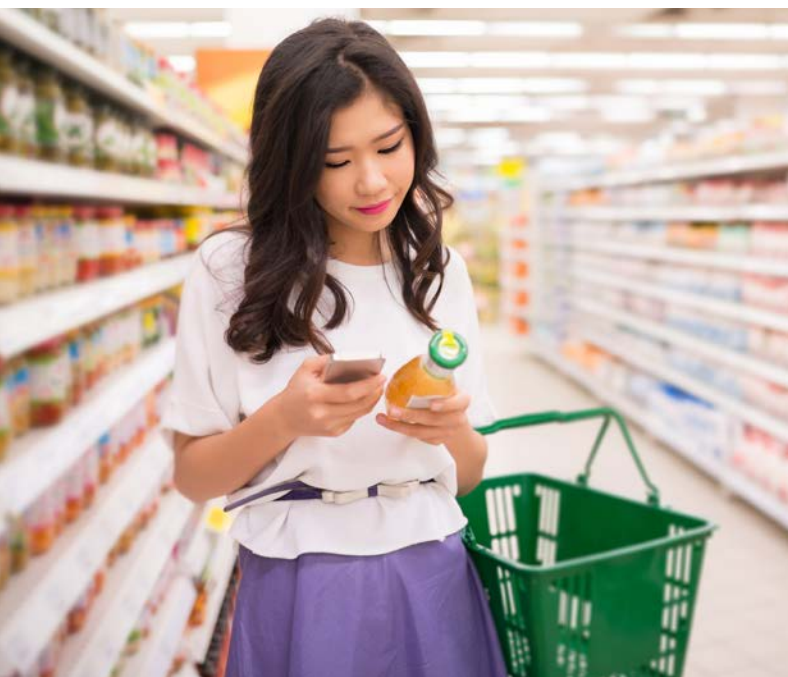


G20/OECD INFE

CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR ADULTS



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Developed in response to a call from G20 Leaders in 2013, this policy tool builds on OECD International Network on Financial Education (OECD/INFE) work on core competencies for youth and extensive work on measuring the financial literacy of youth and adults as well as national frameworks and expert feedback from members of the OECD/INFE. In particular, it uses the same content categories as the PISA financial literacy assessment framework and the youth core competencies framework. Consistent with the OECD definitions of financial education and financial literacy acknowledged by G20 leaders, it focuses separately on knowledge, behaviour and attitudes; an approach also taken in the OECD/INFE financial literacy measurement work and the youth core competencies framework. The framework draws on the findings of other OECD/INFE outputs, including work on financial education for long-term savings and investment and work on vulnerable groups. The overall structure and content of the framework was approved by the OECD/INFE in Amsterdam in April 2016. In July 2016 the OECD/INFE and OECD bodies in charge of financial education [Committee on Financial Markets and Insurance and Private Pensions Committee] approved the final version for circulation to the G20 Global Partnership for Financial Inclusion and G20 Leaders, as well as for publication.

CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR ADULTS

This document contains an outcome-based core competencies framework on financial literacy for adults, developed by the OECD International Network on Financial Education (OECD/INFE) in response to a call from G20 Leaders in 2013.

This policy tool highlights a range of financial literacy outcomes that may be considered to be universally relevant and important to sustain or improve financial well-being in everyday life. It describes the types of knowledge that adults aged 18 or over could benefit from, what they should be capable of doing and the behaviours that may help them to achieve financial well-being, as well as the attitudes and confidence that will support this process. It can be used to inform the development of a national strategy on financial education, improve programme design, identify gaps in provision, and create assessment, measurement and evaluation tools.

The adult framework complements the OECD/INFE Core Competencies Framework on Financial Literacy for Youth developed in 2015, taking into account the wider use of traditional and new types of financial services, including digital financial services, the more complex and often urgent financial decisions made by adults and the broader range of knowledge and increased confidence required in adulthood to achieve financial well-being.

The framework provides guidance on the breadth of financial literacy that could be covered within a national strategy and the content design of financial education initiatives, and indicates areas to be assessed as part of an evaluation strategy. It highlights aspects of financial behaviour that can be more efficiently addressed through better product design, consumer protection and/or regulation. This approach is consistent with the global and increasingly digital nature of the financial services industry, the mobility of populations and expectations that financial services regulation and financial consumer protection frameworks will be aligned internationally.

Table of contents

1. OBJECTIVES AND KEY COMPONENTS	5
An international framework	5
Taking into account needs and priorities	5
Complementarity with the youth framework	5
2. G20/OECD INFE CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR ADULTS	6
Characteristics of the framework	6
Comprehensive coverage	6
Structure of the framework	6
How to read the framework	7
A. Money and transactions	8
B. Planning and managing finances	12
C. Risk and reward	23
D. Financial landscape	25
ANNEX: MAPPING EXISTING FRAMEWORKS	30
TABLE: Core competencies frameworks for adults and related documents	32

1. OBJECTIVES AND KEY COMPONENTS

AN INTERNATIONAL FRAMEWORK

In 2013, G20 leaders called on the OECD/INFE to develop core competencies frameworks on financial literacy for both youth and adults.

This document presents the G20/OECD INFE Core Competencies Framework on Financial Literacy for Adults. It highlights a range of financial literacy outcomes that may be considered to be universally relevant or important for financial well-being in everyday life. It describes the types of knowledge that adults aged 18 or over could benefit from, what they should be capable of doing and behaviours that may help to sustain or improve financial well-being, as well as the attitudes and confidence that will support this process. It can be used to inform the development of a national strategy on financial education, improve programme design, identify gaps in provision, and create assessment, measurement and evaluation tools.

The framework is intended to be read as a high-level overview of core financial literacy competencies. As with any other skill, it is unlikely that any one person will exhibit each competency and there is no expectation that individuals should aspire to having all of the competencies listed. However, it is anticipated that a combination of these competencies, based on personal needs and the cultural and economic context, is likely to maintain or improve the financial well-being of an individual.

The extent to which people are financially included and confident using financial products and services will impact on their knowledge, behaviour and attitudes, indicating that access to appropriate financial products and services is a pre-requisite for some of the core competencies indicated. This should be taken into account when applying the framework at a national level.

TAKING INTO ACCOUNT NEEDS AND PRIORITIES

Certain financial literacy outcomes are currently only relevant in a minority of countries. Some of these reflect emerging issues, such as the impact of technological advancements, and may become more widely applicable in time, and so are included. Some competencies have relevance in different ways across different groups of people: for example

understanding exchange rates is useful for those following the international news but invaluable to families sending or receiving remittances. Other issues are more specific to the national context and are therefore left to the individual country to incorporate in their own version of the framework if they wish. This includes certain aspects of pension or tax policy, for example, as well as detailed competencies around of education or health care costs.

Some competencies will be more or less relevant depending on the household characteristics of individuals and the extent to which they make financial decisions as a couple, family, group or community. Those managing a family budget may require different financial products and have different priorities from adults living alone, for example. Some of the core competencies specifically address the need for cooperation in a household context but other competencies may also have particular significance depending on household or other characteristics.

COMPLEMENTARITY WITH THE YOUTH FRAMEWORK

This framework for adults complements the OECD/ INFE Core Competencies Framework on Financial Literacy for Youth, delivered to G20 leaders in 2015. The adult framework is built on the basic assumption that the competencies identified as relevant for youth aged 15-18 years of age will also be relevant to adults aged 18 and over, whilst additional competencies become increasingly relevant in adulthood, including the ability to use credit appropriately and manage debt, choosing and using financial products and services including those delivered through digital channels, and managing investments and retirement savings. Some competencies are described in both frameworks in order to ensure consistency and make it possible to use either document as a standalone reference. For example, the youth framework includes ‘aware of the common forms of money’ which indicates an awareness of what is actually available. The adult framework indicates that adults should be ‘aware that money can take different forms (including digital ones) and knows what these are’, which could include forms that are not common or widely discussed, or are not available locally. This approach ensures consistency in content, without excess repetition.

2. G20/OECD INFE CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR ADULTS

CHARACTERISTICS OF THE FRAMEWORK

This framework has been designed as a point of reference for all stakeholders with an interest in developing the financial literacy of adults. It focuses on a range of core competencies that are – or are likely to become – relevant across countries and target groups, making it a valuable policy tool regardless of national factors such as the level of economic development or existence of a national strategy for financial education.

In most cases, education, information and advice will help consumers to improve the competencies listed, but policy makers will also recognise competencies that could be reinforced through a combination of better product design, financial consumer protection and/or regulation.

COMPREHENSIVE COVERAGE

The framework highlights certain core financial literacy competencies that underpin or scaffold other core competencies (these underpinning competencies are highlighted first under each topic). This approach helps users to quickly identify a variety of core competencies that may need prioritising, whilst the comprehensive nature of the framework provides further detail for those focusing on core competencies within a specific topic. The content is also arranged according to how important

it is likely to be, although users should take note that the actual priority will depend on various factors, including the national context. Stakeholders are free to use as much or as little of the content as they feel is appropriate, and can tailor the text and order of the competencies to national circumstances, providing examples within the country context.

As with the youth framework, the adult framework focuses on defining high-level outcomes. These can be used to develop or refine programmes and strategies, and to create meaningful outcome measures for use during programme evaluation.

Users of the framework should take into account that there are several important, general competencies and opportunities that support levels of financial literacy. These include literacy and basic numeracy and the ability to make a choice from the options available or commit to a specific course of action as well as access to appropriate financial products.

STRUCTURE OF THE FRAMEWORK

There are four tables in this core competencies framework, covering the content areas of:

- A** Money and transactions
- B** Planning and managing finances
- C** Risk and reward
- D** Financial landscape

The sets of core competencies relating to a specific topic have been arranged vertically according to the following criteria:

- The extent to which they underpin or scaffold other core competencies (underpinning or scaffolding competencies are highlighted first under each heading).
- Their likely priority (the actual priority will depend on various factors, including the national context).

It is important to note that the order does not indicate the relative difficulty of acquiring a competency or the likelihood that someone already has a competency, as both difficulty and likelihood are likely to vary according to personal characteristics and national context.

WHAT ARE CORE COMPETENCIES?

The term “core competencies” used in this framework refers to the aspects of knowledge, behaviours and attitudes that form the basis of sound financial decisions; they are considered to be the main, or primary financial literacy competencies that could benefit an individual.

It is anticipated that a combination of these core competencies, based on personal needs and the cultural and economic context, will enable an individual to maintain or improve financial well-being.

As with any other skill, it is highly unlikely that any one person will exhibit all of the core competencies listed, or that they will find each one equally easy to acquire and maintain. It should therefore be assumed that the development and maintenance of the necessary core competencies for any one individual is a dynamic process that occurs throughout life.

Core competencies for each content area and topic are grouped according to whether they describe awareness, knowledge and understanding; skills and behaviour; or confidence, motivation and attitudes:

- The first category, “awareness, knowledge and understanding” relates to the information already acquired by individuals.
- The second category, “skills and behaviour” describes competencies related to actions – both the skills required to act in a manner consistent with achieving positive outcomes, and the behaviours that would be most likely to lead to financial well-being.
- The final category, “confidence, motivation and attitudes” seeks to capture the internal, psychological mechanisms that may support or hinder decisions, behaviours and well-being: in particular it describes the mental position, feelings or emotions that make up attitudes. For example, it describes the attitude of confidence (which can be thought of as trust in oneself and positive expectations about outcomes) and personal motivation that may support positive behaviours.

In some cases, a particular core competency could fit within more than one topic (insurance products could be discussed under both risk and products, for example). For the sake of brevity, competencies are not replicated in all possible positions within the framework, although there are some instances where a competency is mentioned in more than one place. The framework does not include illustrative examples such as the different forms of money, as these significantly increase the text and are often country

specific. However, stakeholders may wish to develop examples of relevance to their target groups when using the framework in order to ensure a common understanding of the anticipated outcomes.

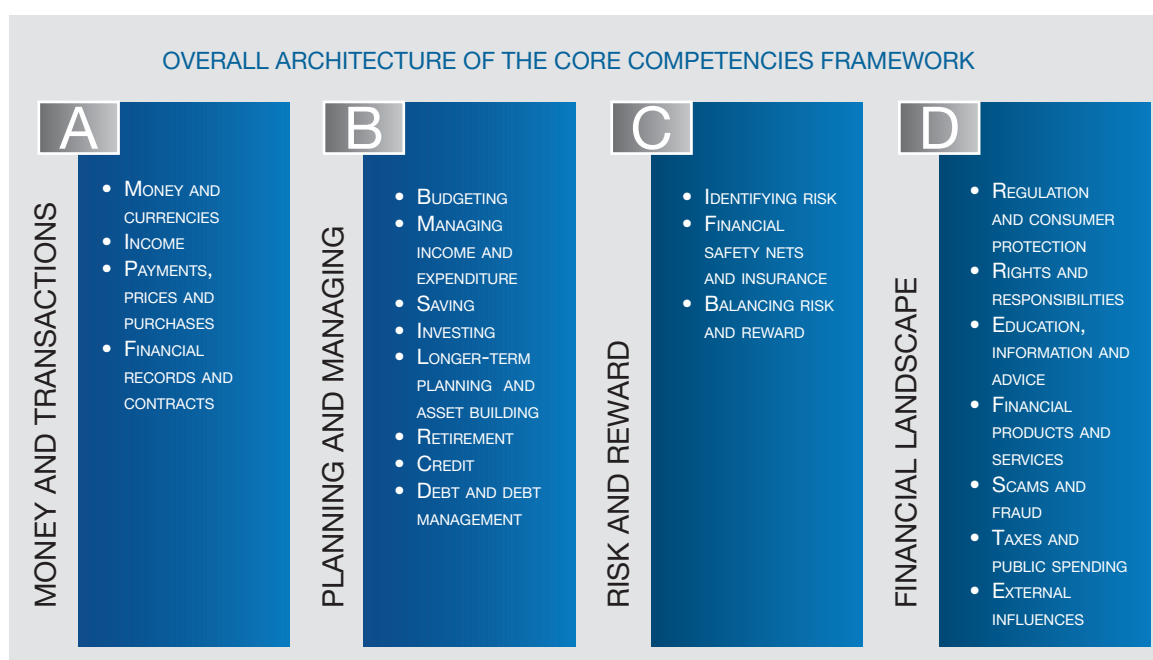
HOW TO READ THE FRAMEWORK

The framework should be read by content area and topic (such as *Money and Transactions: Money*). Competencies in the same row indicate the knowledge, behaviour and attitudes related to the same topic, but there is no expectation that they develop simultaneously or sequentially, or that they are equally easy or difficult to attain.

The underpinning competencies described at the beginning of each content area are considered to be priorities. The remaining core competencies are then listed vertically according to their typical level of importance, as agreed by OECD/INFE experts (those competencies considered to be highly important are listed first). Stakeholders are free to apply the framework flexibly, applying a different order of priority depending on local specificities.

Stakeholders focused on a specific topic, such as the use of credit, are encouraged to examine the whole framework before applying it in their work, as it is quite possible that some relevant competencies overlapped with other topics and are included elsewhere in the document.

Programme designers and evaluators reading the core competencies may find it helpful to pose the questions: “How can we help people to develop this competency”- and – “How do we know whether a person has this competency?” as they read.



A Money and transactions

This content area covers core competencies relating to factors such as the different forms and purposes of money and its uses, income generation and management, comparison shopping, payments, and the importance of financial records and contracts.

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
I.	Underpinning competencies		
MONEY AND CURRENCIES	<p>Aware that money can take different forms (including digital ones) and knows what these are</p> <p>Understands that the purchasing power of money can vary over time</p>	<p>Takes care of money in all its forms</p> <p>Seeks ways to manage the impact of inflation on money held</p>	<p>Motivated to make personal choices about the use of money that can enhance financial well-being</p> <p>Recognises that personal well-being is made up of a variety of factors including those that are not related to money</p>
	Core competencies		
	<p>Understands the relationship between various payment methods (including vouchers, coupons, pre-paid cards, debit cards or online payment facilities where relevant) and money</p> <p>Knows how to safely transfer money to other individuals or entities</p>	<p>Takes into account the relative advantages and disadvantages of different forms of money when choosing which to use</p>	
	<p>Understands the meaning of legal tender</p> <p>Knows how to identify genuine notes and coins and knows what to do if counterfeit money is found</p> <p>Aware that currencies or specific notes and coins may become obsolete over time and knows how to exchange them if relevant</p>	<p>Takes appropriate action if notes or coins are thought to be counterfeit</p> <p>Exchanges obsolete notes and coins for new ones within the specified time</p>	
	<p>Knows</p> <ul style="list-style-type: none"> how to apply exchange rates to convert amounts into different currencies that transaction fees, commission and exchange rates vary across time and providers <p>Understands the impact of changing exchange rates on remittances, foreign travel or purchases</p>	<p>Uses an appropriate method to convert prices in foreign currencies to a familiar currency</p> <p>Takes into account fees and the exchange rate when deciding how to remit or exchange money</p>	<p>Confident to handle transactions in different currencies when necessary</p>
	<p>Aware that money means different things to different people</p>		

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
II.	Underpinning competencies		
INCOME	<p>Knows about the sources of earned and unearned income, including government benefits, that are available and the requirements for receiving them</p>	<p>Assesses current income needs</p> <p>Seeks ways to gain sufficient income to at least pay current living expenses</p> <p>Maximises use of personal income</p>	<p>Comfortable discussing income with others when necessary</p>
	Core competencies		
	<p>Aware of reasons why an individual's net income may fluctuate</p> <p>Can identify legal ways to increase income if necessary</p>		<p>Motivated to find a way to receive sufficient income to achieve required standard of living today and in the future</p>
	<p>Understands</p> <ul style="list-style-type: none"> the entries on a payslip and statement of income the importance of keeping a record of income the difference between gross and net income how to work out net income over different periods 	<p>Checks</p> <ul style="list-style-type: none"> payslips and income statements and files them for future reference actual income against expected income and seeks to identify the cause of any discrepancies <p>Uses gross or net income as appropriate when making decisions</p>	
	<p>Understands that some automatic deductions from pay may be building assets and others may be paying expenses</p>	<p>Takes into account the full pay package, including contributions to savings or insurance where relevant, when comparing current income to alternatives</p>	
	<p>Understands how income can be earned from assets or investments</p> <p>Aware that few people have an earned income in old age and recognises the importance of ensuring an alternative income source</p>	<p>Makes a realistic assessment of likely future income</p> <p>Sets aside some income for retirement</p>	
	<p>Aware of potential work and career paths, including entrepreneurship, and how these may impact on income levels</p>	<p>Takes practical steps to pursue a career choice or business idea, if relevant</p>	<p>Confident to</p> <ul style="list-style-type: none"> pursue a career choice or business idea consider a job change, if relevant

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
III.	Underpinning competencies		
PAYMENTS, PRICES AND PURCHASES	<p>Knows</p> <ul style="list-style-type: none"> how to calculate and interpret meaningful unit prices of purchases, where relevant that the same goods or services may be priced differently by different vendors, at different times or in different locations that there are often substitutes for products [in some case including second-hand ones] and services that may cost less than the one originally identified 	<p>Compares the price of similar goods from different providers when practical</p> <p>Seeks to buy goods and services at a fair price</p>	<p>Confident to</p> <ul style="list-style-type: none"> negotiate a fair price say no to a sales offer that is unsatisfactory or unwanted
	Core competencies		
	<p>Knows how to assess the potential risk and benefits of different payment methods</p> <p>Aware that</p> <ul style="list-style-type: none"> some methods of payment are a form of borrowing and understands how this will affect the overall price paid different types of transaction have different implications for cash-flow <p>Recognises opportunities for making transactions using relevant technology</p>	<p>Uses an appropriate method for making payments, taking into account the overall cost of the method chosen</p>	
	<p>Understands that mistakes can be made when making payments and purchases, and knows how to spot them on invoices, bills and receipts</p> <p>Knows that some receipts should be kept as evidence of a purchase</p>	<p>Checks</p> <ul style="list-style-type: none"> payment details, receipts and change invoices and bills where relevant <p>Requests a receipt if not provided</p> <p>Keeps receipts and other relevant documents related to important purchases</p> <p>Keeps track of all money paid out or spent</p>	<p>Confident to double check when it appears that a mistake has been made with a payment or purchase</p>

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
	<p>Recognises that adverts, special offers and the media can have a powerful impact on the perceived desirability of particular purchases</p> <p>Understands that money spent on one thing is not available for something else [the concept of opportunity cost]</p>	<p>Develops strategies to minimise unintended consequences of advertising and social pressure, such as overspending</p> <p>Takes steps to make informed purchases</p> <p>Considers the overall value [or utility] of a potential purchase as well as its ticket price</p>	<p>Confident to resist pressure to make unplanned purchases</p>
	<p>Knows</p> <ul style="list-style-type: none"> that the actual cost of a good or service may depend on factors such as taxes or exchange rates how to calculate the final consumer price where this is not stated on the price ticket of an item how inflation and deflation can affect the future price of goods and services 	<p>Calculates or estimates the final price of a good or service</p> <p>Makes an informed decision about whether to make large purchases immediately or in the future</p>	<p>Confident to apply knowledge of factors such as inflation and exchange rates when making a decision about whether to delay a purchase</p>
	<p>Understands that purchase decisions should take into account the affordability of the prospective costs rather than past expenditure [applying the concept of sunk cost]</p> <p>Knows that some purchases may incur ongoing costs such as maintenance or storage</p>	<p>Takes into account long-term implications of subscriptions and other purchases requiring repeated payments</p> <p>Makes an informed decision about the overall impact of options to spread payments over time</p> <p>Makes any ongoing payments as agreed</p>	
IV.	Underpinning competencies		
FINANCIAL RECORDS AND CONTRACTS	Understands the implications of signing a contract with a financial service provider	Confirms understanding of the legal and financial terms and implications of a contract before signing	Willing to ask for advice before signing a contract
	Core competencies		
	<p>Aware of the importance of keeping certain documents in a place where they can be referred to if necessary</p>	<p>Checks financial records and contracts before filing them in an orderly and accessible way</p> <p>Queries uncertainties relating to financial records and contracts and asks for any errors to be corrected</p> <p>Asks for financial records and written contracts when not provided</p>	

B Planning and managing finances

Planning and managing finances incorporates day to day financial planning competencies relating to creating and using a budget and managing income and expenditure, as well as longer term planning competencies such as saving, investing and making long-term plans. Specific core competencies related to retirement, credit use and debt management are also included.

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
I.	Underpinning competencies		
BUDGETING	<p>Knows</p> <ul style="list-style-type: none"> what a budget is how to create a budget how to calculate how much money is available to save and spend <p>Understands why it is beneficial to create and follow a budget</p>	<p>Creates a regular budget [in discussion with others if relevant], using appropriate tools if available</p> <p>Uses a budget to plan income, saving and expenditure</p>	<p>Motivated to take time to create and follow a budget as a strategy for maintaining or increasing financial well-being</p>
	Core competencies		
	<p>Knows how to monitor income and expenses</p> <p>Aware that when using a formal financial product, transactions may have occurred since a paper-based or electronic financial statement was prepared</p>	<p>Takes into account regular, irregular and changing income and commitments when creating a budget</p> <p>Takes steps to follow a budget</p> <p>Tracks expenses and expenditure as part of the budgeting process</p> <p>Compares actual expenses against budgeted amounts and makes adjustments where necessary</p> <p>Makes budget adjustments in the face of an unexpected expense or unexpected reduction in income</p>	<p>Motivated to consider the overall budget when making spending decisions</p>
	<p>Knows how to</p> <ul style="list-style-type: none"> incorporate occasional expenses such as gifts, donations or holidays into a budget and allowance for discretionary spending when feasible make adjustments to a budget when necessary <p>Understands why it is important to take into account the medium and longer-term perspectives when budgeting</p>	<p>Identifies “needs” and “wants” and prioritises as necessary</p> <p>Reassesses a budget when a shortfall is anticipated or forecast</p>	<p>Motivated to look beyond immediate needs and wants when budgeting to prepare for longer-term requirements</p> <p>Confident to adjust a budget if necessary</p>

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
II.	Underpinning competencies		
MANAGING INCOME AND EXPENDITURE	<p>Understands why it is important to actively manage money and not just monitor income and expenditure</p>	<p>Calculates or takes note of net income</p> <p>Distinguishes between fixed and variable expenditure</p> <p>Treats essential spending as a higher priority than discretionary spending</p> <p>Monitors income and expenditure and makes adjustments when necessary</p>	<p>Confident to</p> <ul style="list-style-type: none"> make independent decisions about income and expenditure set personal priorities in terms of essential and discretionary expenditure
	Core competencies		
	<p>Understands the importance of planning for irregular expenses</p> <p>Can identify options for paying unexpected expenses</p> <p>Knows how much money would be needed to cover expenses in the event of a loss of income</p>	<p>Puts money aside for irregular expenses that cannot be paid from current income</p> <p>Seeks ways of adjusting income or expenditure as necessary</p> <p>Makes longer-term plans to minimise or reduce very large essential expenses when these impact on standard of living</p>	
	<p>Knows that different life stages and particular personal or household events may affect income and expenditure</p> <p>Aware that family, community and socio-cultural values and customs can influence the way in which people manage their money</p>	<p>Keeps any business income and expenditure separate from that of the household</p>	<p>Accepts the responsibility of managing individual [and possibly household] finances</p> <p>Comfortable discussing planning and managing finances with significant others</p> <p>Confident to act on behalf of others to manage their financial affairs if given the legal responsibility to do so</p>
		<p>Makes informed decisions about the use of exceptional income and assets received such as gifts, prizes or inheritance</p>	

		A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
III.		Underpinning competencies		
SAVING		Understands <ul style="list-style-type: none"> the benefits of having savings goals and a plan to achieve them the benefits of starting to save as soon as possible and saving regularly the concept of treating personal saving as a financial commitment: sometimes described as “pay yourself first” 	Identifies a specific savings goal with a time frame and an approach to achieve it Strives to save each time income is received Prioritises saving ahead of some forms of discretionary spending Takes steps to have emergency savings to manage financial shocks	Believes it is possible to achieve one’s savings goals Confident to set own savings targets based on realistic aspirations Sees saving as a basic component of a household budget Motivated to prioritise savings over some forms of discretionary spending
		Core competencies		
		Understands the benefit of having <ul style="list-style-type: none"> emergency savings to cover financial shocks some savings in a highly accessible or liquid form 		Values the additional financial resilience created through saving Satisfied with current savings buffer or motivated to increase it
		Knows how to assess the security of different savings methods	Takes precautions to keep saved money safe Takes care to consider the real interest rate on savings held	
		Understands the impact of compound interest on savings and the savings methods that make this possible	Continues to save even in a low interest rate environment	
		Knows <ul style="list-style-type: none"> about the different savings options available [or can find out easily] that different savings products may offer different combinations of fees, interest rates and tax relief where to access suitable savings products Understands that the choice of a particular savings or investing option may partly depend on the anticipated time horizon for reaching a savings goal	Researches potential saving options Monitors the growth of savings and makes adjustments if necessary	

		A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
IV.	Underpinning competencies			
INVESTING	Knows the difference between saving and investing Aware that some forms of investment are more liquid than others Knows that the value of an investment may increase or decrease	Creates a liquid savings reserve before contemplating investing	Confident to consider whether specific goals can be met by investing	
	Core competencies			
	Knows the characteristics of various investment options including levels of risk and potential return [or can find out easily] Understands the benefits of holding a diversified portfolio of investments Knows why it is important to consider overall asset allocation when investing Aware of the additional risks of making uninformed investment decisions Understands basic investing concepts such as risk tolerance, investment horizon, investment objectives	Researches potential investments Makes a decision that is consistent with risk tolerance, objectives and time horizon Creates a diversified portfolio Monitors investments periodically and makes adjustments as necessary	Confident to <ul style="list-style-type: none">undertake research on potential investments before committingmake investment decisions alone or with helpquestion investment offers that appear too good to be true	
	Has some knowledge about how to create an investment portfolio or how to ask for tailored advice			
	Knows <ul style="list-style-type: none">that fees, commission and other charges may be made for investment products and serviceshow changes in inflation, interest rates and/or exchange rates may impact on longer-term planshow to calculate the proportionate increase or decrease of the value of an investment Understands the difference between potential (unrealised) and realised losses or gains	Undertakes relevant calculations when monitoring and managing investments		

A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
Knows that investment products such as pensions, life assurance policies, endowments or unit trusts may be designed to combine various investments		Motivated to research the range of investments incorporated in investment products held such as pensions, life assurance policies, endowments or unit trusts in order to take both a financial and ethical decision on their suitability
<p>Understands that the same stock or fund can have a different purchase price on different days</p> <p>Aware that an individual share price can increase or decrease regardless of reported changes in the stock market as a whole</p>	Takes into account the costs of investing, including exit costs, before making a decision	
Aware that the value of investments in material goods such as gold may increase or decrease as a result of a range of factors	Keeps an eye on changes in the price of goods held as investment	
Aware that human characteristics such as emotions can impact on investing decisions in unanticipated ways	Takes steps to make informed decisions and control emotional responses when making investment decisions	

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
V.	Underpinning competencies		
LONGER-TERM PLANNING AND ASSET BUILDING	Understands the importance of having an eye on the longer-term even when short-term needs are pressing	Makes financial plans for future positive and negative life events that are likely to have financial consequences	Values long-term financial planning as a way of maintaining or increasing financial well-being Confident to make changes to longer-term financial plans if necessary
	Core competencies		
	Understands that long-term planning may require different types of financial product from those used for emergency savings	Makes timely decisions when planning for the longer-term Identifies strategies to <ul style="list-style-type: none"> • take action [overcome procrastination] when making longer-term plans • balance immediate needs and wants with longer-term plans • achieve longer-term financial goals 	
	Recognises that the actions needed to achieve longer-term plans may need adjusting over time	Monitors the changing value of investments, assets and liabilities Takes into account <ul style="list-style-type: none"> • predictable fluctuations in income and expenditure when making longer-term plans • all [personal and household] assets and liabilities when considering longer-term needs • the possibility that family or community members will need financial support in the longer-term 	Confident to put plans into action Appreciates when plans come to fruition
	Understands the importance of making plans for the end of life including considering the financial requirements of dependents and making decisions about how outstanding costs, debts and assets should be distributed [writing a will, where relevant]	Puts plans in place to cover current living expenses for dependents and arrange for the distribution of outstanding costs, debts and assets at the end of life, and checks these from time to time	Motivated to consider the longer-term financial needs of dependents

VI.

RETIREMENT

A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
Underpinning competencies		
Understands why <ul style="list-style-type: none"> it is important to consider ways of ensuring financial security beyond working age people are encouraged to save for retirement from a young age 	Makes plans to achieve financial security beyond working age Takes into account all likely relevant resources and commitments when planning for retirement	Takes a positive attitude towards life in retirement
Core competencies		
Knows who is entitled to a state pension [where this exists], and how much it is Has a good understanding of the main types of pension available nationally	Seeks to benefit from incentive schemes to encourage retirement saving such as employer matching and tax advantages when possible	
Understands that it is important to plan the decumulation phase of retirement as well as the accumulation phase Aware of the <ul style="list-style-type: none"> main options for drawing an income from a pension product at retirement risks of drawing money from retirement savings or borrowing against them before retirement 	Follows retirement plan and makes adjustments as necessary in order to achieve required income in old age Makes active decisions to manage savings decumulation during retirement [where relevant] [For older adults] Considers whether expenditure is likely to increase or decrease through retirement and plans accordingly	Confident to plan for retirement Appreciates the importance of balancing current standard of living and spending choices with goal of achieving improved financial choices later in life
Knows <ul style="list-style-type: none"> the difference between optional and compulsory retirement savings that [in some jurisdictions] people may be automatically enrolled into a pension whether opt-out is possible [where relevant] 	Considers the impact of nudges such as opt-out pensions or compulsory minimum contributions on retirement saving	

VII.	CREDIT	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
		Underpinning competencies		
		Understands the <ul style="list-style-type: none"> implications of a credit commitment on future disposable income importance of assessing ability to repay before borrowing money Knows or can easily research <ul style="list-style-type: none"> the different types of credit available (including credit cards and mortgage products, where relevant) the intended use of different types of credit the main advantages and disadvantages of each one 	Uses credit only when necessary and after considering the consequences Makes timely repayments on all credit commitments [unless personal circumstances deteriorate]	Motivated to <ul style="list-style-type: none"> consider the consequences of accessing credit before making a decision seek alternatives to borrowing Confident to choose a suitable credit provider and product when necessary
		Core competencies		
		Understands the relevance of trying to pay more than the minimum balance on flexible credit commitments Aware of the risks of repeat use of rotating credit facilities	Repays the maximum possible [taking into account budget constraints] on short term credit or rotating commitments Considers the overall financial benefit of repaying credit early [where relevant] and takes an informed decision about doing so when funds allow Makes decisions to borrow and manages any credit commitments within a budget Assesses the total cost of credit and the likelihood of being able to pay it back before making any decision to borrow money	Confident to manage credit commitments
		Can differentiate between the use of credit to generate or increase future income or wealth and the use of credit for consumption	Takes into account the potential to generate or increase future income or wealth when deciding whether to borrow	
		Aware of the potential negative consequences of borrowing to meet a shortfall in current income Knows <ul style="list-style-type: none"> whether or not a loan is secured against an asset, and can assess the benefits and disadvantages of using such a loan 	Chooses credit products carefully [once the decision has been made to borrow], taking into account factors such as the interest rate, overall cost and flexibility as well as the amount to be paid on regular repayments	

A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
<ul style="list-style-type: none"> • why it is important to be aware of the current interest rate on credit and whether that rate is fixed or variable <p>Understands</p> <ul style="list-style-type: none"> • the impact of compound interest on credit • the importance of knowing how long the repayment period will be and whether it is fixed • the risks and benefits of using different kinds of credit providers • the difference between formal and informal credit providers <p>Aware of the specific issues of taking credit in a foreign currency [where relevant]</p>	<p>Assesses the risks, benefits and potential consequences of using a particular credit provider</p>	
<p>Understands that the total amount of money available to spend in a bank account may include an agreed overdraft facility</p> <p>Knows that an overdraft is a form of credit that may incur costs and must be repaid</p>	<p>Has the goal of keeping a positive bank balance as part of following a budget</p>	
<p>Aware that</p> <ul style="list-style-type: none"> • marketing and simplified lending processes can increase the temptation to access credit without considering the consequences • some vendors offer credit to incentivise buyers to make a purchase or spend more than originally planned and/or to increase future custom • credit offers that are initially interest free may incur interest in the future • all options to 'buy now, pay later' [including basic utilities in many instances] are a form of credit 	<p>Takes into account the cost of credit as well as the cost of the item when making a decision to buy an item on credit</p> <p>Carefully considers the likelihood that interest free credit can be repaid in full before the end of the interest free period and the consequences of not doing so</p>	<p>Confident to decline unwanted credit that is offered with a purchase</p>

A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
<p>Aware that</p> <ul style="list-style-type: none"> income such as bonuses, windfalls or gifts may not be taken into account when calculating disposable income for credit purposes credit provides may seek information about a borrower's ability to repay and that this may include accessing a credit score collected by a third party a positive credit score can increase the likelihood of accessing credit and reduce the cost of credit the methods used to create credit scores may change over time providers may react differently to the information contained in a credit score <p>Knows</p> <ul style="list-style-type: none"> what factors are taken into account in a credit score how to access information on personal credit score and who to speak to in case of discrepancies 	<p>Asks which information is being used to assess ability to repay credit</p> <p>Takes into account the ways in which certain actions and behaviours will impact on a credit score [including actions monitored through big data where relevant]</p> <p>Takes steps to improve credit score if necessary</p>	
<p>Aware that some credit providers may require a guarantor to cover credit payments in the event of default</p> <p>Understands the social and financial implications of asking someone to become a guarantor and the responsibility it brings when credit repayments are not made</p>	<p>Takes into account the social and financial implications of asking someone to be a guarantor</p>	
<p>Aware that it may be possible to renegotiate a credit agreement</p>	<p>Takes steps to stay informed about market changes when repaying credit and considers renegotiating unfavourable or unaffordable arrangements</p>	

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
VIII.	Underpinning competencies		
DEBT AND DEBT MANAGEMENT	<p>Understands the potential burden of being indebted</p> <p>Recognises the relationship between current debt levels and financial well-being now and in the future</p> <p>Knows where to go for help to reduce debt burden [when necessary]</p>	<p>Takes early action to avoid or minimise debt problems</p>	<p>Motivated to resolve issues related to credit before debt becomes a burden</p>
	Core competencies		
	<p>Knows how to manage debt repayments</p> <p>Understands that</p> <ul style="list-style-type: none"> debts can accrue from unpaid bills as well as from the use of credit there is usually an additional cost incurred for late payment of bills and credit 	<p>Prioritises bills and credit repayments over discretionary spending</p> <p>Takes steps to avoid falling behind with payments even if circumstances change</p>	<p>Accepts responsibility for debt and debt management</p>
	<p>Knows where to go for help in the case of problem debts</p> <p>Understands</p> <ul style="list-style-type: none"> that certain debts may have to be prioritised over others if they become unmanageable the implications of failing to repay secured credit that consumers have rights and responsibilities when managing debt 	<p>Informs creditors before the due date of a repayment if it is impossible to pay</p>	<p>Confident to speak to relevant parties to discuss debt management and repayments</p>
	<p>Understands</p> <ul style="list-style-type: none"> why it is important to manage the ratio of [household or individual] debt to income the implications on credit scores of failing to pay debts 	<p>Makes an informed decision before accessing additional credit to repay current debts</p>	

C Risk and reward

This content area includes core competencies relating to identifying risk, creating financial safety nets and balancing risk and reward. It covers the risks inherent in certain financial products, and other kinds of risk that may impact on personal and household financial well-being such as damage caused by flooding or earthquakes or the loss of household income through ill-health, disability or death of a family member.

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
I.	Underpinning competencies		
IDENTIFYING RISKS	<p>Aware of risks in a financial context, including those inherent in products and those that can be insured against</p> <p>Aware that certain risks can be reduced through positive actions</p>	<p>Considers the risks of significant external issues that may impact on personal financial well-being [including for example environmental, health-related, science, security or economic factors]</p>	<p>Motivated to identify own risk tolerance</p> <p>Confident to make own assessment of risks without being unduly influenced by marketing or news items [avoiding availability bias]</p>
	Core competencies		
	<p>Aware of the</p> <ul style="list-style-type: none"> financial implication of longevity risk of being reliant on the income received by other people potential for political, economic and financial uncertainty to affect investment portfolios ways in which external shocks [such as extreme weather, catastrophes or terrorism] may have a financial impact <p>Knows</p> <ul style="list-style-type: none"> that there may be a large financial risk to being uninsured for large cost events why it is important to insure against low probability, high cost events <p>Aware of the (possible) risks related to financial products, including</p> <ul style="list-style-type: none"> making inappropriate product choices using variable interest rate products committing to fixed interest rates in a variable interest rate environment. taking out products in foreign currencies 	<p>Assesses the financial risks associated with personal decisions and life choices</p> <p>Considers the risks of significant projects or purchases</p> <p>Takes into account</p> <ul style="list-style-type: none"> the risk of changes in circumstance including job loss or increased outgoings the risk of losing some or all household income through ill-health, disability or death of a family member the risks associated with different financial products 	<p>Motivated to mitigate risks when necessary</p> <p>Confident to make considered decisions when risks become apparent</p>
	<p>Aware of the availability of data and other information that may help in the assessment of risks</p>	<p>Applies knowledge and available information to assess risks</p>	<p>Motivated to understand available information, including statistics when considering risks</p>

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
II.	Underpinning competencies		
FINANCIAL SAFETY NETS AND INSURANCE	<p>Knows how to</p> <ul style="list-style-type: none"> create a financial safety net such as rainy day savings calculate how long it will take to build a safety net that could cover three month's income <p>Understands the role of insurance in managing risk</p>	<p>Has a financial safety net, or a plan to create one</p>	<p>Motivated to</p> <ul style="list-style-type: none"> create a financial safety net purchase insurance against adverse events or outcomes with a financial consequence [where relevant]
	Core competencies		
	<p>Understands</p> <ul style="list-style-type: none"> that some financial risks can be managed without insurance the implications of being uninsured or over-insured <p>Knows</p> <ul style="list-style-type: none"> when insurance is a legal obligation which insurance products are designed for which situations 	<p>Considers the benefits of insurance when risks have been identified</p> <p>Uses appropriate insurance products</p> <p>Periodically checks that insurance held is still providing adequate cover</p> <p>Claims on the appropriate insurance if necessary</p>	
	<p>Knows the circumstances under which the government will support individuals or households in financial difficulty</p>	<p>Builds and maintains an adequate financial safety net through savings and other financial products as necessary</p>	
III.	Underpinning competencies		
BALANCING RISK AND REWARD	<p>Knows that if there is a high chance of making money on an investment there is also likely to be a high chance of losing money</p>	<p>Identifies the potential financial risks and rewards related to a decision that needs to be made</p>	<p>Cautious about being attracted to high rewards without first taking into account the associated risks.</p>
	Core competencies		
	<p>Understands the</p> <ul style="list-style-type: none"> relationship between risk and potential reward purpose of investment diversification 	<p>Compares the risk and reward of different financial products</p> <p>Takes into account the need for asset growth and financial security when considering the risk of investment</p> <p>Considers the risk of using credit for discretionary spending</p>	

D Financial landscape

Financial landscape relates to the characteristics and features of the financial world. It covers the overarching framework of regulation and consumer protection, as well as rights and responsibilities and the use of education, information and advice. Financial products and services are also flagged as a specific topic within this content area, highlighting the core competencies required to make appropriate choices. Other topics include awareness of - and protection from - scams and fraud, understanding of taxes and public spending and the impact of external factors on personal financial security or well-being.

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
I.	Underpinning competencies		
REGULATION AND CONSUMER PROTECTION	Understands the roles of relevant financial regulators and financial authorities Knows that financial service providers have a duty to treat consumers fairly	Checks that a financial service provider is covered by relevant regulation, supervision and [where relevant] insurance before buying a product	Motivated to choose appropriate, trustworthy financial service providers
	Core competencies		
	Knows about deposit insurance funds, the amounts that are covered and the limitations of such insurance Aware that some financial products and services may be informal and unregulated	Takes note of <ul style="list-style-type: none"> information about financial service providers that have contravened regulation or treated consumers unfairly changes to financial regulation and consumer protection and their potential impact 	
	Aware of redress mechanisms for unsatisfactory service or products Knows how to complain about financial products and services to a relevant body	Makes a complaint to the relevant body when necessary	Confident to make a judgment on the level of service and protection provided by a financial service provider Prepared to seek redress if things go wrong
II.	Understands that some aspects of consumer protection rely on the consumer taking note of information provided	Keeps statements and contracts, and records conversations and actions relating to potential maltreatment from financial service providers	
	Underpinning competencies		
	Knows that financial consumers have rights and responsibilities	Takes into account individual rights and responsibilities as a financial consumer	Values the rights of financial consumers
	Core competencies		
	Knows and understands the rights and responsibilities of financial consumers	Reads the small print when choosing financial products Informs financial service providers of changes in circumstance where relevant or contractually obliged to do so	

III. EDUCATION, INFORMATION AND ADVICE	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
	Knows and understands the rights and responsibilities of consumers who fail to pay specific bills, including taxes and utilities	Ensures that creditors are aware of all relevant factors that may impact repayments Applies for help to pay or defer specific bills in times of need [where available]	
	Understands the responsibilities of a guarantor	Makes an informed decision about agreeing to accept the responsibility of being a guarantor in order for someone to obtain a loan or rent a property	
	Underpinning competencies		
	Aware that <ul style="list-style-type: none"> there are various sources of information about financial products and services it is [usually] possible to access education or advice about financial matters some sources of education, information and advice may not be impartial 	Takes steps to be an informed consumer	Confident in own ability to recognise trustworthy sources of education, information and advice
	Core competencies		
	Knows that it is possible to improve an individual's financial literacy and financial well-being	Develops <ul style="list-style-type: none"> a habit of life-long learning to improve all aspects of financial literacy and financial well-being personal strategies and uses tools to minimise traits that impede financial well-being 	Motivated to learn and remember important facts and information about financial matters Confident to <ul style="list-style-type: none"> research financial matters and critically assess the information provided educate own children about money matters [where relevant]
	Knows where to find information on financial matters Aware <ul style="list-style-type: none"> of the role of independent financial advice and knows when it may be useful that advisors may have different opinions 	Makes use of tools designed to provide information or advice when making financial decisions Uses an independent source of financial information and advice when necessary	Confident <ul style="list-style-type: none"> to apply lessons learned previously when making new financial decisions to seek information or choose an independent financial advisor when necessary
	Aware of the benefit of talking about financial matters with a wide range of trusted individuals	Talks with trusted family and friends about money matters in an open and honest way Discusses relevant money issues when talking to professionals	Confident to <ul style="list-style-type: none"> talk with others about money matters draw a conclusion from varied suggestions or recommendations

IV.

FINANCIAL
PRODUCTS
AND
SERVICES

A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
Underpinning competencies		
<p>Aware of the different types of financial products and services available (including those delivered via digital means)</p> <p>Knows which features are the most important to consider when choosing financial products and services</p>	<p>Actively seeks information on the important features of a financial product when making a choice</p> <p>Chooses and uses appropriate financial products and services from among those available (which may include those delivered via digital means)</p>	<p>Confident to be able to make an informed decision about using a traditional or new type of financial product or service</p>
Core competencies		
<p>Knows whether there is a universal right to basic formal financial products or services</p>	<p>Periodically reassesses the suitability of financial products held</p> <p>Demands high quality financial products and services</p>	<p>Confident to</p> <ul style="list-style-type: none"> ask financial service providers questions about their products and services assess the level of trust that can be invested in a particular financial service provider negotiate terms with financial service providers when necessary
<p>Knows that the financial product or service that is appropriate for an individual depends on a number of personal [and household] factors which may include economic, cultural, ethical or religious preferences</p> <p>Aware</p> <ul style="list-style-type: none"> of financial service providers offering relevant products in the local area or online that some products are designed to meet cultural, ethical or religious criteria, such as shariah compliant products 	<p>Aims to choose financial products and services that are consistent with personal preferences</p>	
<p>Aware</p> <ul style="list-style-type: none"> that financial products [such as savings, credit, pensions or insurance depending on national circumstances] may be offered through non-financial organisations such as schools, employers, shops, religious groups or leisure clubs of the potential risks of using informal products [and ways of reducing these if necessary] 	<p>Takes note of relevant financial products and services offered through non-financial organisations and makes an informed decision about their suitability</p>	

V. SCAMS AND FRAUD	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
	<p>Conscious of the role of advertising in promoting certain types of financial product or service</p> <p>Knows that financial services may charge for their services in a variety of ways</p>	<p>Takes steps to make objective decisions about the value of an advertised financial product or service</p> <p>Takes into account the potential cost of redeeming financial products in the event of a change of circumstance</p> <p>Seeks advice or information about products and services that appear to be useful but complex</p>	<p>Motivated to</p> <ul style="list-style-type: none"> request better service or compensation in the event of dissatisfaction change providers in the event of poor service or uncompetitive prices
	Knows that financial services change and evolve over time		
	Underpinning competencies		
	<p>Knows</p> <ul style="list-style-type: none"> about the risks of financial scams and fraud how to spot signs that something or someone may not be genuine 	<p>Takes practical steps to keep all personal data, financial information, passwords and pin numbers secure</p>	<p>Confident to question whether communications, offers and recommendations may be fraudulent</p>
	Core competencies		
	<p>Understands the importance of keeping personal data, financial information, and security information (including passwords and pin numbers) secure</p>	<p>Stays informed about recent developments in terms of scams and fraud</p> <p>Makes an effort to scrutinise communications, offers and recommendations and consider whether they are genuine</p> <p>Speaks only to verified representatives of financial institutions</p>	<p>Accepts that a previous decision or action was made in error in the light of information suggesting a scam or fraud</p> <p>Motivated to learn how to avoid scams and fraud</p>
	Knows who to report suspected scams and frauds to	Reports suspected scams and frauds to the relevant bodies even if not personally a victim	Confident to say if it becomes apparent that a scam or fraud has taken place

	A) AWARENESS, KNOWLEDGE AND UNDERSTANDING	B) SKILLS AND BEHAVIOUR	C) CONFIDENCE, MOTIVATION AND ATTITUDES
VI.	Underpinning competencies		
TAXES AND PUBLIC SPENDING	Understands why taxes are collected and how they are used	Pays taxes and/or claims tax refunds as appropriate	Accepts that it is important to pay taxes owed
	Core competencies		
	Aware of current levels of basic taxes such as income tax and goods tax	Monitors personal obligations and rights in light of tax and public spending policies	
	Knows how to check tax obligations Aware of the existence of deferred tax obligations where relevant	Keeps in mind all tax obligations when budgeting and making longer-term plans	
	Aware of different tax treatments for various financial products held such as mortgages, pensions or savings	Takes into account tax treatments when choosing financial products	
VII.	Underpinning competencies		
EXTERNAL INFLUENCES	Understands how economic factors such as recession or high inflation can affect aspects of personal financial status and wealth	Follows news of events that may impact on personal financial security or well-being	Confident to make changes to financial plans as necessary in light of external factors
	Core competencies		
	Understands that changes to policies on issues such as state benefits, pension reforms or employment laws can have an impact on personal financial decisions and plans Knows which are the main bodies with an influence on the national economic and financial system	Makes changes to financial plans when necessary based on an assessment of the impact of external factors	

ANNEX: MAPPING EXISTING FRAMEWORKS

This Annex summarises the mapping exercise undertaken to inform the development of the core competencies framework on financial literacy for adults.

NATIONAL COMPETENCIES FRAMEWORKS ON FINANCIAL LITERACY

What is the purpose of these frameworks?

National core competencies frameworks for adults have been developed for a variety of reasons. Some are primarily designed as learning frameworks. In other cases, the frameworks appear to be more goal oriented - describing the outcomes that would benefit individuals.

The Armenian framework, for example, seeks to create a baseline for development and implementation of financial education programmes. In the Netherlands, Nibud has created a document summarising the competencies that form the basis of the work on financial literacy, which is also intended to be used to inform measurement and evaluation. Some are designed with several purposes in mind: for example, the Investor Education Centre in Hong Kong, China recognises that a framework can also improve clarity and visibility of financial literacy issues amongst the wider community and help to identify potential gaps in current provision.

Which content and competencies are defined in existing frameworks?

The OECD/INFE youth framework (and the OECD PISA Financial Literacy Assessment Framework which provided the original structure) organises competencies across for content categories: 'money and transactions', 'planning and managing finances', 'risk and reward' or 'the financial landscape'. Other frameworks use similar categories but arranged in a variety of ways – for example the Netherlands look at keeping track; sensible spending; looking ahead; choosing financial products deliberately; possessing sufficient knowledge. In some countries the focus is primarily on content that maps to a subset of categories used in the youth framework: for example Japan talks about family budget management, life planning, understanding, selection and use of products and appropriate use of outside expertise which primarily map to planning and managing finances and the financial landscape.

Drawing on the OECD definitions for financial education and financial literacy, the youth framework considers the following three competency categories:

- awareness, knowledge and understanding;
- confidence, motivation and attitudes; and
- skills and behaviour.

These categories are also widely used to describe the different aspects of financial literacy and develop measurement tools. For example, the results of the OECD/INFE measurement exercise are reported according to the three categories; the Armenian framework categorises competencies as knowledge, skills, attitude and behaviour; Hong Kong, China describes components as knowledge and skills, attitudes, motivations and behaviours and South Africa's framework looks at characteristics and traits; knowledge and attitude and behaviour.

How are the core competencies presented?

As noted when developing the youth framework, a comprehensive framework can be difficult to represent in a readable way. The additional content required for adults increases this challenge; although existing frameworks highlight ways of finding a compromise. The majority of frameworks and national strategy documents tabulate information about core competencies. The 2013 New Zealand financial literacy framework, for example, describes adult competencies in terms of skills, knowledge and understanding in a tabulated format and then provides illustrations and information about any underpinning numeracy skills that are considered necessary.

Nibud in the Netherlands and both the US Assets for Independence resource centre and the US Institute for Financial Literacy reflect the various core competencies using simple bullet point lists under key headings.

In Ireland, an innovative, interactive online learning framework is available, and made accessible to a larger range of learners through the provision of audio as well as text. This framework combines exercises for adult learners with an overview of financial matters.

Indicating progression

The youth framework describes foundational outcomes ❶, ❷, ❸ and recommends that the framework is first read horizontally, in order to understand how the competencies may develop. It may be more challenging to acquire the competencies in foundational outcome ❸ than those in foundational outcome ❶, and it may be impossible to achieve them without first acquiring those in the previous columns.

A similar approach has been used on some adult competency frameworks. The Singaporean MoneySENSE framework for adults uses a two dimensional conceptualisation of five capabilities across three tiers of content. The tiers are arranged in increasing complexity, from basic money management, through financial planning to investment know-how. The adult financial capability framework developed by the UK Basic Skills Agency looks at basic, developing and extending levels of competencies; whilst the South African framework looks across three categories of financial planning and then incorporates a section dedicated to ‘increasing mastery over personal finances’.

Most frameworks cover content that can be categorised as ‘money and transactions’, ‘planning and managing finances’, ‘risk and reward’ or ‘the financial landscape’ (the descriptions used in PISA and in this document). Some also incorporate topics that more typically reflect the content of economics or business curricula. Entrepreneurship is also included as a framework area or content category in countries such as Australia, Japan (through career education), Scotland (UK), and South Africa.

Target groups and life stages

The range of competencies needed by different adults is likely to vary depending on their circumstances, experiences and preferences. Some frameworks take this into account when presenting core competencies.

Target groups

Some adult frameworks focus on specific target groups. The frameworks listed in the Annex Table include those targeted at vulnerable groups such as adults with low levels of basic skills.

Life stages

National strategies for financial education often take a life stage approach to addressing financial literacy or organising resources. Examples include Australia; Hong Kong, China and the United States (see the OECD/INFE Policy Handbook on National Strategies for Financial Education for further information). Typical life stages mentioned in national strategy documents include living independently, the arrival of a first child, promotion and retirement. Certain negative life stages are also relevant, such as job loss, divorce or widowhood.

The frameworks listed in the Annex Table do not highlight the core competencies required at different life stages, with the exception of those that cover different age groups, such as youth and adults; however the United Kingdom has developed separate outcomes frameworks for parents and teachers (www.fincap.org.uk/outcome-framework).

TABLE. CORE COMPETENCIES FRAMEWORKS FOR ADULTS AND RELATED DOCUMENTS

Country	Institution	Title	Target	Year
Armenia	Central Bank of Armenia www.cba.am	The Financial Competency Matrix for Adults	Adults	2014
Czech Republic	Ministry of Finance www.mfcr.cz ; www.psfv.cz	Financial Literacy Standards	Adults and secondary school students	2007
Hong Kong, China	Investor Education Centre www.hkiec.hk	Hong Kong Financial Competency Framework	All	2015
Ireland	National Steering Group on Financial Education www.nala.ie	Financial Competencies Framework	Adults	2009
India	Reserve Bank of India (RBI) & National Centre for Financial Education (NCFE) www.rbi.org.in	Financial Literacy Guide	Adults	2013
India	RBI and NCFE rbidocs.rbi.org.in	Financial Literacy for people newly introduced into the financial system	Recently included	2015
Japan	Committee for the Promotion of Financial Education www.shiruporuto.jp	Financial Literacy Map	All	2015 (2nd edition)
Netherlands	Nibud www.nibud.nl	Handling money properly: Backgrounds with the competences for financial empowerment	Adults	2012
New Zealand	CFFC www.cffc.org.nz	Financial Literacy Competency Framework (for Adults)	Adults	2013
New Zealand	CFFC www.cffc.org.nz	National Strategy for Financial Capability	All	2015
Portugal	Ministry of Education and National Council of Financial Supervisors www.todoscontam.pt	Core Competencies for Financial Education in Kindergarten, Basic Education, Secondary Education and Adult Learning and Training	All	2013
Portugal	Ministry of Economy and National Council of Financial Supervisors www.todoscontam.pt	Core Competencies for Financial Training of Micro, Small and Medium-sized enterprises	Entrepreneurs, business owners and managers	2016
Singapore	MoneySense ^a www.moneysense.gov.sg	MoneySENSE Core Financial Capabilities Framework	All	2012
South Africa	Financial Services Board www.fsb.co.za	Financial Competency Framework	Adults	2014
United Kingdom	Money Advice Service www.fincap.org.uk	Adults Outcomes Framework	Adults	2015
United States	Department for Health and Human Services (Assets for Independence program) idaresources.acf.hhs.gov	Core Competencies for Financial Education	Participants in the Assets for Independence program	2010
United States	U.S. Department of the Treasury www.mymoney.gov	MyMoney Five Principles	Adults	2011
United States	Consumer Financial Protection Bureau www.consumerfinance.gov	Financial Well-Being: The Goal of Financial Education	Adults	2015
European Union	Lifelong Learning Programme www.financial-literacy.eu	Financial Literacy Competences for Adult Learners	Adults	2012

^a MoneySENSE brings together industry and public sector initiatives.

ABOUT THE OECD AND ITS INTERNATIONAL NETWORK ON FINANCIAL EDUCATION

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve economic and social well-being of people around the world.

OECD governments officially recognised the importance of financial literacy in 2002 with the launch of a unique and comprehensive project. In 2008 the project was further enhanced through the creation of an International Network on Financial Education (INFE). The OECD/INFE has high-level membership from over 240 public institutions - including central banks, financial regulators and supervisors, ministries of finance and ministries of education - in over 110 countries. Members meet twice a year to share country and member experiences, discuss strategic priorities and develop policy responses.

The OECD/INFE develops methodologies, collects cross-comparable evidence, and undertakes policy analysis and research to create globally recognised policy instruments and support their implementation. It is currently focusing on the creation and implementation of national strategies, and on role of financial education for financial inclusion, micro, small and medium-sized enterprises (MSMEs) and long-term savings and investments (including retirement aspects), as well as undertaking work on core competencies, measurement and evaluation.

www.oecd.org/finance/financial-education

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G20/OECD INFE CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR ADULTS

This document contains an outcome-based core competencies framework on financial literacy for adults, developed by the OECD International Network on Financial Education (OECD/INFE) in response to a call from G20 Leaders in 2013.

It is a policy tool that highlights a range of financial literacy outcomes that may be considered to be universally relevant and important to sustain or improve financial well-being in everyday life. It describes the types of knowledge that adults aged 18 or over could benefit from, what they should be capable of doing and the behaviours that may help them to achieve financial well-being, as well as the attitudes and confidence that will support this process.

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