Opening Remarks

Conference
Financial Education: Evolution, Revolution - Financial Education in the digital age

Mr. De Noose, Managing Director, WSBI-ESBG
Brussels, 23rd October 2019

09:00 am

• Dear Dr. Lusardi,

• Dear representatives of supervisory authorities, European Institutions, national banks, civil society, academia, consumers, practitioners…

• Dear WSBI-ESBG members,

• Dear colleagues, dear friends,

It is a pleasure to welcome you all here to our yearly conference dedicated to financial education, coinciding this year with the celebrations of the World Savings Day. For those of you who do not know, for more than 90 years the World Savings and Retail Banking Institute (WSBI) and its members have spearheaded annually a day dedicated to promoting the virtue of people saving
money. Coined World Savings Day, it was the first initiative of WSBI, the voice of savings and retail banks in nearly 80 countries. This day remains relevant for members around the world who engage actively in celebrating in their local areas. Having said this and talking about empowerment, WSBI-ESBG firmly believes that Financial education is instrumental in ensuring inclusive and equitable quality education, promoting lifelong learning opportunities for all, objectives encompassed in the United Nations Sustainable Development Goal number 4, and therefore contributing to reduce global inequalities.

Today we wish to link this event to the topic of financial education in the digital age. Let us have a closer look at current developments: Big techs have been entering financial services, crypto assets are new instruments in the financial world. The human aspect is disappearing when it comes to providing digital financial advice, based on mathematical rules of algorithms. Token issuance and trading is vulnerable to cyber-attacks, exposing SMEs and investors. There have been cases of cyber-criminality, which has the potential of greatly affecting electronic devices and on-line services.
These developments, raise the fundamental question of whether consumer protection concerns are being properly addressed, via regulation or other initiatives. Which brings us to today’s topic, what could the role of financial education be in light of these developments.

Additionally, a number of other aspects require special attention, particularly when it comes to evaluating programmes in the digital age. Are these evaluation methods and standards evolving according to digital developments? Are thus, topics, learning methods and evaluation tools up to date?

The need for the right skills is also a crucial topic nowadays, which should be put into context for this discussion. On the one hand, financial literacy should be part of those skills for life that any individual must possess. I would like to quote Dr. Lusardi when she states “that financial literacy equals today to reading and writing”. In this respect, education systems should – where necessary – adapt accordingly to ensure that these skills are achieved. Today we will have the opportunity to also take notice of an initiative that WSBI-ESBG has jointly been working on with Parents International, to develop a set of financial literacy skills. We believe that dealing with money, understanding how it works,
knowing what services and tools are available to safeguard earnings and making provisions for rainy days are essential for a successful adult life. Making informed financial decisions is also linked to responsible active citizenship and children need to be introduced to financial literacy in a gradual way. Basic financial literacy skills are essential life skills anywhere, particularly in first and second world countries.

On the other hand, this debate must be linked with the one on digital skills. Innovation and technology are transforming the financial industry, impacting the need for human skills and talent. Digital skills are strictly intertwined with financial literacy skills, as financial services evolve with the digital trend. This also leads to another discussion: to which extent should digital skills be integrated into financial literacy skills, given that financial services are taking a digital approach. Indeed, financial literacy skills are closely linked to other skills and competences sets, such as arithmetic, reading literacy, citizenship and digital.

Having all these discussions will enable us to gain further insights and opinions on this crucial matter. Financial education efforts
must imply a shared responsibility between everyone: private and public bodies, educational and financial institutions, NGOs, the academic sector, consumers and other stakeholders reflecting a joint commitment between them. This clearly is a task for society as a whole. Banking associations, such as WSBI-ESBG, have a prominent role to play. WSBI-ESBG is a relevant actor on this topic and has a longstanding experience, particularly, but not exclusively, with the organisation of the World Savings Day.

In addition, WSBI-ESBG firmly believes that the topic of financial education, despite being a competence of Member States in the first place, could gain more relevance at EU level. We believe that the European Commission could adopt a coordinating role and organise, for example, a European day on financial education. As a key actor in the field, we stand ready to fully support the European Commission and other relevant stakeholders, such as the European Parliament, in this endeavour.

I would like to finish here my introductory remarks, as the following panel discussions will bring in much more flesh to the discussions. Nonetheless, first I would like to introduce our keynote speaker, someone who does not need an introduction. Professor Lusardi is the Founder and Academic Director of the
Global Financial Literacy Excellence Center (GFLEC). A worldwide academic authority in the field of financial education and, amongst other, author of the report *Millennial Mobile Payment Users: A Look into their Personal Finances and Financial Behaviors*. Without further ado, Dr. Lusardi, the floor is yours!