



# National Strategy for Financial Education in the Netherlands

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# Contents

- **An international perspective**

- Why financial education?
- The international agenda
- International Network for Financial Education (INFE)

- **National perspective**

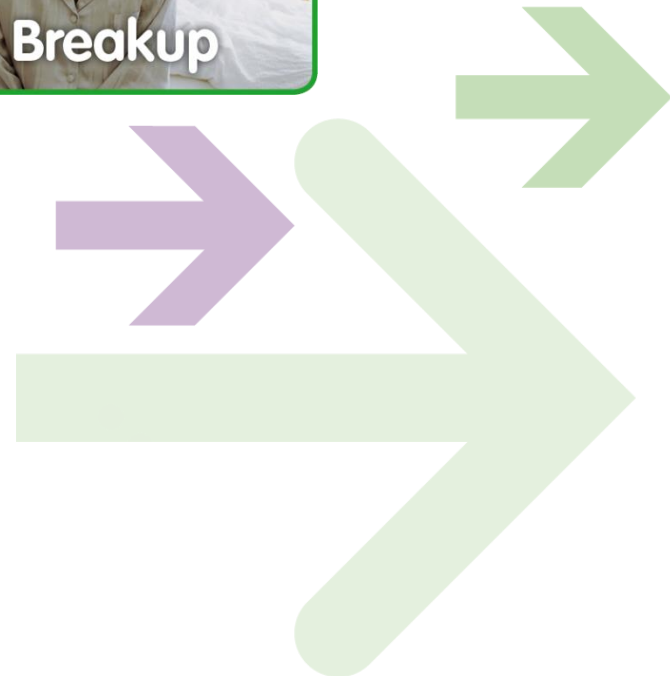
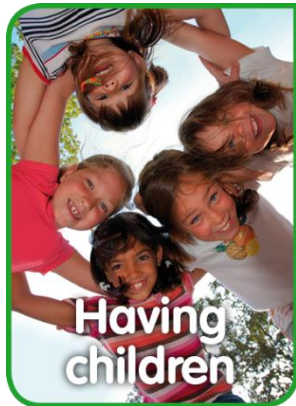
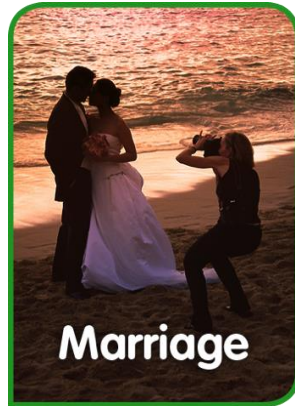
- The Dutch context
- National Strategy V2 (2014 – 2018)
- Human Behavior
- Sample projects
- Lessons learned



# Money becomes more invisible



# ... money is more integrated in our daily lives





# Overview of rationale for financial literacy

## ■ ... for individual households

- dealing with increased responsibility and complexity
- preventing overindebtedness
- financial resilience and financial wellbeing

## ■ ... for economies

- societal cost
- financial stability
- growth
- wealth equality & social cohesion

Lusardi, A. et al. (2013) “financial literacy better equips individuals to deal with macroeconomic shocks”

Nibud, (2014) “payment arrears cost Dutch society € 11B a year”

Michaud, P-C. et al. (2014) “> 40% of wealth equality can be attributed to (lack of) financial knowledge”

# International Network for Financial Education

## A

Albania | Angola | Argentina | Armenia | Australia | Austria | Azerbaijan |

## B

Bangladesh | The Republic of Belarus | Belgium | Bhutan | Bosnia and Herzegovina | Brazil | Bulgaria |

## C

Cambodia | Cameroon | Canada | Cape Verde | Chile | People's Republic of China | Colombia | Côte d'Ivoire | Croatia | Czech Republic |

## D

Denmark | Dominican Republic

## E

Ecuador | Egypt | Estonia | Ethiopia |

## F

Fiji | Finland | Former Yugoslav Republic of Macedonia (FYROM) | France |

## G

Germany | Ghana | Greece | Guatemala |

## H

Haiti | Hong Kong (China) | Hungary |

## I

Iceland | India | Indonesia | Ireland | Israel | Italy |

## J

Jamaica | Japan |

## K

Kazakhstan | Kenya | Korea |

## L

Latvia | Lebanon | Lesotho | Libya | Lithuania | Luxembourg |

## M

Macau (China) | Malawi | Malaysia | Malta | Mauritania | Mexico | The Federated States of Micronesia | Morocco |

## N

Namibia | Nepal | Netherlands | New Zealand | Nicaragua | Nigeria | Norway |

## P

Pakistan | Palestinian Authority | Papua New Guinea | Paraguay | Peru | Philippines | Poland | Portugal |

## Q

Qatar |

## R

Romania | Russian Federation |

## S

Saudi Arabia | Senegal | Serbia | Singapore | Slovak Republic | Slovenia | South Africa | Spain | Sri Lanka | Suriname | Sweden | Switzerland |

## T

Chinese Taipei | Tanzania | Thailand | Trinidad and Tobago | Turkey |

## U

Uganda | Ukraine | United Arab Emirates (Abu Dhabi) | United Kingdom | United States | Uruguay |

## V

Vanuatu | Venezuela | British Virgin Islands (UK) |

## Z

Zambia | Zimbabwe

240 public institutions from  
112 economies



# OECD/INFE Tools

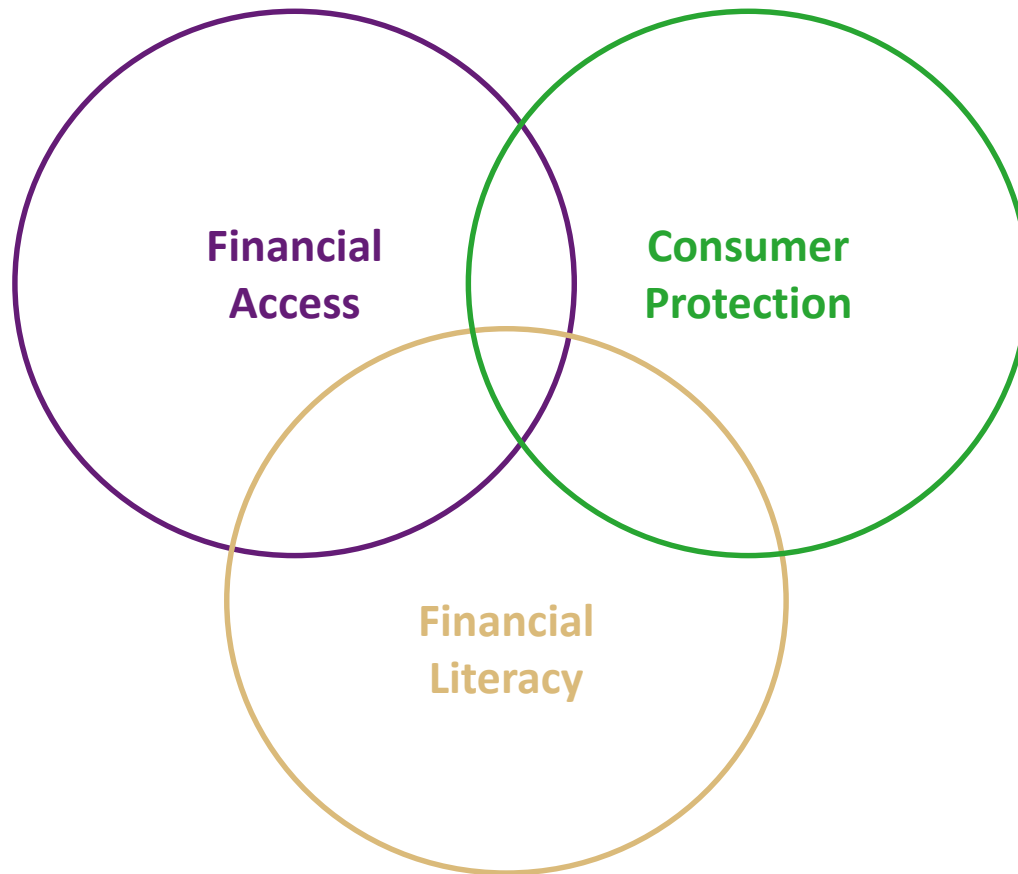




# Financial education rises on the international agenda



# Financial empowerment



# Contents

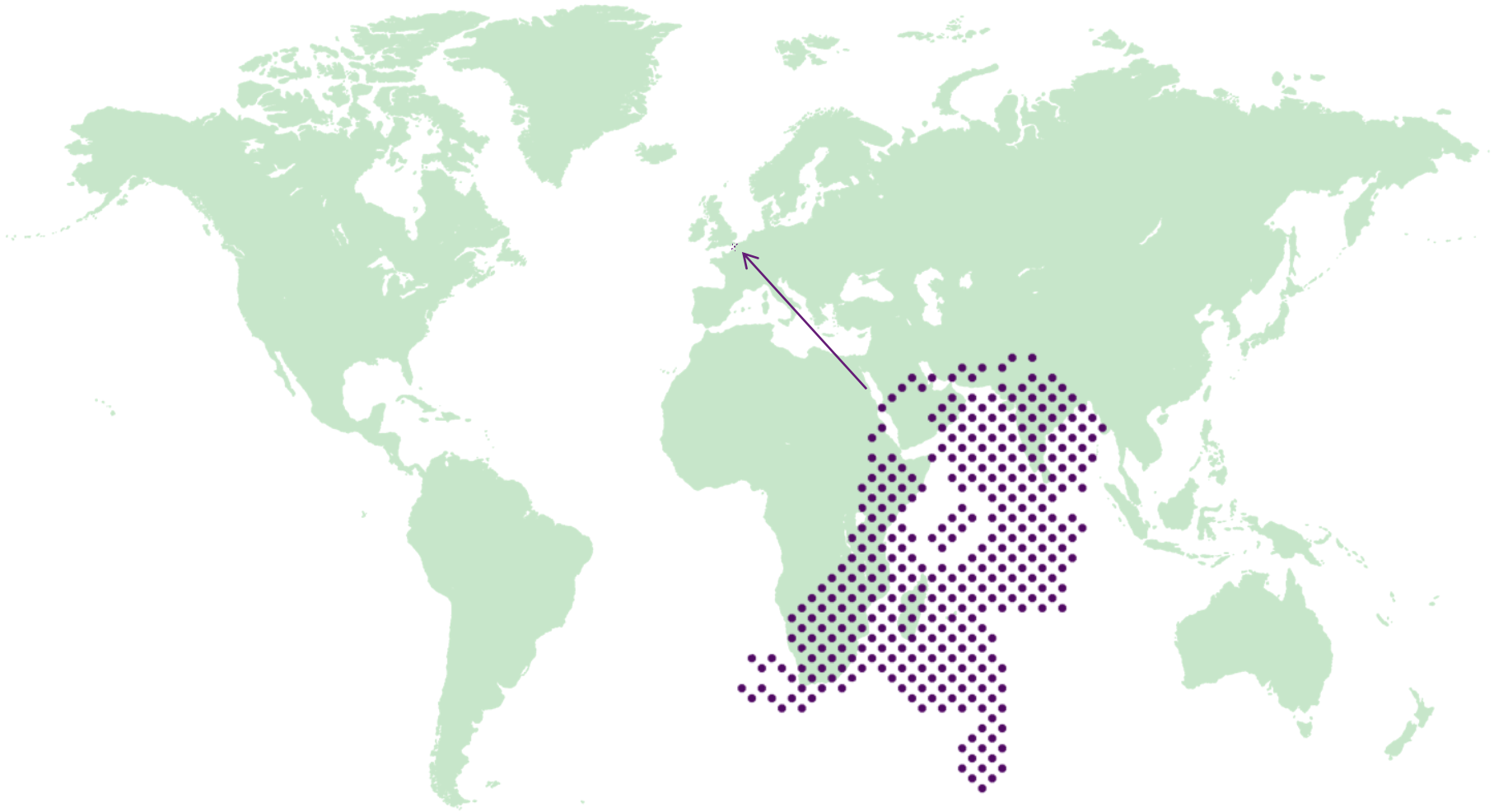
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# The Netherlands (a.k.a. *Holland*)



# Hong Kong vs Netherlands

	Netherlands	Hong Kong
Size (sq mile)	41,526	1,104
Population (million)	16,7	7
Population Density / sq mile	1,039	6,396

	Netherlands	Hong Kong
GDP (\$ billion) (*)	729	381
GDP per capita (*)	46,440	52,984
GDP per capita rank (*)	13 <sup>th</sup>	10 <sup>th</sup>

(\*) GDP at purchasing power parity, IMF



# Some data on financial literacy from public surveys



## Debts

- Approximately 1,1M households have problematic debts
- Approximately 2,2M households have payment arrears



## Youth

- Have problems dealing with money
- One in five 18- to 24-year-olds have payment arrears



## Financial resilience

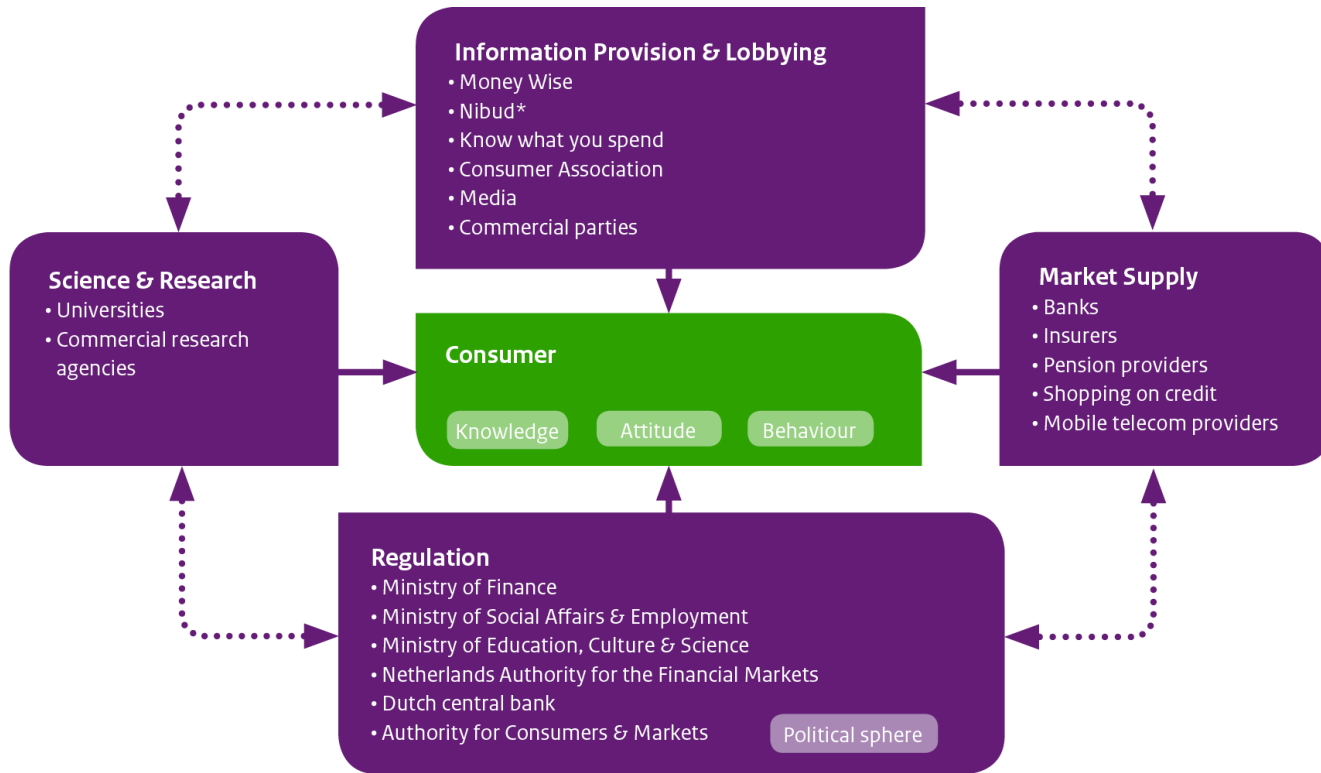
- 41% (5.1 mln) is not prepared for a significant decrease in income or major expenditure



## Pension awareness

- 57% of the working population underestimate their pension age

# The force field



## Environment

- Macro economic climate
- Media
- Internationale best practices
- PISA
- Political sphere

## Developments

- Individualisation/personal responsibility
- New groups of debtors
- Increasing complexity of financial management/  
Paying for advices
- Digitisation/internet









 Money Wise



# Money Wise Mission



Pooling strengths



# Responsible financial behavior

## Financial Behavior Monitor (2013):



# Responsible financial behavior



# Responsible financial behavior

- Focus on the future
- Anticipating life events
- Buffer for unforeseen expenditures
- Saving on a savings account



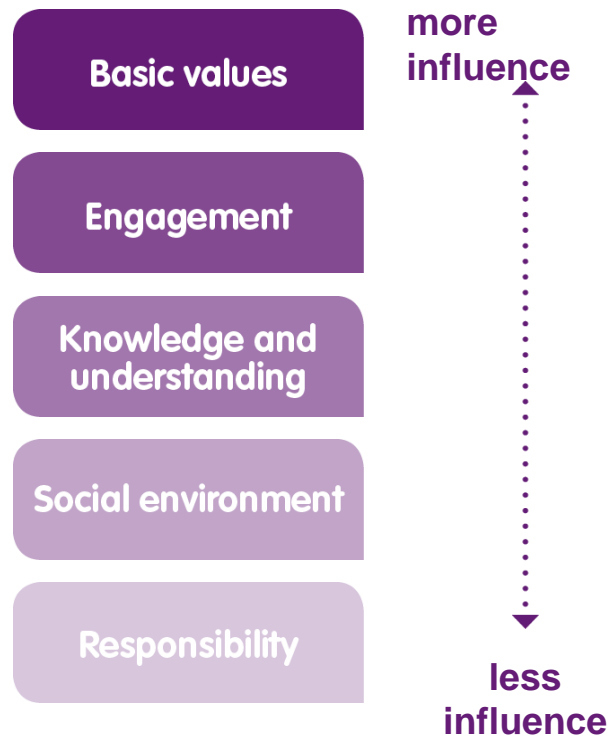
- Experience with payment arrears
- Carefulness dealing with finances
- Experience with overdraft
- Managing expenditures
- Use of credit card

- Buying simple financial products: comparing product characteristics, terms and price
- Buying complex financial products: comparing product characteristics, terms and price
- Managing financial products

# Influencers of responsible financial behavior

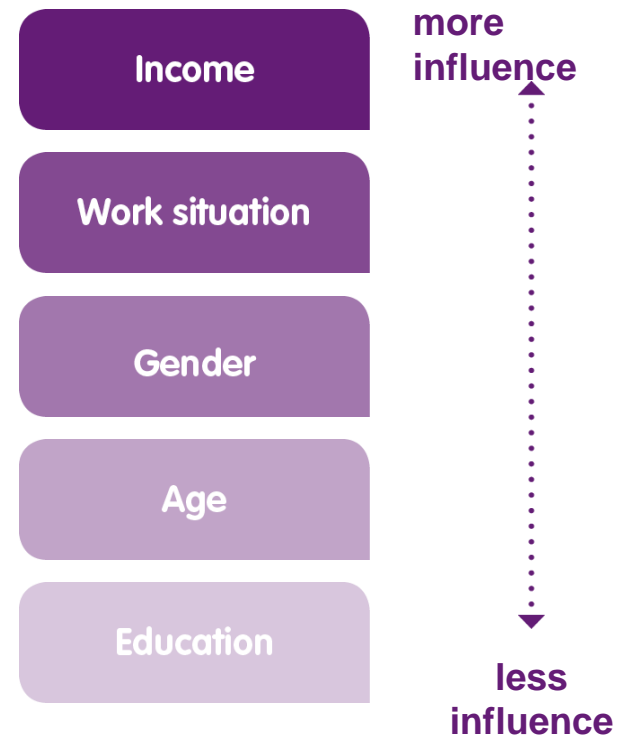
## Personal factors

that influence financial behaviour



## Socio-demographic features

that influence financial behaviour



# Responsible financial behavior



## Financial Behavior Monitor (2014):

- Short term behavior slightly improved
- Less focus on long term planning



# Ostrich policy & HERD BEHAVIOR



# Habits



# Six behavioral principles

- **Principle 1: People are loss averse**
- **Principle 2: People are sensitive to stress of choice**
- **Principle 3: People are bad at calculating & estimating**
- **Principle 4: Social norms matters**
- **Principle 5: Who lives then, worries then**
- **Principle 6: The influence of impulses**



# Principle 1: People are loss averse

What do you prefer?

- a) Win \$ 200 once
- b) Win \$ 100 twice

▪ Option b (70% )

▪ What do you prefer?

- a) Lose \$ 200 once
- b) Lose \$ 100 twice

Option a (70%)



# Principle 1: People are loss averse



# Principle 2: People are sensitive to stress of choice



## Principle 3: People are bad at calculating & estimating

Imagine a pond with lillies. Every day, the surface of the lillies doubles. After 48 days, the pond is fully covered. After how many days is half the pond covered?

47



## Principle 3: People are bad at calculating & estimating

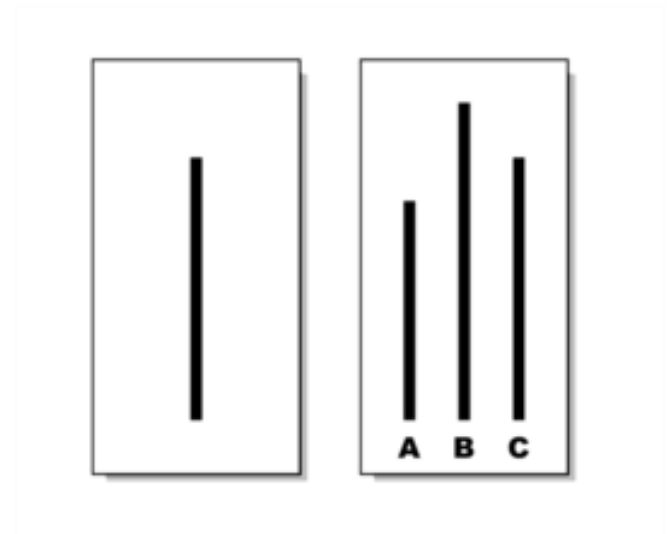
A bat and a ball cost \$1.10 in total. The bat costs \$1 more than the ball. How much does the bat cost?

\$ 1,05



# Principle 4: Social norms matter

## Example: Asch experiment (1957)





# Principle 5: Who lives then, worries then

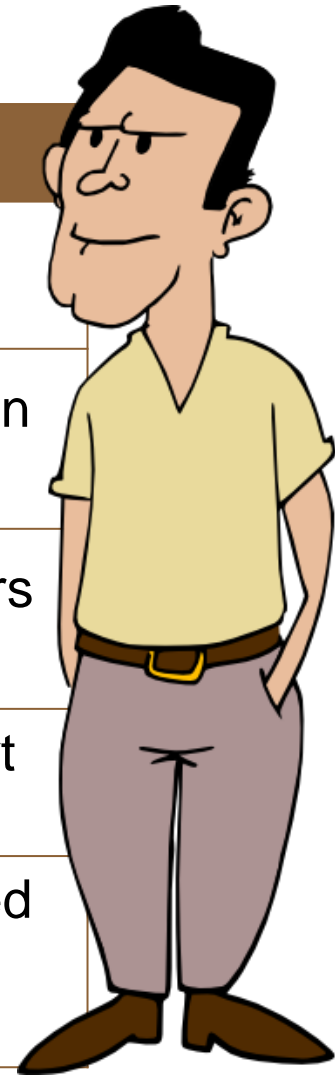
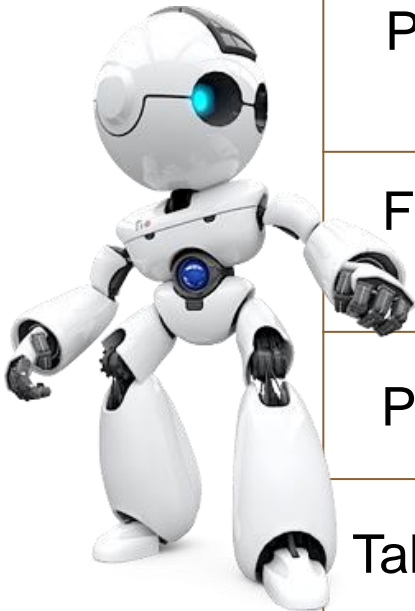


# Principle 6: The influence of impulses



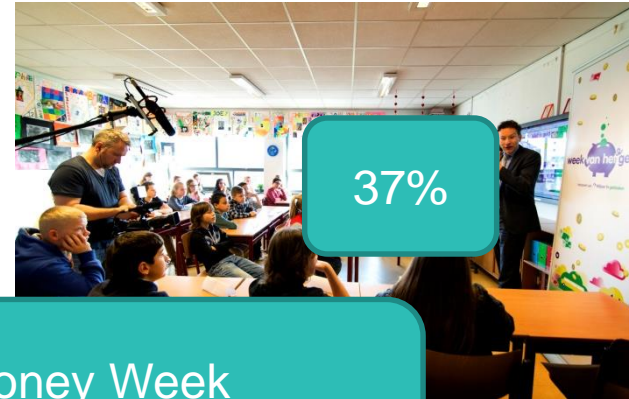
# Homo economicus versus Max

<i>Homo economicus</i>	Max
Searches for relevant information extensively	Hardly searches for information
Processes information thoroughly	Processes information superficially
Finds financial matters important	Finds financial matters difficult and boring
Plans for the long term	Focuses on the short term
Takes deliberate, rational decisions	Delays and is satisfied with suboptimal outcomes



# National Money Week

> 100 organizations



Global Money Week  
9 – 13 March, 2015

**Weet jij veel over geld?**  
Je laat zien wat je al weet over geld. Je leert meer over geld.

**1** Veilig bewaren! Kleur de veiligste plek om je geld te bewaren groen.

in een safe	of	in een spaarpot
in een kluis	of	in je broekzak
in een spaarpot	of	bij de bank
op een spaarrekening	of	in je portemonnee

**2** Welke woorden passen het best bij elkaar? Verbind.

gitafoon	→	spaargeld	←	contant betalen
winkelgeld	→	kluisgeld	←	rekenen
spijb	→	bank	←	sortering

**3** Waarmee kun je betalen? Kies aan.

**4** Vragen is slim! Je spaarpot is vol. Wat doe je? Bedenk een vraag die je stelt als je spaarpot vol is. Aan wie stel je de vraag?

**Week van het geld krant**  
ALLEEN voor kids!

**Vijf vragen aan Prinses Máxima, erevoorzitter van Wijzer in Getuizen**

**De Week van het geld op TV**

**Geld, cash, doekeos, pingpong!**

**Wat is er allemaal te doen?**

**Wet je dat...?**

1,2 million



# Pension3days

> 250 organizations



Wijzer in geldzaken

28 t/m 30 October 2014

The screenshot shows a web application interface with a blue header bar containing the text "Dia's" and "Overzicht". The main content area is divided into three slides, numbered 1, 2, and 3 on the left side.

- Slide 1:** Features a green background with the text "Heb jij het goed voor elkaar?" and several people holding signs that say "PENSIOEN".
- Slide 2:** Features a white background with the text "Heb jij het goed voor elkaar?" and a list of bullet points: "Life-events", "Jouw pensioenregeling", "Samen betalen", and "Pensioen3daagse". It also includes a small image of a person holding a "PENSIOEN" sign.
- Slide 3:** Features a white background with the text "Wist je dat?" and three small icons: a green piggy bank, a couple, and a person with a large number 66 and a smaller number 67.



# Online tool *What to do about my pension*

## Birth date

Fill in your date of birth

10 03 1970

Next ›

# Online tools

## Employment situation

**I am**

Employee

Self-employed

Unemployed

Retired

# Online tools

48.000 users in three days  
90% finishers

... you get tips and info about your pension

Your retirement age is

69 years



Make sure your spouse and children are taken care of when you pass away



Check your current pension at [mypensionoverview.nl](http://mypensionoverview.nl)



You have five ways of getting additional pension



How to use your house as a source of wealth

◀ Previous

Next ▶



# Learnings

- **Coordination and leadership are key**
- **Pooling strengths can work**
- **Start with a baseline study**
- **Agree on a joint mission and priorities**
- **Generate some quick wins**
- **Use insights from behavioral economics**
- **Start at a young age**

