - Translation tested
 - Time schedule : Sept. 2010 – March 2011

Supplementary questions for national use

- **Set of supplementary questions to address national needs:**
 - Policy issues : pension, health care financing, indebtedness
 - Specific financial products: debit card, mortgage, insurance
 - Financial advice
 - More in-depth analysis of behaviour, attitude and knowledge
- **Aimed at supplementing core questions**

Financial Literacy Pilot

- **Pilot in 11 + 1 countries:**
 - Armenia, Czech Republic, Estonia, Germany, Hungary, Ireland, Malaysia, Peru, Poland, UK and South Africa
 - + Norway (self completion)
 - Core questionnaire included in broader surveys
- **Time schedule :**
 - March 2011- collect of final data
 - **Preliminary results** : Canada, 26/27 May 2011
 - Final survey – South Africa 25/26 October

Next steps:

- Finalisation of analytical framework of the international survey –beginning of 2011
- Development of **general and more focused surveys** (gender and financial literacy) -2011
- Fine tuning of the core questionnaire-2011
- Broadening of the exercise to cover more countries (Australia to use it in national survey in 2011)
- Improved global data set on financial literacy
- More robust international policy guidance

Thank you!!

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