

# Survey of Financial Education Initiatives in Italy from 2012-14



## FOREWORD

Over the last decade Italy too has witnessed the development of financial education initiatives by numerous public institutions and private entities. The absence of a national framework that cohesively defines training gaps, priorities and criteria for intervention has nonetheless limited coordination of the various initiatives and the exploitation of synergies. This survey arose from the need to obtain an accurate picture of the number and type of programmes in place and of the providers, to identify the most effective tools and promote good practices, and to leverage the synergies of the various training options. More broadly speaking, the survey should contribute to the joint definition of a cohesive strategy for enhancing the economic and financial culture of Italian citizens.

The survey was initiated by the Supervisory Authorities – the Bank of Italy, Consob, COVIP and IVASS – the Savings Museum (*Museo del Risparmio*), the Foundation for Financial Education and Saving (*Fondazione per l'Educazione Finanziaria e al Risparmio*) and the Rosselli Foundation (*Fondazione Rosselli*), acting in conjunction with the Ministry of Economy and Finance and the Ministry of Education, Universities and Research.

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## OVERVIEW

*Increasingly complex financial decisions and low levels of financial literacy ...*

The increasingly complex financial choices that citizens must make in the course of their lives require levels of financial literacy that are often higher than those currently recorded among large swathes of the population. Recent surveys document how levels of financial culture in Italy are among the lowest reported in the advanced economies for adults and students. The aim of financial education is to help people enhance their financial competency.

*... call for coordinated and effective training*

In keeping with the best practices at international level, effective financial education requires tools for coordinating training initiatives that ensure the various programmes respond to citizens' needs, exploit synergies among existing programmes and promote the best teaching methods. In around sixty countries coordination is pursued through a National Strategy for Financial Education (NSFE); Italy is still not among them.

*This survey marks the first step towards a National Strategy*

Drawing up an NSFE, as ideally outlined by the OECD based on best practices, requires a preliminary survey of existing initiatives. In Italy the Supervisory Authorities – the Bank of Italy, Consob, COVIP and IVASS – the Savings Museum (*Museo del Risparmio*), the Foundation for Financial Education and Saving (*Fondazione per l'Educazione Finanziaria e al Risparmio*) and the Rosselli Foundation (*Fondazione Rosselli*), acting in conjunction with the Ministry of Economy and Finance and the Ministry of Education, Universities and Research, conducted the survey in 2015, marking a first step towards a national strategy.

*In Italy training initiatives tend to be piecemeal ...*

The survey documents the piecemeal nature of financial education initiatives, many of which involve only a small number of participants. In the three years 2012-14 a total of 206 initiatives were surveyed, promoted by 256 providers. Almost two thirds of the programmes involved fewer than 1,000 people in the three years; only one in ten initiatives had more than 10,000 participants.

The initiatives surveyed varied greatly: some, defined as educational, consisted in an actual training programme; others, defined as awareness-raising, were in many cases confined to the exchange of information packages. The web was the main channel used to promote the initiatives, risking the exclusion of large segments of the population.

While it is difficult to quantify the total resources allocated to financial education, it can be reported that only a few programmes involved large financial outlays.

The main providers were drawn from the financial sector, schools and associations, often working together to prepare teaching materials and activities. The cooperation of the various

actors paved the way for the development of appropriate initiatives both from a specialist, and pedagogical and cognitive viewpoint.

*... and their effectiveness rarely assessed*

One of the main problems highlighted by the survey is the lack of assessments of the ability of initiatives to increase financial knowledge and affect behaviour. More than half of the programmes did not envisage any form of monitoring; when they did, it was mostly confined to gathering information on the degree of involvement and satisfaction of participants. This makes it difficult to conduct a cost-benefit analysis and complicates the identification of best practices. However, the lack of impact evaluation is not confined to Italy.

*Financial education is not on the school curriculum ...*

In line with the best international practices, the survey distinguished between initiatives for students and adults. As in many other countries, students suffer from the absence of financial education from school curricula. They adhere to the initiatives thanks to individual proposals of teachers and school administrators. This model hinders widespread and uniform participation among schools, educational cycles and territories, limits more in-depth training, and makes it difficult to integrate the content in school programmes.

*... many initiatives recognize the importance of developing knowledge and skills*

While differing according to the age of students, the objectives of the initiatives surveyed reveal an approach to financial literacy that acknowledges the importance of acquiring not only knowledge but also ability to put into practice the lessons learnt. Almost all of the programmes introduced school-goers to basic financial concepts; students in upper secondary schools were more likely to take part in activities designed to increase their skills while teachers of younger pupils were more likely to promote the value of legality and awareness when using money.

The largest initiatives were more in line with best international practice: greater cooperation among financial experts and teachers went hand in hand with more frequent training of trainers, better integration of content in school curricula, modern and diverse teaching aids, and more widespread monitoring and impact evaluation using counterfactual techniques.

*For adults the difficulty of defining where, how and when to propose training activities ...*

Financial education for adults is less structured than it is for students. Training initiatives are rather infrequent owing to difficulties in identifying the ways, venues and timeframes compatible with the availability of potential beneficiaries. One of the challenges for adult financial education is the need to address an extremely varied target group, both in terms of training needs and in users' ability to access the various channels of information. From the survey it emerged that the programmes are almost always aimed at the general public. Initiatives targeting vulnerable segments of the population or groups with specific training requirements, such as women, the elderly or small businesses, were still few and far between.

*... reduces many initiatives to the mere provision of information packages*

The subjects most frequently dealt with were budget management, savings, the link between risk and returns and private pension plans. Many of the interventions surveyed consisted in accessing internet portals or in downloading information. To respond to the specific information requirements of citizens, the Supervisory Authorities published practical guides on topics such as supplementary pension schemes, insurance and several basic bank products.

While some of the initiatives already involved the cooperation of various actors, with a view to drawing up a national strategy to enhance the financial culture of Italians, efforts must be coordinated to exploit the synergies of the initiatives already in place, to tailor actions to specific high-priority groups, to pursue economies of scale and scope, and to monitor the results in terms of the acquisition of knowledge and competencies.