

# Engaging partners for financial education

**Suzan Campbell**

Senior Manager, Financial Capability

[Suzan.Campbell@asic.gov.au](mailto:Suzan.Campbell@asic.gov.au)

**Financial Literacy Foun**

March 2017



**ASIC**

---

Australian Securities & Investments Commission

# Role of a National Financial Literacy Strategy

## Benefits

- Provides national framework and direction
- Minimises duplication
- Identifies gaps
- Part of consumer protection work
- Provides guidance and leadership to stakeholders
- Fulfils international commitments (G20, OECD/INFE)

## Core principles

- Shared responsibility
- Engagement and effectiveness
- Encouragement of good practice
- Diversity and inclusiveness



**National Financial  
Literacy Strategy**

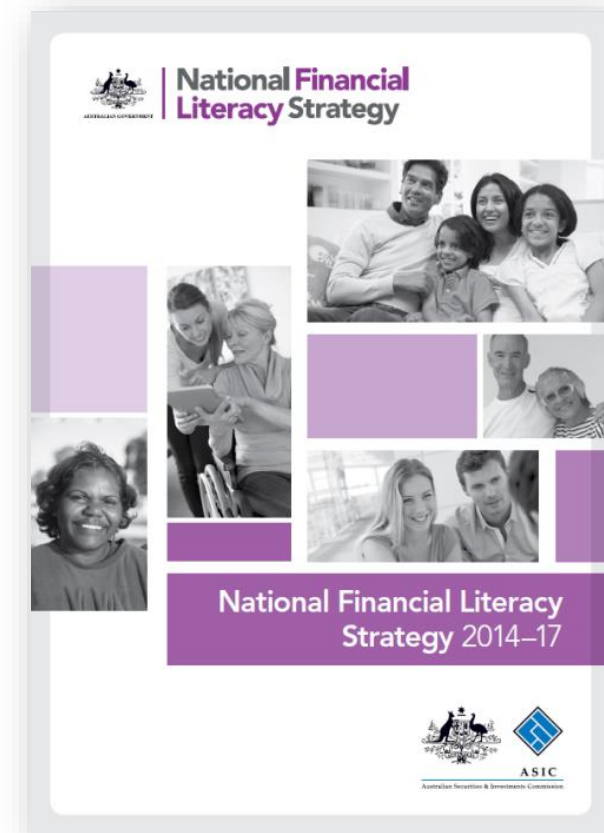


**ASIC**

Australian Securities & Investments Commission

# Australia's National Strategy 2014-17

- National roadmap and flexible framework for action across sectors
- Priority audiences: Indigenous Australians, pre-retirees, seniors, women, consumers who may be vulnerable, CALD
- Over 50 organisations have signed up as supporters of the National Strategy
- 2 in 5 initiatives being delivered or supported through partnerships



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

# Australia's National Strategy 2014-17

- Five **strategic priorities** three to build the capacity of individuals, families and communities;

two to provide direction for research, policy development and program delivery

## Individuals, families and communities

1. Educate the next generation, particularly through the formal education system
2. Increase the use of free, impartial information, tool and resources
3. Provide quality targeted guidance and support

## Policy and program development

4. Strengthen co-ordination and effective partnerships
5. Improve research, measurement and evaluation



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

# Strategy – Highlights 2015-16



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

# ASIC's role under the National Strategy

## Leadership and Coordination

- Lead government agency
- Work with Australian Government Financial Literacy Board
- Research

## Partnerships

- Government agencies - Government Connect
- Business and community

# Supporters - Business

## Business

- Banks: ANZ, Commonwealth Bank, National Australia Bank, Westpac
- Australian Bankers Association
- National Insurance Brokers Association
- Association of Superannuation Funds of Australia
- Australian and New Zealand Inst of Insurance and Finance
- Insurance Council of Australia
- Suncorp
- Insurance Australia Group
- Financial Planning Australia



National Financial  
Literacy Strategy



ASIC

Australian Securities & Investments Commission

# Supporters

## Community

- The Salvation Army
- Brotherhood of St Laurence
- Good Shepherd Microfinance
- ICAN
- First Nations Foundation
- Financial Counselling Australia
- Consumer Action Law Centre
- Financial Ombudsman Service
- Wesley Mission
- Women's Information Referral Exchange



National Financial  
Literacy Strategy



ASIC

Australian Securities & Investments Commission



# Activities under the National Strategy

## ASIC

- Develop resources for education and training sectors
  - Professional development for teachers
  - Primary, secondary and vocational education resources
- Develop resources and tools for consumers and investors
- Provide opportunities to promote and share work
  - Community of Practice (CoP)
- Research and evaluation
  - Australian's Financial Attitudes and Behaviour Tracker (AFAB)



National Financial  
Literacy Strategy



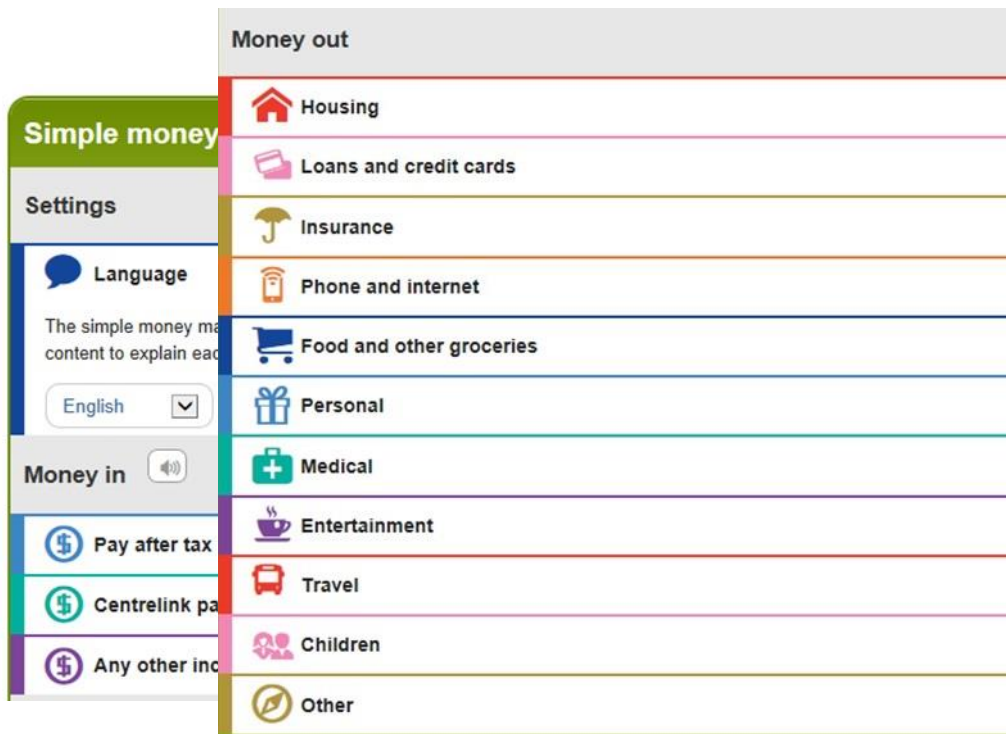
ASIC

Australian Securities & Investments Commission

# Partnerships – ASIC and Government

## Simple money manager

- ASIC and Department of Human Services (DHS)



- Budgeting tool in 9 community languages
- audio content to explain each category
- Widget for inclusion on DHS website
- Other widgets: Savings Goal, Rent v Buy, Find a Financial Counsellor

# Partnerships – Business and Community

## MoneyMinded

- ANZ and community partners
  - Financial education program to improve money management skills
  - Developed in 2002 in consultation with government, community and education experts

## No Interest Loan Scheme (NILS)

- Good Shepherd Microfinance, NAB, Department of Social Services and community partners
  - Access to credit up to \$1,200
  - More than 22,000 loans in 2015-16, valued at over \$20m



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

# Updating the Strategy

- Opportunity to consider developments since 2014
- Ensure we remain at the forefront of best practice
- Support a sustainable commitment to the collective vision

## Key issues and considerations

1. Australian's Financial literacy and capability
2. The evolving landscape
3. Interrelated policy and programs
4. Priority audiences
5. Technology and digital advancements
6. Behavioural insights
7. Measurement and Evaluation



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

# Updating the Strategy – key issues

## 1. Australian's financial literacy and capability

- Low financial literacy may be found in any demographic group regardless of age, gender, occupation, income or education
- Groups with lower financial literacy *on average* consistently include:
  - Young people under 25
  - People with no post-secondary education
  - People with lower 'blue' collar occupations
  - People with relatively low levels of income/assets
  - Older people, especially those over 70



# Updating the Strategy – key issues

## 1. Australian's financial literacy and capability

- 2 million people experience severe or high financial stress or vulnerability
- 45% have only a 'basic understanding' of financial products and services; 1 in 10: 'no understanding'
- 3 in 5 are confident managing money, 2 in 5 less so
- 1 in 3 say they find dealing with money stressful and overwhelming
- 45% have a short term financial plan, only 25% have a long term plan



Source: Centre for Social Impact & NAB, *Financial Resilience in Australia 2015*, August 2016

ASIC and EY Sweeney, *Australian Financial Attitudes and Behaviour Tracker: Wave 4, Key Findings*, June 2016



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

# Updating the Strategy – key issues

## 2. The evolving landscape

Financial Literacy	Financial Capability
Focus on knowledge	Focus on knowledge, attitudes, behaviours
Simplistic measurements	Range of various elements involved
Focus on the individual (in isolation from other factors)	Focus on the interplay of personal, cultural and environmental factors
Interventions are often work-shop based training for adults and work in schools	Range of interventions: traditional financial literacy education, edutainment, initiatives to address behavioural biases (eg. text prompts , opt out) and to address socio-cultural issues (eg, soap operas, interactive computer games, social marketing)

**Source:** Elaine Kempson, *Financial Literacy to Financial Capability, more than a semantic change*  
Presentation at ASIC's Community of Practice November 2016



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

# Updating the Strategy – key issues

## 3. Interrelated policy and issues

- Financial independence/self reliance
- Economic participation
- Financial inclusion/wellbeing/resilience
- Consumer Protection
- Aging population - aged care reform, helping people prepare for retirement, elder abuse
- National Disability Insurance Scheme
- Economic empowerment of women
- Ongoing Superannuation reform
- Financial Abuse (as part of the National Plan to reduce Domestic Violence)



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission



# Updating the Strategy – key issues

## 4. Priority audiences

- Current priorities are:
  - Indigenous Australians
  - Pre-retirees
  - Seniors
  - Women
  - Culturally and linguistic diverse (CALD)
- Others audiences/subsets being considered for the next strategy



National Financial  
Literacy Strategy



ASIC

Australian Securities & Investments Commission

# Updating the Strategy – key issues

## 5. Technology and digital developments

- Offers both opportunities and challenges:
  - Changes to payment systems
  - Increase in mobile banking
  - Roboadvice
  - Peer to peer lending
  - Contactless
- Risks
  - Digital exclusion
  - New skills required?



# Updating the Strategy – key issues

## 6. Behavioural insights

- Important to take a behaviourally informed approach to how people make financial decisions and take action, as opposed to how they should (or how we think they should)
- Underpins “financial capability”



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

# Updating the Strategy – key issues

## 6. Measurement and evaluation

- Annual highlights report captures the collective activity of Strategy supporters work
- Individual program evaluation



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

# Updating the Strategy

## Timing

Step	Indicative timing
Analysis of inputs gathered to date and development of consultation paper	Q1 2017
Release of a consultation paper for public comment	Q2 2017
Facilitated opportunities for stakeholders and the community to provide input into the consultation process	Q2/3 2017
Analysis of public submissions	Q3 2017
Drafting and development of the updated National Strategy	Q3/4 2017
Endorsement and approval of updated National Strategy from the Minister, the Board, the ASIC Commission, Treasury, and other stakeholders as relevant	Q4 2017
Launch of the updated National Strategy	Q1 2018



# What we've learnt

## Lessons for our next strategy

- Importance of leadership role
- Consolidate involvement of current strategy supporters
- Extend reach and influence
- Expand engagement – make it about people: ‘person centred’
- Focus on collaboration and a ‘systems approach’



**National Financial  
Literacy Strategy**



**ASIC**

Australian Securities & Investments Commission

Thank you

## National Financial Literacy Strategy

[FinancialLiteracy.gov.au](http://FinancialLiteracy.gov.au)

## ASIC's MoneySmart

[MoneySmart.gov.au](http://MoneySmart.gov.au)

[Suzan.campbell@asic.gov.au](mailto:Suzan.campbell@asic.gov.au)



National Financial  
Literacy Strategy



ASIC

Australian Securities & Investments Commission