

# OUTCOME PAPER

## HIGH LEVEL RETREAT ON FINANCIAL LITERACY

The deficit of Economic and Financial Literacy hinders economic performance, causes serious welfare losses and has a negative impact on personal freedom and societal participation. In August 2021, the European Forum Alpbach invited interdisciplinary European experts and young talents to work on concrete ideas on how to effectively foster Financial Literacy in Europe. This document presents the main agreements and outcomes of the High-Level Retreat on Financial Literacy with the aim to move from evidence to action.

### OVERARCHING AGREEMENTS

Financial Literacy should be part of school curricula from an early age.

Financial Competency is a 21st century life skill and should be trained as close to life as possible.

A focus should be set on increasing the participation rate in capital markets.

### OUTCOME: PREVENT POVERTY THROUGH FINANCIAL EDUCATION

Financial Literacy is a key to prevent poverty. When designing effective financial education for people at risk of poverty, the following should be considered:



#1: Address the target group through community work, word of mouth, mass media and access-free media.

#2: Topics to be covered: Basic money management, budgeting, saving and building a financial safety net.

#3: Characteristics of educational offers should be fun and engaging, peer orientated, about moments in life and emotions, no rocketscience.

### OUTCOME: EMPOWER POPULATION THROUGH FINANCIAL EDUCATION

The conscious and informed participation in capital markets of people from all walks of life should be promoted through Financial Education to prevent real loss of money for individuals and to promote financial inclusion.

#### Problem Driver #1:

Ideology and trust barriers are keeping people from participating in capital markets. There are many uncertainties surrounding capital markets that need to be clarified.

#### Solution

- Build trust
- Provide credible and non-commercial information
- Point out current uneconomical environment for conservative forms of saving

#### Problem Driver #2:

The current economic environment restrains younger generations (Gen Y) to build up wealth and secure their financial future.

#### Solution

- Focus on educational offers for this target group
- Use digital and accessible tools
- Speak language of younger generation

The effects for individuals are:

- Contribution to equal chances
- Securing future financial goals
- Building resilience and wealth
- Prevention of real loss of money

### OUTCOME: INCENTIVIZE FINANCIAL EDUCATION

Education and training is not a default for most people.

The following measures are suitable to incentivize engagement in Financial Education.

#### PUBLIC

- Mandatory Financial Literacy curricula in schools
- Financial Literacy competitions in schools
- Online platform with credible and non-commercial Financial Education according to life stages
- Double ECTS points for in-service teacher training on Financial Literacy

#### PRIVATE

- Financial institutions alert their customers on how much money is lost per day on savings accounts
- Companies offer better (credit) conditions to customers that complete a Financial Literacy academy
- Corporate Social Responsibility award for companies / employers with the best Financial Health program for their employees



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