

PROGRAMME for the implementation of the “National Strategy for Financial, Insurance and Social Security Education”

Three-year period 2024-2026



**Comitato per la programmazione
e il coordinamento delle attività
di educazione finanziaria**

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1. **Introduction: the Committee, the financial education policy, the state of financial literacy**

The primary objectives of the Committee on the Planning and Coordination of Financial Education Activities (hereinafter referred to as the Committee) - to promote financial literacy and raise awareness - can be effectively pursued if the Committee, as a public entity, sets itself two implementation objectives: inclusion and the quality of financial education. Placing the emphasis on inclusion means being attentive to the fact that the distribution of financial literacy is heterogeneous, if we look at the differences that exist in Italy between social classes and categories, gender and age and also understand territorial differences. At the same time, literacy increases when the education offered has targeted content, methods that are understandable and clear and is provided by competent and reliable entities.

These objectives must be pursued by enhancing the activity of the Committee Members and their respective institutions (the Participants, or shareholders) and recognising, where worthy, the initiatives of third parties, active in the economic, civil and social community (the stakeholders). In general, recognition is the service that the Committee intends to give to the development of quality financial education in Italy.

Through this recognition, the Committee will act as an engine for the coordination of financial education activities, reintegrating into a framework of a national programme the worthy initiatives implemented by public and private entities and increasing the possibilities of collaboration between them. The experience gained so far by the Committee will be able to offer useful indications on how to improve the promotion and awareness-raising action. At the same time, the Committee's action will be effective if it is implemented and perceived as independent and transparent.

The Committee's action will be inspired by the best scientific knowledge. The greater the financial confidence of citizens is, the more efficient the market economy is (Guiso 2010, Sapienza and Zingales 2012), i.e., understood as the average confidence a citizen has that the results of a financial exchange are consistent with his/her expectations (Sirdeshmukh et al. 2002). In order to qualify a product or service as financial, in addition to financial themes in general, monetary, banking, insurance and retirement savings issues are also relevant.

All things being equal, financial confidence increases if financial competence increases (Van der Crujisen et al. 2021), i.e., the knowledge and use of notions of financial economics (Lusardi and Mitchell 2023), which can be increased with an action of public and private financial education, bringing about positive macroeconomic effects (Goyal and Kumar 2021), both traditional and non-traditional, such as financial inclusion (Bianco et al. 2023).

Financial confidence is a public good upon which economic policy choices can act. The need for public intervention is reinforced by the fact that, in a rapidly changing economic and institutional context, the wealth of economic and financial knowledge, if not nurtured, risks obsolescence, resulting in toxic effects on financial confidence.

Financial confidence is comparable to a public good whose deterioration is associated with deficiencies and obsolescences in financial education, which can be aggravated by government policies that are not sufficiently active (Guerini and Masciandaro 2024).

In 2017, the establishment of the Committee on the Planning and Coordination of Financial Education Activities was motivated by the goal of contributing to the increase of financial literacy in our Country - lagging behind when compared to other nations (D'Alessio et al. 2021) - and as a result to protect, and possibly increase, the stock of financial confidence of the Country, as well as to strengthen that knowledge that can increase an individual's ability to consciously exercise his/her rights of economic citizenship, and consequently of civil and social belonging. In this context, the Committee's primary objectives in the three-year period 2024-2026 will be two in particular: promoting financial literacy and raising awareness. The objectives must be pursued with passion, but at the same time with

prudence, paying the utmost attention in particular to the budgetary constraint, and in general to that of resources, starting with human resources. Attention to constraints will allow the Committee to define lines of activity that meet the necessary, albeit insufficient, condition of effectiveness: realism.

Seven years ago, the establishment of the Committee took place in a Country that essentially was unaware of the theme of financial education. Today the scenario is different, also because of the action carried out by the Committee itself. On the one hand, scientific knowledge on the subject has increased, thanks to research on the evolution of financial education in our country in general (Bongini et al. 2023), and in particular its relevance for the choices of specific groups - such as young people (Filotto et al. 2021), workers (Billari et al. 2023), entrepreneurs and managers (Guelpa 2021) - and for the Italian population as a whole, also in relation to the effects on literacy in specific sectors, such as insurance (Viale 2021) and social security (Fornero and Monticone 2011). At the same time, there is a growing awareness that financial education is an indispensable step in increasing the Country's level of economic citizenship (Righini 2019). In this regard, taking into account the change in the scenario, it is worth mentioning the Italian law of 5 March 2024 ("Interventions to support the competitiveness of capital and delegation to the Government for the organic reform of the provisions on capital markets contained in the consolidated text referred to in Italian Legislative Decree no. 58 of 24 February 1998, and the provisions on corporations contained in the Italian Civil Code also applicable to issuers"), in the process of being published in the Italian Official Gazette, which has provided for the inclusion of financial education within the teaching of civic education in schools

At the same time, it is also necessary to take into account the critical voices that economic analysis has expressed on the issue of the effectiveness of financial education (Willis 2011, Hasting et al. 2013, Alsemgeest 2015, Clarke 2015, Stolper and Walter 2017)

The initiatives, also in academic settings (Barucci et al. 2022), have increased, and in some respects, even proliferated; the breadth of recipients has also increased, and with it the degree of heterogeneity of the financial literacy heritage. Therefore, the promotion and awareness-raising activity will also have to change direction. Its

effectiveness will have to be measured in terms of the Committee's recognition and reputation with the population. The identification between financial education and the Committee will have to grow among all stakeholders: those who are users of public regulatory and control activities, but also those who plan that activity. It is necessary to increase awareness among public decision-makers of the advantages of a policy in favour of financial education, which increases citizens' literacy, also in terms of the ability to minimise the risks of financial illiteracy.

To explain what it means to promote financial literacy and raise awareness, a metaphor helps: on the one hand, financial literacy is an ocean one has to navigate; on the other hand, there are citizens who do not know how to swim. The Committee must set itself two objectives: to promote skill acquisition, recognising those who know how to offer good swimming lessons; to raise awareness and seek inclusion, warning about the risks of going to sea without first knowing how to swim. In a constantly changing sea, with unprecedented and variable currents and whirlpools, not promoting skills and not raising awareness automatically means increasing the number of people who risk not knowing how to swim without their even being aware of it.

All metaphors aside, the Committee will have to promote financial literacy initiatives, recognising the ones that are deserving, and carrying out awareness-raising activities on the risks of financial illiteracy, given the risk of obsolescence of knowledge.

Promoting and raising awareness are different activities, but they are symbiotic. They take the form of the quality and inclusion of the financial education provided, which must be, respectively, good and widespread. Without awareness of the costs of financial illiteracy, the risk that citizens will make bad investments increases, as they rely on unprofessional advice (informal advice), perhaps in the - erroneous - belief of a paternalistic presence of the State (Willis 2011).

In a constantly changing financial industry, inaction in promotion and awareness-raising activities indeed means increasing the risks of obsolescence of the economic and financial information, with the related risks of deterioration of financial confidence. The continuous intertwining of technological and financial innovation is always

contingent on the adequacy of financial knowledge: a problem arises that concerns both the quality of financial education and its inclusion, given that empirical evidence confirms that individuals with the highest financial literacy are those who are best able to deal with the complexity of digital finance (Yuan et al. 2023).

Below, for the three-year period 2024-26, the objectives, instruments, general lines of action, the Flag activity constituted by the Financial Education Month, and the essential role of communication are indicated. The annual planning will implement the three-year planning scheme, which may be updated, where deemed useful by the Committee.

2. Planning for the three-year period 2024-26

2.1 Foreword

For the three-year period 2024-26, the Committee seeks to do the:

- a) Review and update the promotion and awareness-raising objectives. The review and update will be calibrated starting from the areas of competence and on the efforts of the institutions participating in the Committee and will be based on a survey on financial skills and the degree of knowledge of the Committee's activities so far in the two main sectors of reference - households and businesses - and in respect to the main groups: young people, women, adults, workers, entrepreneurs, financial operators, decision-makers on policy. The Committee should, in fact, be known not only by those who act within the perimeter of money, banking, finance, insurance and welfare, but also by those who build that perimeter. A dedicated group will be formed to define the characteristics of the survey.
- b) The organisational profile of the Committee is reshaped, with respect to the objectives of promotion and awareness-raising. To this end, ad hoc working groups will be set up to formulate proposals to the Committee. Amendments to the Regulation on the organisation and operation may also be considered.
- c) Revise the guidelines for the recognition of financial education initiatives promoted by third parties (Blue Vademecum).
- d) Revise the approach of communication to the public, also innovating the characteristics of the Committee's portal in this area to increase its usability in the first place.
- e) Provide the necessary contribution to the implementation of the provisions of Italian Law No. 21 of 5 March 2024 on financial, insurance and social security education in schools.

2.2 Objectives: Promotion and Awareness-raising

Between the two primary objectives of promotion and awareness-raising, positive-sum games can be identified. In general, The Committee, as a public entity, has as its goals the quality and distribution (inclusion) of financial information, enhancing the activity of the institutions that are part of the Committee (the Participants, the shareholders) as well as recognising, where worthy, the initiatives of third parties active in the economic, civil and social community (the stakeholders).

The synergies of the Committee's action at the service of shareholders and stakeholders take form in particular in its activity of recognising initiatives promoted by parties outside the Committee, aimed at effectively promoting banking, financial, insurance and social security knowledge.

The effectiveness of an initiative depends on its quality. An external entity (the applicant) may ask the Committee to recognise its initiative. The Committee will formulate its evaluations on each proposed initiative, basing it on an analysis process aimed at evaluating two profiles: characteristics of the applicant and quality of the proposal.

The recognition process is described in the Blue Vademecum that will be published on the Committee's portal.

From the point of view of the promotion of worthy financial education activities, the Committee's action will start from the activities already launched. The starting point will be to update the state of the art of existing initiatives (also launched thanks to the NRRP or by local authorities such as Regions, provinces and Municipalities), including through hearings that can be carried out by remote means of communication.

The promotional activity may be based on reputational incentives for initiatives of excellence. Among these incentives, the establishment of prizes should be considered, based on the quality of the initiative and on the possible presence of the Participants in the Committee - there are already positive experiences in the perimeter of social security - and/or any stakeholders, known to the Committee for the

recognition of the quality of their initiatives. The prizes will be awarded by juries composed of both experts and Participants. The Committee's attention will continue to regulate any conflicts of interest.

From the point of view of raising awareness of the risks of financial illiteracy, the Committee has identified the relationship between the digital society, on the one hand, and money, banking, finance, insurance and social security on the other, as a general issue of particular relevance for the three-year period 2024-26.

The theme can also be expressed as: "Social networks, digital reality and individual choices: the damage of financial ignorance. Risks and opportunities". The awareness-raising activity must aim to increase inclusion, taking into account the barriers that in fact increase the risks of illiteracy, precluding or inhibiting the active participation of citizens.

Both academic and institutional literature, as well as news and fiction, highlight how the digital transformation of market economies, with equal opportunities, is reflected, by increasing citizens' financial confidence, in an increased risk of betrayal of such trust (Berk and Binsbergen 2022, Russo 2022), as well as in the highest possibility of unwitting involvement in illegal and criminal operations (Barone and Masciandaro 2019), especially in light of the fact that the increase in technological application to the production and distribution of financial services increases the risk that dishonest and/or criminal operators use these technologies to the detriment of citizens (Teja 2023).

Turning the spotlight on the relationship between social networks, digital reality and finance has two intertwined advantages: the topic is relevant in itself, both today and at least for the entire three-year period (Balzani 2023, Panetta 2023, Savona 2023, Signorini 2023).

2.3 Instruments: Organisation of the Committee

The definition of the promotion and awareness-raising objectives, as well as the related lines of activity, will be the downstream result of

the resources available upstream: the skills and commitment of the Participating institutions.

The Committee will make use of the work of a Technical Panel, composed of representatives of the participating institutions, which will be central to the process of recognition of financial education initiatives. The work of the Technical Panel will be organised and directed by the Director of the Committee and will implement the guidelines contained in the Blue Vademecum.

Listening to students and contributing to the dissemination of quality research on financial education will also be essential. Academic and institutional works specifically dedicated to financial education will be enhanced. To this end, a Scientific Panel will be established, composed of academics chosen from among those who apply to be part of it. The work of the Scientific Panel will be organised and directed by the Director of the Committee.

The interest in being part of the Panel can be formulated by academics who know the Italian case. The duration of the appointment will be three years, renewable. The composition of the Panel must respect the principle of gender equality and that of diversification of skills and university affiliations.

The members of the Panel may also be heard on specific issues, at the invitation of the Committee.

2.4 The Lines of Activity

On the basis of the skills and commitment made available by the Participants, the Committee's activity for the three-year period 2024-2026 will take place according to the guidelines illustrated below.

In general, the activity of producing knowledge is a public good, but it must be high quality. The use of the survey tool will have to take advantage of the accumulated experience. The Committee will produce data that is complementary to already existing data, unless there is a specific need for analysis. The audience of stakeholders to be analysed - the who and how - will be improved and expanded, also

to enhance its communicative impact.

In this perspective, the carrying out of sample surveys during the Committee's activity on the degree of knowledge of the Committee's activity so far will be taken into consideration.

The survey will make it possible to know the effects of the Committee's activity, for the benefit of the Participants and the target audiences. In this way, the effectiveness of the activities carried out can be measured. The survey may include an evaluation of the planned reform of the Committee's portal, in order to assess its effectiveness.

Starting from 2024, after defining and implementing the technical architecture, the recognition of initiatives proposed by third parties will be launched, which will also make it possible to acquire as much information as possible on the financial education activities in progress; the acquisition will be carried out through the mechanism of remote hearings of the subjects involved in the field.

On the basis of the information acquired, mechanisms for the reputational promotion of deserving financial education activities may be defined starting from 2024, including through reward systems, with open and transparent participation methods.

Also on the basis of the information acquired, activities aimed at raising awareness of the risks of financial illiteracy may be defined. This issue will have to be designed in such a way as to allow comprehension of the different sectors in which these risks arise. At the same time, an issue of increasing importance, such as sustainable finance, may also be the subject of attention.

Every three-year period will define and implement Financial Education Month (FEM).

2.5 The Flag activity: Financial Education Month

In the seven years of activity, the initiative of the Committee that has gained the most notoriety is Financial Education Month (FEM). The

Participants will contribute to the selection of initiatives related to FEM, as well as to their coordination within the Committee, starting from an overall reconsideration of methods, duration, period, with particular attention to the scheduling of the event, which will take place in November. The colours of the Month's flag will be reconsidered, as well as the logo, also with the help of external consultancy, in order to draw attention to the need for knowledge, including economic and financial knowledge, that is capable of intertwining technological evolution with the values of sustainability. The Committee will continue to coordinate at national level, year after year, the presence of Participants and stakeholders in Global Money Week, promoted by the OECD and addressed to young people, at the World Investor Week promoted by IOSCO, as well as at all other relevant institutional initiatives, also in an international context.

2.6 Communication

Without communication, the Committee's activity does not exist.

The Committee, compatibly with the budgetary constraint, will have to take charge of national communication campaigns, with the aim of making the EDUFIN Committee a brand that generates value for those involved in financial education and trust from the target audience.

Communication activity will be fundamental. The Committee's portal will be revised, with the aim of facilitating its usability, also by adding the English version and giving adequate visibility to its organisational structure and to the organisational Secretariat of the MEF.

To combine effectiveness (improving the portal) with efficiency (minimising time) a two-stage process will be followed: immediate innovation, followed by a process of improvement and enhancement of what has already been produced.

Each Member may present the Committee's activities to the outside

world, at the times and in the ways they deem most effective. The Committee's Secretariat will be notified of this activity, who in turn will inform all the other Members; shared information will make everyone's communication more effective. In general, it will be appropriate to enhance:

- participation in public events and the release of interviews, raising awareness of the presence of the Committee Members in television broadcasts, with particular reference to RAI programmes;
- collaboration with newspapers and magazines;
- launch of targeted information campaigns on the risks of financial illiteracy; also taking action with the Department for Information and Publishing of the Presidency of the Council of Ministers to request the passage of radio and television commercials on Rai's networks and websites pursuant to Article 3 of Italian Law no. 150 of 7 June 2000;
- the organisation, in the context of festivals and conferences with a high reputation and impact, of events related to the Committee's activities.

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