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**MAIN PURPOSES AND CHALLENGES
IN THE FINANCIAL EDUCATION
OF FINANCIAL CONSUMERS
IN THE WORLD**

Abstract

The level of financial literacy is unsatisfactory in most countries. The most important way to improve the level of financial literacy is financial education. One of the stage of the financial education process is to define its objectives. The particular countries define these objectives in different way, taking into account various levels of details in describing them.

Only the specification and hierarchy of the most important objectives of financial education allow to define the priority areas of effective education. This justifies the need to systematize as well as create a hierarchy of objectives. This is a necessary condition for realization of the next stages of financial education, i.e. overcoming the difficulties and attempting the realization of these objectives.

Keywords: *financial literacy, financial education, research of financial literacy.*

JEL Classification: *D14, D18, I22, O16.*

Introduction and literature review

The starting point in this paper is the fact that level of financial literacy is unsatisfactory in most countries. This has been demonstrated in numerous studies conducted in many countries all over the world, e.g. in Australia, in Austria, in Chile, in Germany, in Ireland, in Italy, in Japan, in Netherlands, in New Zealand, in Poland, in Russia, in Sweden, in United Kingdom, in US¹. There are also results of the research that proves low level of financial literacy in many countries².

¹ A.C. Worthington, *The Distribution of Financial Literacy in Australia*, Discussion Papers in Economics, Finance, and International Competitiveness, Queensland University of Technology, Brisbane, November 2004; P. Fessler, M. Schurz, K. Wagner, B. Weber, *Financial Capability of Austrian Households*, "Monetary Policy & the Economy: Quarterly Review of Economic Policy" 2007, Q3, pp. 50-67; J.R. Behrman, O.S. Mitchell, S. Soo, D. Bravo, *Financial Literacy, Schooling, and Wealth Accumulation*, "NBER Working Paper" October 2010, No. 16452, <http://www.nber.org/papers/w16452.pdf>; T. Bucher-Koenen, A. Lusardi, *Financial Literacy and Retirement Planning in Germany*, "NBER Working Paper" June 2011, No. 17110, <http://www.nber.org/papers/w17110.pdf>; N. O'Donnell, M.J. Keeney, *Financial Capability: New Evidence for Ireland*, No. 1/RT/09, Central Bank of Ireland, Dublin, Ireland 2009; E. Fornero, Ch. Monticone, *Financial Literacy and Pension Plan Participation in Italy*, CeRP Working Papers, Center for Research on Pensions and Welfare Policies, Turin (Italy), March 2011; S. Sekita, *Financial Literacy and Retirement Planning in Japan*, CeRP Working Papers, Center for Research on Pensions and Welfare Policies, Turin (Italy), January 2011; R. Alessie, M. Rooij, A. Lusardi, *Financial Literacy, Retirement Preparation and Pension Expectations in the Netherlands*, CeRP Working Papers, Center for Research on Pensions and Welfare Policies, Turin (Italy), March 2011; D. Crossan, D. Fessler, R. Hurnard, *Financial Literacy and Retirement*

The most important way, tool to improve the level of financial literacy is financial education. This is “the process by which financial consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being”³. The importance of financial education has recently increased all over the world⁴, because of development and sophistication of financial markets as well as because of increasing transfer of risks to households which are more directly responsible for critical financial decisions for their future wellbeing. There is underlined the role of financial education for the average family and investors⁵ as well as for economic development⁶ in contemporary world.

It is necessary to properly identify the objectives of financial education – to its efficiency. But it requires the recognition and specification of the factors (e.g.

Planning in New Zealand, CeRP Working Papers, Center for Research on Pensions and Welfare Policies, Turin (Italy), January 2011; M. Szafrńska, R. Matysik-Pejas, *Knowledge and Financial Skills of Consumers against the Background of Selected Countries in the World*, “Delhi Business Review” December 2010, Vol. 11 (2); L. Klapper, G.A. Panos, *Financial Literacy and Retirement Planning in View of a Growing Youth Demographic: The Russian Case*, CeRP Working Papers, Center for Research on Pensions and Welfare Policies, Turin (Italy), March 2011; J. Almenberg, J. Säve-Söderbergh, *Financial Literacy and Retirement Planning in Sweden*, CeRP Working Papers, Center for Research on Pensions and Welfare Policies, Turin (Italy), January 2011; A. Atkinson, *Financial Capability amongst Adults with Literacy and Numeracy Needs*, Personal Finance Research Centre, University of Bristol, Bristol 2007; A. Lusardi, O.S. Mitchell, V. Curto, *Financial Literacy and Financial Sophistication among Older Americans*, “NBER Working Paper” 2009, No. 15469.

² A. Atkinson, F. Messy, *Measuring Financial Literacy: Results of the ECD / International Network on Financial Education (INFE) Pilot Study*, OECD Working Papers on Finance, Insurance and Private Pensions, No. 15, OECD Publishing, Paris 2012; A. Lusardi, O.S. Mitchell, *Financial Literacy around the World: An Overview*, “NBER Working Paper” June 2011, No. 17107.

³ *Recommendation on Principles and Good Practices for Financial Education and Awareness*, Recommendation of the Council, Annex, OECD, Paris, July 2005.

⁴ *OECD's Financial Education Project*, OECD, Paris, 2004, <http://www.oecd.org/finance/financial-education/33865427.pdf>.

⁵ *The Importance of Financial Education*, Policy Brief, OECD, Paris, July, 2006, <http://www.oecd.org/finance/financial-education/37087833.pdf>; A. Lusardi, *Household Saving Behaviour: The Role of Financial Literacy, Information and Financial Educations Programs*, “NBER Working Paper 13824” February 2008, <http://www.nber.org/papers/w13824.pdf>.

⁶ A.M. Santomero, *Knowledge Is Power: The Importance of Economic Education*, “Business Review” 2003, Q4, <http://www.phil.frb.org/research-and-data/publications/business-review/2003/q4/brq403as.pdf>; J.M. Hogarth, *Financial Education and Economic Development*, Paper prepared for *Improving Financial Literacy*, International Conference hosted by the Russian G8 Presidency in Cooperation with the OECD, 29-30 November 2006, <http://www.oecd.org/finance/financial-education/37742200.pdf>; *Financial Literacy Assessment Framework, Mathematics, Reading, Science, Problem Solving and Financial Literacy*, OECD Publishing, Paris 2012.

socio-demographic) influencing level of financial literacy. Only the specification and hierarchy of the most important objectives of financial education allow for defining the priority areas of effective education.

The establishing objectives of financial education based on previous studies as well as taking into account additional circumstances (such as the current situation and evolution in areas such as the economy, demography, financial market development, etc.) should result in the creation of a hierarchy of objectives.

The next stage of the process of financial education related to objectives is to establish a roadmap to achieve specific and predetermined objectives within a set period of time⁷. Effects of these activities are programmes targeted at the specific needs of various social groups. The most typical target groups are defined by age, gender and life situation⁸.

With respect to the mentioned insights, the objective of the paper is a presentation, characteristics and the prioritization of most important purposes of financial education all over the world. The systematization of the purposes of financial education has not been presented in the literature so far.

The analysis of academic literature and non-academic reports and other documents influences the scope of problems undertaken in further parts of this paper. First, the author of the article has attempted to make the recognition of the level of financial education in the world. Then the main purposes of financial education in many countries have been described, as well as their characteristics were made and some classifications have been presented. In this article are also presented the most important difficulties in realization of financial education purposes.

1. Methodology

The presented article is the type of review article, which aim is to synthesize and summarize the information about purposes of financial education all over the world (using the examples of many countries). The paper is based on the study of literature and it uses both academic as well as non-academic sources.

The content of academically reviewed articles shows that there is much research which focuses on determining the level of financial literacy in many countries. Basically, the main reason for the financial education is the low level of financial literacy. Therefore, in the first part of the paper the author will present the level of financial literacy in the world and the sociodemographic factors

⁷ *High Level Principles on National Strategies for Financial Education*, OECD/INFE, August 2012.

⁸ *First meeting of the Expert Group on Financial Education, National Strategies for Financial Education Report*, European Commission, Brussels 2008.

that affect it. It will facilitate to find the most important gaps and deficiencies that are the basis for defining the objectives of financial education.

The review of such documents as National Strategies and other types of national programs from around the world as well as global databases, allows to collect the key information about purposes of financial education and their classification. OECD reports are also very important material that can help gather and analyze the material that allows to create the hierarchy of these objectives.

An important aspect in the analysis of the objectives of financial education is also an indication of the (specification) difficulties in meeting goals along with simultaneous suggestions for overcoming them.

The paper concludes by highlighting gaps in solving the problems in realization of many objectives of financial education and suggests further research.

2. Recognition of the level of financial education in the world

Much research confirms insufficient level of financial knowledge, skills and awareness of societies⁹. But what exactly does it mean? For a long time studies have been conducted on determining the level of financial literacy. But in the last decade their number and scope have significantly increased. It is consequence of the recent economic slowdown, which has changed economic environment and at the same time the thinking about and attitude towards financial education. Conclusions of this research allow to answer the questions related to financial awareness, knowledge, skills and attitudes of consumers:

- What the consumers know about their finances and how they assess their overall financial health. Basic financial knowledge usually includes (encompasses) information about financial products (their advantages and disadvantages, level of risk, etc.) institutions, and understanding of basic financial concept (especially interest rate compounding, inflation, and risk diversification)¹⁰.
- What financial skills of consumers are such as the ability to calculate simple and compound interest payments, measure the risk as well as skills in terms of money management and financial planning.
- What their attitudes toward risk and approach to money are (materialism functional and characterological) as well as what their typical habits and patterns are in saving, investment.

⁹ A. Atkinson, F. Messy, op. cit., p. 7.

¹⁰ A. Lusardi, O.S. Mitchell, *Financial Literacy and Retirement Planning in the United States*, "NBER Working Paper" July 2011, No.17108, http://www.nber.org/papers/w17108.pdf?new_window=1.

It should be noted that financial knowledge, skills and awareness are related to each other. It is not enough to know what exactly compound interest means, what types of compounding there are at financial markets, etc. The most important is to know how to use this knowledge to calculate some parameters to make good financial decisions as well as to be aware of influence of the compounding of interest on deposits, loans and other financial instruments. Consumer often overestimate their skills, knowledge and awareness when it comes to credit products and investment risk. Research conducted in many countries shows, that people do not know how to calculate compound interest and how the inflation affects their money. Consumers also do not understand what is the idea of diversification of capital.

The verification of knowledge in these areas shows that these fields, which seem to be absolutely basic for financial literacy, are not known and understood by consumers in many developing and developed countries. Additionally, results of current financial literacy studies have shown a decrease in the baseline of financial knowledge levels and a sharp reduction in practical financial literacy concepts¹¹.

A high illiteracy level of women should be also emphasized, especially less educated and in poor countries¹². But it should be noted that differences between level of financial literacy of women and men in high-income countries decreases. Also women skills related to money managing in developed countries are growing, so they similarly to men range are engaged in saving, investing, budgeting and protecting their money. Participation of women in these types of financial activities is only slightly less than participation of men. Women are highly confident in their ability to budget and save money as well as to protect it and little less confident (than men) in their ability to invest money, to deal with credit cards and manage debt, to plan for their long-term financial future¹³.

Next conclusion of research presents the next regularity, that is lower financial literacy among younger and older individuals and higher financial literacy among adults in the middle of the life cycle. It was called that financial literacy follows an inverted-U shape with respect to age¹⁴. Also financial mistakes follow a U-shaped pattern. Many consumers make poor financial choices, and older adults and youth are particularly vulnerable to such errors. About half of the

¹¹ For example, research conducted in Germany in 2009 and in 2012 aimed in evaluation the understanding of interest rate (numeracy), understanding of Inflation and understanding of risk diversification, show negative changes.

¹² T. Bucher-Koenen, A. Lusardi, op. cit., p. 1.

¹³ *Financial Literacy. Women Understanding Money*, Financial Literacy Foundation, Australian Government, 2008.

¹⁴ L. Xu, B. Zia, *Financial Literacy around the World*, Policy Research Working Paper, No. 6107, The World Bank Development Research Group, Washington 2012, p. 11.

population between ages 80 and 89 have a medical diagnosis of substantial cognitive impairment¹⁵. Whereas many young people report that they feel unprepared to face the complex financial world of the twenty-first century. Many students who live in a campus, after their freshman year, admit that they were not very well prepared for personal money management on campus¹⁶.

The level of financial literacy of population is also positively correlated with income, and educational attainment¹⁷ as well as wealth accumulation¹⁸. As the result of some research special groups of consumers are also specified with higher level of financial education. These include for example self-employed and individuals working in business related sectors or individuals that are good at maths and numeracy. It follows that people that do not have these attributes represent less and according to research even insufficient level of financial literacy.

There are also many other more detailed observations and findings about financial knowledge, skills and behaviours of people in particular countries and all over the world. The research is also conducted to find the relationship between financial literacy and e.g. economy, capital market, market of banking products and services, etc.

Conclusions of research highlighted the meaning of financial education and its importance in defining targets and challenges of financial education.

3. Main purposes of financial education

A big number of findings, regarding the insufficient level of financial literacy together with its great meaning for many fields of reality, influences the defining of financial education targets. There are many different purposes of financial education. They also exhibit different degrees of detail. Very often they are organized as the targets hierarchy which organize these objectives in different levels of a hierarchy or a tree. The most important objective of financial education is the improvement of financial literacy of consumers. It is very generally defined goal and its realization requires the specification of more detailed pur-

¹⁵ S. Agarwal, J.C. Driscoll, X. Gabaix, D. Laibson, *The Age of Reason: Financial Decisions over the Life Cycle and Implications for Regulation*, "Brookings Papers on Economic Activity" February 2010, p. 51.

¹⁶ *One-Third of College Upperclassmen Admit Being Financially Unprepared as Freshmen*, News Release, KeyBank and Harris Interactive, August 2006, <http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=1108>.

¹⁷ J.R. Behrman, O.S. Mitchell, S. Soo, D. Bravo, op. cit.

¹⁸ T. Jappelli, *Economic Literacy: An International Comparison*, "The Economic Journal" November 2010, Vol. 120, Iss. 548.

poses. They usually are elements of broad-based financial education programmes or strategies at national or even international levels. In these programmes there are determined more specific goals which allow the realization of main primary goal. They could be seen as intermediate or secondary targets as well as some special type of tools to achieve the main objective. It should be noted, that there may occur a few levels of intermediate targets.

There is also the group of goals, which represent effects of the main goal. In such cases just financial education is the tool to their realization.

Objectives for which financial education is intended are defined at the general level and usually are rather similar in different countries. They cover:

- creating financial awareness or improving its level,
- building or improving the ability to use the financial products and services,
- enhancing the consumer protection,
- supporting the financial inclusion,
- changing the consumers behaviour.

The raising of the society's awareness means better understanding of basic financial issues and concepts. It includes raising the awareness about the risk (and types of this risk) of financial instruments (including over-indebtedness) as well as opportunities of financial products and services, to make informed choices, to know where to go for help, and to take other effective actions to improve financial well-being¹⁹. In this objective very important seems to be understanding of the main financial rule: the more possibility of higher profitability of financial instruments, the more risk. Many initiatives in this area tend to raise the population's awareness of situations indicating potential fraud or situations of risk that may infringe their rights.

Financial knowledge aims at building people's skills to use the financial products and services. Appropriate knowledge allows for making good investment choices among the population so as to ensure levels of remuneration and risk suited to the consumer's profile. In this area very important is also promoting the responsible use of particular financial instruments by consumers. It should be noted that usually special attention is paid to credit.

A financial consumer protection regime should meet the following objectives:

- consumers should receive accurate, simple and comparable information of a financial service or product, before and after buying it,
- consumers should have access to appropriate, inexpensive and efficient mechanisms for dispute resolution with financial institutions,
- consumers should be able to receive financial education when and how they want it.

¹⁹ *Recommendation on Principles...*, op. cit.

The role of financial education for consumer protection is promoting consumers' rights for their prosperity and wellbeing. But financial literacy should be seen only as one part of an effective policy response to empower consumers in the financial marketplace. Financial education is a complement for proper consumer protection regulation²⁰ as well as for an adequate institutional structure of financial consumer protection and business practices²¹. The consumer's protections is also in the interest of service providers. They should understand that for their business to survive, their customers must survive and for that they need to understand the appropriateness of the products themselves.

Financial inclusion is access to and usage of financial products and services at an affordable cost, in a convenient manner, and with dignity for the clients²². In particular and the most frequently it refers to banking products and services and to disadvantaged and low income groups. The access and use of financial products and services give individuals the chance to participate in financial markets to enhance their welfare through e.g. making longer-term planning, and building up securities against foreseen and unforeseen risks or shocks. Financial inclusion requires educated clients. Easy and unrestrained access to financial goods and services (as public goods and services) without any discrimination is a necessary condition of an open and efficient society and prime objective of the public policy. The most partial goals in these fields seek to change consumer's interactions with the financial market. These types of objectives focus on introducing large numbers of people to financial concepts. In such cases financial education may be seen as a tool to introduce the public to basic financial concepts and to promote financial inclusion mainly for the unbanked²³. Financial education is seen to be one of the best ways to empower the individuals to take control over their financial lives, which has a ripple effect to all areas of their lives.

Improving financial literacy also makes consumers to aspire to change their financial behavior, e.g. in saving and investing money, in creating a retirement savings plan, or in paying down some debt more consciously. But it is very difficult to determine many expected behaviors and habits and creators of financial

²⁰ *Financial Literacy and Consumer Protection: Overlooked Aspects of the Crisis*. OECD, June 2009, <http://www.oecd.org/finance/financial-markets/43138294.pdf>.

²¹ S.L. Rutledge, *Consumer Protection and Financial Literacy. Lessons from Nine Country Studies*, "Policy Research Working Paper" July 2010, No. 3326, p. 9.

²² A. Gardeva, E. Rhyne, *Opportunities and Obstacles to Financial Inclusion*, Survey Report, Center for Financial Inclusion, July 2011, http://centerforfinancialinclusionblog.files.wordpress.com/2011/07/opportunities-and-obstacles-to-financial-inclusion_110708_final.pdf.

²³ People who do not have physical access to financial services or products due to: the lack of access to financial institutions in their area, the lack of sufficient resources – poor people, too young age to be eligible for financial services or products.

educational programmes should be very careful because it depends on economical, political, social circumstances²⁴. Creating proper habits in managing of personal finance includes also responsibility habits as well as precautionary habits. In this area very interesting is the paradox which exists between the efficacy of education in improving financial literacy and the impact of education on short- and long-term financial behavior. On the one hand, the education, which is correlated to financial literacy, improves financial behavior. But on the other hand, changes in financial behaviors are not possible without first improving financial literacy²⁵.

Challenges of financial education may be considered in many dimensions. The next very important challenge is the increase of scale of national and international cooperation between stakeholders, dealing with financial education.

Presented long-term strategic objectives set the major benchmarks for success for financial education and may be measurable by future research on financial education. The realization of these specified actions determines more specific objectives (tactical, operational and sometimes also strategic objectives). Very important role is assigned for example to the indentifying and the defining so called target groups (and sometimes target situations). This specification of target groups should take into account the economic, social and political background of the particular country. In many countries the identification of target groups is one of most important purpose.

Many objectives which are related to financial education are complementary to each other. The examples could be so called the triad of financial inclusion, financial literacy and consumer protection²⁶. Financial literacy as a complement to financial inclusion significantly facilitates using of financial product and services by consumers. The appropriate financial knowledge favours the creating of demand for financial markets offers. This entails devising appropriate products and services, pricing them reasonably, understanding the risk, communicating it to customers (financial knowledge) and protecting the customers. It may be also noted the interactions between the triad and the objectives such as increasing financial awareness as well as the building or improving the ability to use the financial products and services.

Analyzing the programs and strategies of different countries it can be concluded that depending on circumstances such as the current level of financial

²⁴ Eg. before the financial crisis, many economists were complaining that households were way too conservative in their investments

²⁵ L. Mandell, L. Schmid Klein, *The Impact of Financial Literacy Education on Subsequent Financial Behavior*, "Journal of Financial Counseling and Planning" 2009, Vol. 20, Iss. 1, p. 15.

²⁶ K.C. Chakrabarty, *Financial Literacy and Consumer Protection*, 2012, <http://www.bis.org/review/r120425b.pdf?frames=0>, p. 1.

literacy, economic, political and social situation there are different detailed objectives (particularly tactical and operational) in particular countries.

The area of financial education is very special and in fact the realization most purposes is fraught with difficulties. Thus, almost every goal of financial education is a challenge.

4. Overcoming difficulties in implementation of financial education objectives as very important challenges in area of financial education

Successful realization of the most of objectives needs a lot of continuous physical or/and mental efforts. Thus, in considering challenges in area of financial education the attention should be paid both to challenges which could be objectives difficult to deal with or to achieve as well as challenges understood as the overcoming difficulties in realization of these objectives.

In the first case the most important purposes were generally presented in previous part of article. These are primarily purposes, which were determined as effects of the main goal – increase level of financial education. Enhance the financial awareness, effectively using financial instruments, promoting financial inclusion and consumer protection and especially changing the consumers behavior are purposes that are very tough, demanding, complicated and simply challenging.

The common practice in the field of financial education shows that there are many obstacles and difficulties in the implementation of the objectives of financial education as well as in the implementation of educational programs.

Overcoming difficulties and adversities in pursuit of objectives requires the identifying sources of their occurrence. Hence, in the case of financial education the main obstacles, which should be overcome are different approaches to financial education, a big number of financial education providers and quality standards of supplied knowledge. It requires the coordination of efforts at national and international levels. One of the solutions could be the idea of national strategies on financial education which is suggested being realized by OECD, that promotes the financial education from national perspective. This idea may also eliminate such a source of obstacles as the risk of duplication of efforts and initiatives and at the same time may eliminate unnecessary funding of financial education, which often does not appear to be sufficiently relative to the demand.

The next challenge regards financial education which takes its source in the danger of mismatch of scope and way of financial education distribution to

needs and expectations. For example, juniors in high school are more interested in explaining how to save for effectively buying a car than in retirement saving. Thus, financial education should be regarded as a life-time, on-going and continuous process in order to take account of varying needs at different life stages as well as increased complexity of markets and supplied information. It is also worth paying attention to the fact that youth prefer modern canals of knowledge distribution, while the elderly like the traditional ones better.

The source of difficulties in financial education (and in increasing financial literacy) may be also the lack of adequate data, e.g. on the financial wellbeing of consumers or data from poor countries as well as areas previously unrecognized e.g. uncertainty of a clear connection between many aspects of financial literacy between financial knowledge and financial behavior²⁷. Therefore, very important challenge is also the developing of effective broadly defined tools and information, collect and share best practices, improve standards and quality of financial education in a comprehensive manner, and improve data collection and research.

It is also worth mentioning about the most important obstacles in promoting financial education initiatives at international level. They include especially varied level of financial literacy all over the world, the lack of information about very poor countries and insufficient scale of the international cooperation. Globalization processes at financial markets should additionally encourage to increase and equalize the level of financial literacy worldwide.

However, previous attempts of the financial literacy improving, show that the biggest obstacles are wrong consumer patterns and habits in financial matters. Therefore, the most important and extremely difficult challenge may be changing consumer attitudes towards financial education, the understanding of its importance for their welfare and for stability of the whole economy. The example may be kneading the habit among the young while making the financial decisions about spending money – arising from a proper understanding of the difference between the concepts of “need and want”. Needs are essentials because they are the basics of life. Wants simply increase the quality of living²⁸.

All initiatives related to the achievement of objectives and associated with addressing the challenges may not be effective if the public does not want to consciously participate in them. Therefore, a serious challenge for the providers of financial education is engaging consumers in the most number of educational

²⁷ *Feedback from the financial education field*, Consumer Financial Protection Bureau, May 2013, http://files.consumerfinance.gov/f/201305_cfpb_OFE-request-for-information-report.pdf, pp.3-4.

²⁸ *Right on the money, Financial Know-How for Financial Freedom*, 2nd Edition, National Endowment for Financial Education, Denver 2011.

initiatives. In this aspect the big challenge may prove to be finding the most effective motivation for potential beneficiaries of financial education. Looking for the proper motivation we should start from the presentation and dissemination of potential benefits of financial literacy (including financial education) for many stakeholders, e.g.:

- for households (financial consumers):
 - informed decisions,
 - more effective savings and investments,
 - financial well-being, financial freedom, increase of well-being of the population,
 - security (safety) in retirement,
 - positive changes in behaviour patterns,
 - empowering women;
- for governments and the other authorities:
 - people are less likely to get into financial difficulties and fall back on State benefits,
 - increasing the stability of the financial system;
- for financial services industry (financial institutions, financial markets):
 - many benefits from dealing with competent and confident consumers (the more predictable behaviors of savings and investors, the more possibilities of effective acting of banks and the other providers of financial instruments),
 - increasing demand for financial products and services.

Conclusions

The importance and profile of financial education has been raised decisively around the world. More and more interest of various stakeholders is noticeable. Entities of public and private sector are interested in the role and opportunities of financial education for both the wellbeing of individuals as well as for economy as a whole. Thus, very important issue is a properly developed and conducted educational program.

One of the educational process components is proper defining of objectives of financial education. The analysis of the most important objectives and challenges revealed that there are a lot of them and they have a very different nature. Most of the them are, at the same time, challenges because it is linked with many difficulties and obstacles. All steps and actions related to the defining, imple-

mentation, realization and evaluation of the objectives are fraught with difficulties and are big challenges.

Despite the fact that main and flagship goals of financial education are the same in many countries (it regards mainly strategic goals) there are many different more detailed purposes (mainly operational and tactical) due to specific economical, political and social circumstances in particular countries.

Among the most often determined purposes and challenges of financial education are:

- promotion of financial literacy and promotion of its components: financial awareness, skills including wide understood ability to use the financial products and services as well as financial knowledge including elementary basic economics, financial mathematics and basic knowledge about functioning of financial markets,
- enhance the consumer protection (for instance against fraud),
- supporting the financial inclusion directly regarded basic knowledge of financial markets,
- changing the consumers behavior, that often are not guaranteed through increasing financial literacy.

Much attention also raises:

- dissemination of early financial education,
- empowering women with financial education,
- promotion of relevant, user-friendly financial information to the public,
- developing free information services,
- promotion of financial institutions responsibility,
- promotion of international co-operation on financial education should include the using of an international forum to exchange information on recent national experiences in financial education and many others.

But it should be highlighted, that purposes and challenges should be defined with respect to vulnerable groups. In today's complex and dangerous financial world financial education should involve specific knowledge and concepts that consumers need to manage their money and build wealth, depending on an individual's situation.

Of course, all activities in the area of financial education don't guarantee that expected purposes and challenges will be achieved. The next step, after the specifying and after the creating the hierarchy of financial education objectives should be defining of the most important difficulties and obstacles in their implementation and finding the ways to overcome these difficulties.

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