

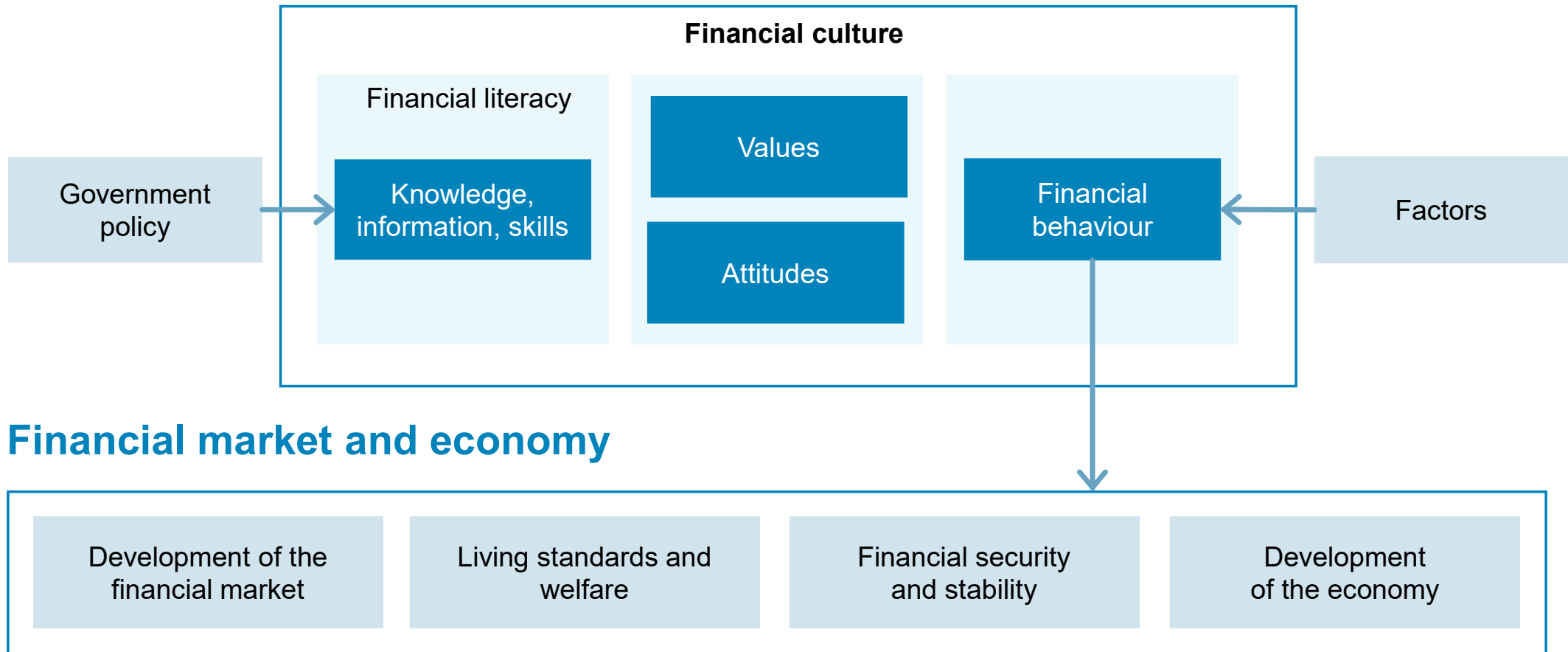


Bank of Russia

The role of financial literacy in the development of financial markets: approaches to harmonisation

July 2024

Financial literacy as an aspect of financial inclusion



Why is financial literacy important?

Development of **financial technologies** and digitalisation of financial services

Need for greater **financial inclusion**

Development of **digital currencies**

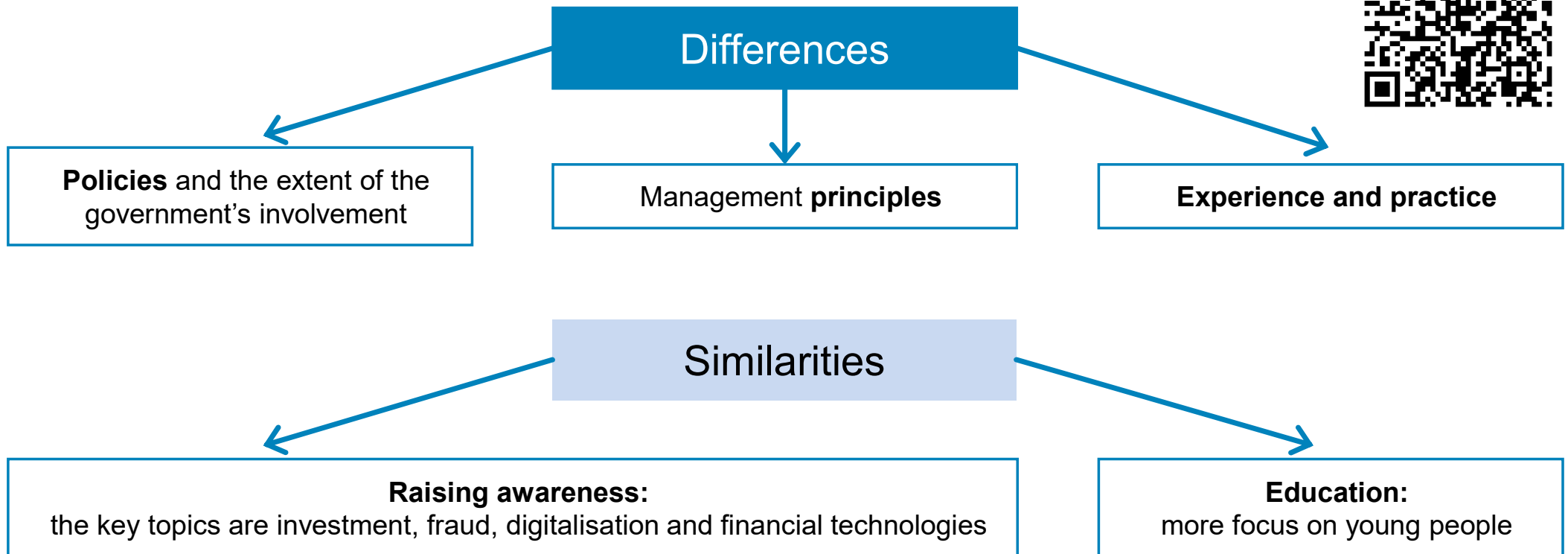
Countering **inappropriate practices** on the financial market

Increase in the number of **retail investors**

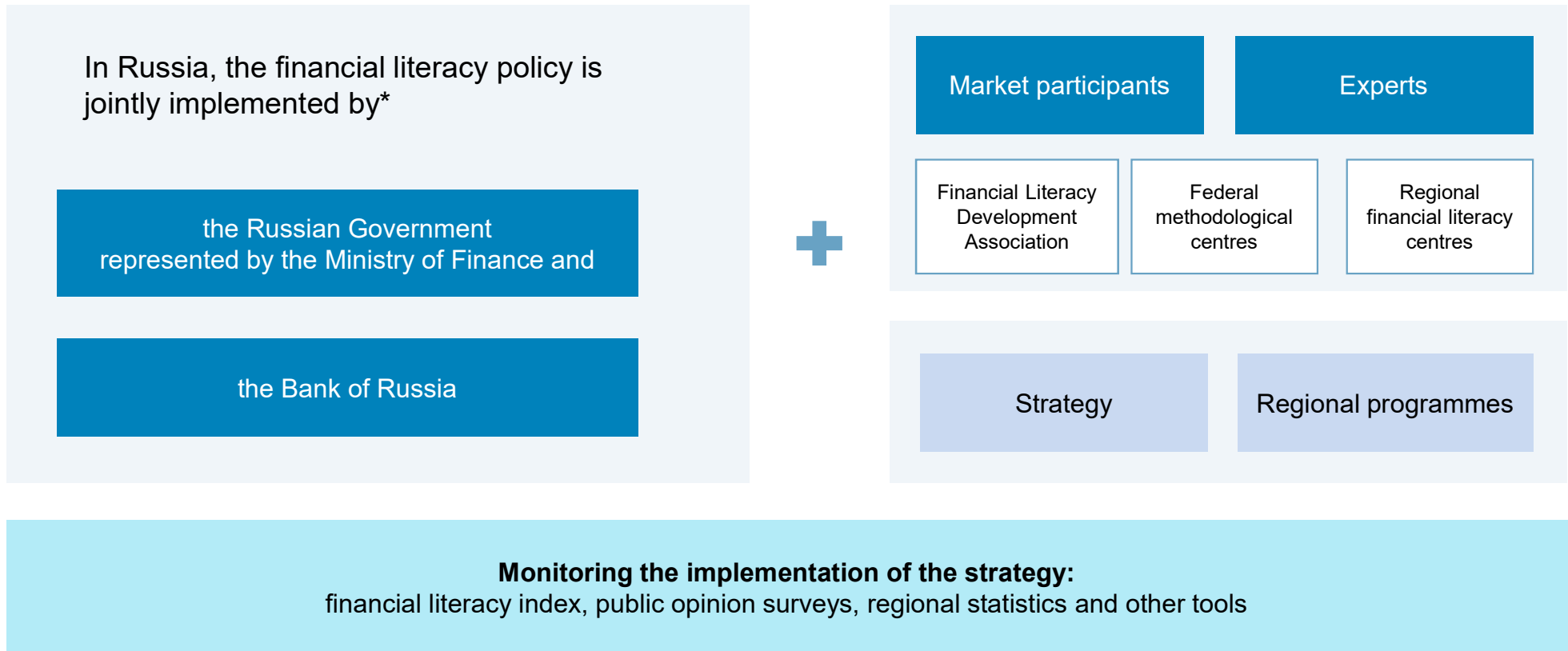
Countering **fraud** in finance (cyber fraud, social engineering, etc.)

Demand for the development of **SMEs**

Key takeaways



* The Bank of Russia has compiled the report based on open sources. You can find a copy of the report in the seminar materials.



* Financial literacy goals are also included in the “Strategy for financial market development through 2030”, the “Unified plan for achieving national goals of the Russian Federation over the period through 2024 and the planning period through 2030”, and other documents.

1. Financial literacy cases have been integrated into **education at every level** as well as into professional training

98% of schools and 96% of vocational schools have been involved in financial literacy events

>135,000 teachers, lecturers and other education professionals have received training in financial literacy

3. A **bigger share** of individuals has been involved in financial awareness events

>60 million people have been involved throughout the implementation of the Strategy

2. Measures have been taken to ensure that Russia's **regions tackle the matter systematically**

85 regions are implementing their own financial literacy programmes and participate in the Bank of Russia's projects

There are **58** regional financial literacy centres

4. A community of **financial awareness volunteers** has been established

Resource centres for financial awareness volunteers have been established in **14** regions

Around 500 volunteer projects have received support

>18,000 volunteers have been registered across Russia

Total population of Russia, %

	2017	2022	
KNOWLEDGE			
Understand the concept of inflation	78	81	↑
Are aware of consumer protection institutions in the financial market	38	51	↑
BEHAVIOUR			
Have an income that covers their expenses	54	62	↑
Compare terms of financial services at different companies before making their choice	23	27	↑
Make independent financial decisions	38	51	↑
Maintain a financial cushion for unforeseen circumstances (sufficient for a month or more)	37	47	↑
BELIEFS			
Believe that it is important to think about the future	53	50	↓
Understand the importance of paying out loans	65	69	↑

Key goal formulated in the Strategy 2030 – not just Literacy but Culture

Establishing the foundation and conditions for developing **key aspects of financial culture** (values, attitudes and behaviours) among citizens to improve **financial well-being of individuals, families and society as a whole**

Priorities

Transition from financial literacy to financial culture and financial well-being

1

Promoting values and shaping attitudes in terms of financial culture among **economically active population**

4

Implementation of “life – circle concept” of **different age groups**:

- children and teenagers
- young adults
- economically active adults
- senior citizens

2

Shaping attitudes focused on **long-term planning, trust in financial institutions and a responsible approach** to financial matters

5

Dedicating attention to new areas:

- financial security, including **financial cyber security**
- reasonable consumption, and accounting for the **principles of behavioural economics**

3

Increasing the importance of **surveys and data analysis**

6

Expanding the range of partners involved in implementing the Strategy: **employers, financial companies, volunteers, representatives of creative industries, etc.**

Potential for cooperation between the BRICS countries with regard to financial literacy

Preparing

a consultation report with the involvement of the BRICS members, using the Bank of Russia's report as a basis

Establishing

a platform for exchanging experience and best practices

Discussing

the option of developing a coordination mechanism for the purposes of:

- consolidating efforts
- harmonising methodological approaches
- supporting various subject-matter events, including educational and awareness programmes
- developing tools for monitoring the level of financial literacy and culture