

**Policy Statement**  
**APEC Ministers of Finance**  
**Financial Literacy and Education**

We, the Finance Ministers of the APEC economies, recognise financial literacy to be an essential skill for everyone in the 21<sup>st</sup> century and an important component of any economy's efforts that will effectively support economic and financial stability, inclusive development and individual and families wellbeing. We thank the Russian APEC Presidency for raising this issues on APEC agenda and for promoting them globally through the Russian Financial Literacy and Education Trust Fund.

We recognize that ongoing social, economic and financial system developments and the growing complexity of financial products require enhancing financial literacy as they involve increased engagement of consumers with financial products and services and greater transfer of financial risks and responsibilities to individuals. These have resulted in an increased number of households that have difficulty in understanding the risks and obligations they assume and managing their financial arrangements. Important developments in financial systems that have a significant influence on people`s behaviour include:

- Greater use of consumer credit, investment and insurance products that offer new opportunities but also lead to potentially higher risks.
- Reforms to ensure the sustainability of pension systems as the result of an aging population. These reforms require an increase in the responsibility of the members of the social insurance systems and greater financial literacy to understand their implications and how to best manage these changes.
- Increasing diversity and complexity of financial products with a growing access to them - use of technologies such as the internet and mobile phone - that allow a new and growing segment of consumers to access and potentially benefit from financial services and tools that could help them make better financial decisions. These products, however, may not be fully covered by existing financial consumer protection framework, making consumers with no prior experience in dealing with financial issues more likely to make mistakes and more vulnerable to potential abuse.

Most financial literacy surveys conducted worldwide and particularly in APEC economies, show that large segments of the population have insufficient knowledge to understand even basic financial products, underestimate their risks, and plan for the future and often do not make optimal decisions on managing their finances.

We are of the view that financial education supported by effective consumer protection cannot, by itself, prevent possible future problems, but it can lessen the risk of crises occurring by enabling individuals to effectively use financial products and services and to make sound choices to protect themselves and fruitfully participate in financial and economic activities. Such steps can also help in promoting recovery and economic growth in the wake of financial challenges, at the individual, local and economy-wide levels. Financial literacy has therefore become a life skill that is essential for every economy to foster safe and sound, efficient, transparent and inclusive financial systems.

For financial education initiatives to be effective and sustainable, they need to be appropriately integrated in a comprehensive economy-wide strategy. This will avoid duplication of efforts and ensure efficient use of resources. We also recognise that financial education efforts should be tailored to each economy's circumstances, priorities and needs.

We therefore welcome the development of such economy-wide strategies among APEC economies. We also recognize the importance of the OECD/INFE High-level Principles on National Strategies for Financial Education endorsed by G-20 Leaders at their Summit in Los Cabos, which can serve as a benchmark for these strategies.

In particular, we acknowledge the importance of evidence-based economy-wide strategies for financial education and support measures that would involve:

- the measurement of financial literacy at an economy-wide level to determine needs and gaps with respect to financial knowledge and capability in order to identify priority areas and target groups for the strategy to address;
- the mapping and evaluation of existing initiatives to establish what works;
- a clearly articulated financial education mandate for a leading public authority or body of authorities, and the involvement and co-operation of key stakeholders;
- a targeted and flexible roadmap that includes an overall vision with realistic, measurable and time-bound objectives and action plans, the definition of relevant target audiences and policy priorities and; the roadmap will chart priority areas and also include an overall impact assessment and identify appropriate resources; and
- the design of efficient delivery mechanisms based on identified good practices and ongoing research that involves rigorous monitoring and evaluation of programmes.

We encourage the implementation of economy-wide strategies for financial education by APEC economies and the monitoring of related developments. We encourage that in the course of the implementation of economy-wide strategies and when assessing financial literacy and evaluating financial education programmes, APEC economies consider using the methodologies and tools developed by the World Bank and the OECD/INFE. We also encourage APEC economies to continue working with international financial institutions, as appropriate, in implementing financial education, financial inclusion and consumer rights protection programmes.

As one of the first priorities, we encourage the development of appropriate programmes to enhance the financial knowledge and skills of future generations through financial education in schools. We recognize that in the future young people will increasingly bear the burden of financial decisions and will require more financial skills than prior generations to cope with the complex financial environment in which they will live.

In this light, APEC Finance Ministers, recognize financial education in schools as a critically important part of education in the 21st century. We welcome the OECD/INFE Guidelines for Financial Education in Schools and encourage their use in APEC economies, taking into account economy-wide, regional and local circumstances. In particular, we recognize the importance of financial education for the young through the establishment of tailored and dedicated learning frameworks adapted to their needs and assessing and expanding approaches proven effective. Towards this end, we encourage the APEC economies to consider the participation in the Financial Literacy Measurement Programme for International Students Assessments (PISA) in 2015.

We recognize the importance of harnessing private sector resources and expertise in promoting economical, effective and sustainable delivery of financial education, to keep pace with the continuing evolution of financial services. We welcome ABAC's inputs on public-private sector collaboration to develop innovative models of financial education based on new modes of access, as well as effective policy frameworks and guidelines for voluntary, fair, transparent and unbiased private sector engagement in financial education.