New Direction

ANALYSIS OF THE STATE OF FINANCIAL EDUCATION IN EU MEMBER STATES

Challenges and opportunities for the future

New Direction

Founded by Margaret Thatcher in 2009 as the intellectual hub of European Conservativism, New Direction has established academic networks across Europe and research partnerships throughout the world.

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REGISTERED OFFICE: Rue du Trône, 4, 1000 Brussels, Belgium. EXECUTIVE DIRECTOR: Witold de Chevilly.

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INTRODUCTION TO FINANCIAL EDUCATION IN THE EUROPEAN UNION

The European Union remains concerned about citizens' low confidence in the financial system, in investments and financial products, and the low perception of security. Therefore, at the end of 2009, the Commissioner for Internal Market and Services decided to present the action plan to enhance financial education in Europe.

"Given that European citizens have the freedom to save and invest, financial education of users should be encouraged so that they can make financial decisions for themselves, based on a sound knowledge of products and a clear analysis of the associated risks.

The lack of adequate consumer education and a recent recrudescence of the economic environment are spreading the savings culture, which ultimately plays a significant role in all of this. Financial education is key to the stability of the financial system and to the defence of consumers' interests, and is of course a fundamental factor in the smooth functioning of the Single Market".

Furthermore, the Vice-President and Commissioner stated that "The crisis has highlighted the importance of the development, implementation and use of financial products that regulate the economic risks of individuals, families, companies, entities and states, to ensure the well-being and growth of citizens" and stressed that at the heart of a reform should be the objective of increasing people's ability to make informed decisions, including individual financial literacy and education.

Overcoming these challenges requires a comprehensive approach that addresses the various dimensions of financial education. To achieve this, it is necessary to implement policies and programmes that promote financial inclusion, transparency and consumer protection. It is essential that citizens acquire basic financial skills early in life, so that they can make informed and responsible decisions regarding their personal finances.

In addition, it is essential to promote financial literacy among the most vulnerable citizens, such as young people, immigrants and people on low incomes. Lack of financial literacy can lead to further economic and social exclusion, and limit opportunities for development and prosperity.

In this regard, financial education programmes should be strengthened in schools and universities, as well as in workplaces and communities. This will enable citizens to acquire the necessary skills to make informed financial decisions and to assess the risks and benefits of different investment options.

In addition, outreach and awareness-raising initiatives should be promoted at national and European level to raise awareness of the importance of financial education and encourage responsible use of financial products and services. This may include information campaigns, educational materials and online tools that facilitate access to clear and understandable information on financial matters.

In conclusion, financial education plays a crucial role in strengthening citizens' trust in the financial system, protecting consumers and promoting economic stability. Significant efforts to improve the financial literacy of European citizens are essential to ensure a prosperous and secure future for all.

1.1. Definition and Key Concepts

Defining financial education is a complicated task, given the variety of forms it can take: a campaign to teach young people how to save, a TV programme to explain to citizens the different options for taking out car insurance, a corporate social responsibility action to inform customers about the products they buy, an advertising campaign to promote the use of a financial portal.

In order to understand this concept, it is first necessary to familiarise oneself with various terms related to "financial education" by reviewing and analysing studies. The two key concepts identified in the regulations in relation to "financial education" are based on the definition of personal finance: "it is the set of activities that seek to respond to the dual purpose of guaranteeing the best use of income and providing future periodic services that necessarily require a prior effort to anticipate, accumulate and manage savings". This definition includes two fundamental issues:

- the proper use of money, including the skills to manage money, invest it in the short, medium and long term, spend it responsibly and protect oneself against financial risks; and
- saving for future expenditure, which includes planning and preparing for income and expenditure over a lifetime or, in other words, financing life cycles or even life events.

1.2 Importance and Benefits

Nowadays, immersed in the so-called "Knowledge Society", financial education is a basic pillar to ensure economic and social stability and well-being, both now and in the future. In a situation of economic and financial crisis, where there is a snowball that has a negative impact on other aspects of the environment, there is therefore a vicious circle in a negative sense. Financial education, understood as "the body of knowledge, skills, attitudes and values needed to make responsible economic and financial decisions throughout life", is key to breaking this cycle.

Responsible financial decision-making involves acquiring the ability to analyse and evaluate alternatives, as well as to assume and control risks and consequences. Similarly, it will involve the development or acquisition of attitudes and habits of saving and planning, the ability to analyse financial products and be critical of advertising messages, as well as self-defence against possible fraud or misleading sales. In a general sense, and considering the importance of financial inclusion, financial education is key to the development of the economy and social welfare, and has a direct and indirect impact on many of the fundamental areas for the growth and stability of the economy and society, such as economic and social stability, providing the basis for making responsible economic and financial decisions that ensure the present and future welfare of the individual and the family.

Financial education also plays a key role in promoting social mobility and reducing economic inequality. Equipped with the necessary knowledge and skills, individuals can make informed and confident decisions to improve their financial situation. This translates into an increased ability to save, invest and manage available resources effectively.

In addition, financial education fosters a culture of entrepreneurship and innovation. By understanding financial concepts and having the necessary tools, people are better equipped to start and manage their own businesses. This not only drives economic growth, but also contributes to job creation and the development of new ideas and solutions.

Another relevant aspect of financial education is its influence on long-term decision-making. By having a good understanding of financial concepts, people can plan and prepare for future situations, such as retirement, buying a home or their children's education. This gives them security and peace of mind, as they know they are making responsible and well-informed financial decisions.

In short, financial education is not only important on a personal level, but also has a significant impact on the economy and society as a whole. It promotes economic stability, reduces inequality, fosters entrepreneurship and innovation, and helps people make responsible financial decisions throughout their lives. It is therefore essential to invest in financial education programmes and ensure that all people have access to the knowledge and tools they need to manage their finances properly. This investment will not only benefit individuals and families, but will also contribute to sustainable development and the well-being of communities and the country as a whole.

Adequate financial education results in numerous direct benefits for consumers and, indirectly, is also beneficial for the stability and reputation of the financial sector. Financial education provides better tools to take advantage of the financial instruments that the market offers, more choice and, as a result, more freedom, and the possibility to obtain financial products and services more adapted to their needs.

Education in financial products increases users' confidence in financial markets and decreases their instability, as well as increasing their ability to save and invest. As a result, the development of the banking system and effective financial markets is significantly associated with growth and well-being. Financial education also meets the needs of short, medium and long-term planning, ensuring correct foresight, avoiding wrong decisions due to lack of knowledge or impulsive decisions, and generating savings for the future.

Several studies highlight the importance of this type of education at the European level: they highlight in particular the inadequate number of important decisions taken without sufficient knowledge; they underline the importance of financial literacy; and in addition to valuing financial literacy positively, they point out that a considerable part of people's credit in European households is currently made up of consumer credit, which charges higher interest rates.

As they show, financial illiteracy is costing consumers every year with credit at excessively high interest rates due to lack of basic financial literacy, very much in line with the data on overdraft rates and interest rates charged.

2

THEORETICAL, HISTORICAL AND CONCEPTUAL FRAMEWORK OF FINANCIAL EDUCATION

Education has been considered as an essential element both for the personal development of the individual and for the welfare of educational actions that aim to induce in the citizen knowledge about the state of financial education in the European Union member countries: challenges and future opportunities for society. Education has to be consistent with the cultural and ethical values of society, and not only with the economic interests of a country or group. This is particularly important in today's world, where technological advances and globalisation processes demand, more than ever, financially literate citizens.

The first experiences of economic and financial education date back to the late 18th century and throughout the 19th century, when various countries introduced these disciplines into their students' curricula; the motivation for this was that since the European Enlightenment, economic and financial education was seen as endangering not only the economic-financial balance of the individual person, but also the nation as a whole and, ultimately, civilisation. However, five basic problems hindered the proper development of these disciplines: the scarcity of regular financial literacy courses; low literacy, educational, cultural and especially financial literacy rates; the high rate of the black economy; the distance between the administration and the citizen; and the inadequate preparation of the political class.

Financial education has been and continues to be a key priority at EU level since the European Commission adopted the "2007 Recommendation", which urged member states to effectively address financial literacy in the different areas of education and training. This recommendation also includes the need to ensure that the educational approach can be effectively and tangibly reflected at all levels of the education system. The relevance of these efforts has been reaffirmed with the renewal of this recommendation in 2012.

In this line of action, Europe has carried out various awareness-raising campaigns aimed at promoting financial education, considering it to be a key and essential element in increasing the efficiency of individuals in making financial decisions. This, in turn, reinforces the foundations of an efficient and functional market for financial goods and services. Moreover, financial education is presented as a means to prevent macroeconomic imbalances, in line with what has been advocated by the Organisation for Economic Co-operation and Development (OECD). From this perspective, it is also recognised as a vital tool that has a direct impact on the development of sustainable finance objectives, enabling individuals and businesses to operate in a more responsible and conscious manner with regard to their financial decisions.

In the context of the European territory, the Consumer Protection Committee of the European System of Central Banks is responsible for submitting annual reports that address contractual aspects related to banking products, the supervision of housing, and the information disclosed to the public. In these reports, progress in terms of safety and transparency in all transactions is promoted and highlighted. In addition, through the European System of Central Banks (ESCB), the so-called Financial Education Programme 2016-2019 plays a very important role. This programme is composed of a set of nine activities that aim to monitor the development of tools that accurately assess the level of financial literacy among the population. This includes the continuous review and updating of national quantitative indicators, as well as the development of innovative survey methodologies to obtain more relevant and accurate data on the state of financial literacy in Europe.

Financial education should be aimed at citizens' knowledge and interpretation of the economic and financial system, their understanding of the meaning of its constituent elements and of the main forces that govern it, and the consequences of its adaptation and evolution, as well as of economic policy action, on their personal, family and community lives. In addition, it is essential that financial literacy training is encouraged from an early age, so that individuals develop sound financial literacy skills and can make informed decisions in their economic lives.

The development of financial education should also include a practical approach, in which citizens can apply the knowledge acquired in real situations. This implies the need for educational programmes and materials that allow the simulation of financial scenarios and promote responsible financial decision-making. In addition, financial education should be available and accessible to all layers of society, regardless of their economic, cultural or educational background.

In summary, financial education is fundamental in today's society, both at the individual and collective level. Its proper development requires greater investment in educational programmes, greater collaboration between the different actors involved and greater awareness of the importance of financial education in people's lives. Only through sound and well-founded financial education can we ensure a prosperous and sustainable future for all.

3

METHODOLOGIES AND APPROACHES TO TEACHING FINANCIAL EDUCATION

There are different approaches and methodologies for teaching financial education and some of them are presented below:

- **Use of the comparative method:** This is based on the simulation of a test that provides students with a series of "skills" given by the possibility of selecting different answers among some of them. It involves asking students to specify whether the proposed statement is true or false and to explain, if it is false, why it is so. This method allows students to develop their critical analysis skills and to make informed financial decisions.

- **Case study methodology:** This is based on relating real, current situations in the classroom that students can face in their daily lives from a formative point of view, i.e. through prior knowledge that will help them to understand and solve that particular issue. The aim is, therefore, to encourage students' analysis and reflection and to seek, from there, different solutions or alternatives which, in turn, are evaluated. This methodology allows students to apply theoretical knowledge in practical situations, thus fostering their problem-solving skills.

- **Financial activism:** Teaching method based on the formation of real portfolios through due diversification. It is the student himself, with the presence of a teacher-tutor, who places the order to buy or sell on the stock market. This methodology allows students to directly experience the functioning of the financial market and learn about investment management.

Furthermore, the methodologies and approaches applied tend to be approached from different levels of depth and curricular sophistication: from units corresponding to the different didactic areas/subjects, to the cross-cutting, sequential and systematic consideration and analysis of the principle of financial education in all its dimensions.

In this sense, it can be observed that, precisely, a discontinuous learning concept is one in which financial education content tends to be taught in isolation from the context in which it is applied and, above all, from its generality, such as the classroom. In other words, issues related to shopping in a commercial space, the use of cash, etc., are dealt with within the subject of language or mathematics and without any connection with other areas of knowledge.

This fragmented view limits the holistic understanding of financial education and its application in students' daily lives. It is therefore essential to promote educational approaches that holistically integrate financial concepts in all subject areas to ensure a solid and comprehensive financial education.

In this sense, organisations such as the OECD point out that Financial Education is "a tool to promote economic growth, confidence and stability, in conjunction with the regulation of financial institutions and consumer protection" and that it should even be considered as a complementary aspect of the regulatory and supervisory efforts of the financial system.

Given the importance of this issue for societies in all countries, we are going to analyse practices, experiences and strategies that are being developed both in Spain and in other countries in our environment and that have the following common denominators

- The need to generate national education strategies based on the principles developed by the OECD.

- Start at school. Although financial education is a process that cuts across all stages of life, it is essential that it is introduced as early as possible.

- It must integrate the public and private spheres. This complementarity between public and private initiatives must have adequate public oversight to avoid conflict of interest.

For this approach, we have chosen as a source the report prepared by the European Economic and Social Committee "Financial Education for All", which analyses the practices, experiences and strategies of some EU countries. Section 4.1 will analyse different programmes in European countries, with special emphasis on the European economic locomotives: Germany, the United Kingdom and France.

4

EVALUATION OF FINANCIAL EDUCATION IN THE EUROPEAN UNION

The need to improve financial literacy in the EU has been reiterated in several key meetings and documents, including the Special European Council Meeting in April 2024, the Eurogroup Declaration in March 2024 or the recent Letta report which you can read here.

In addition, the 2020 conclusions on the European Commission's Capital Markets Union Action Plan and the 2023 Eurobarometer results underline the urgency of taking action in this area.

All these official sources establish the need to build on existing efforts on financial education to promote financial services markets in general. Financial education in the European Union is broadly classified into two classes: that provided by basic schooling and that provided by work and adult education.

In primary and secondary education, additional measures have been implemented in many countries to strengthen financial education in the classroom. In addition to the basics of mathematics and economics, topics related to money management, savings and investment are included. Teachers are trained in effective pedagogical strategies to convey this knowledge to students in an interesting and accessible way.

In primary and secondary education there are significant differences between countries, especially in secondary education, where 20 countries have developed specific strategies in the field of financial education. See section 4.1 for more detailed information on specific programmes in different Member States.

In higher education, more and more countries are developing specific strategies to promote financial literacy among university students. Courses and educational programmes are being established that address more complex topics such as long-term financial planning, risk management and understanding global financial markets. This enables students to acquire the skills and knowledge necessary to meet the financial challenges that may arise in the future.

In higher education, 13 countries have developed specific strategies. In all cases, the interest shown by several countries stands out. Countries have different approaches to training, the most widely used being 'mixed' and 'integrated', carried out by financial educators, but within the curriculum and outside school hours.

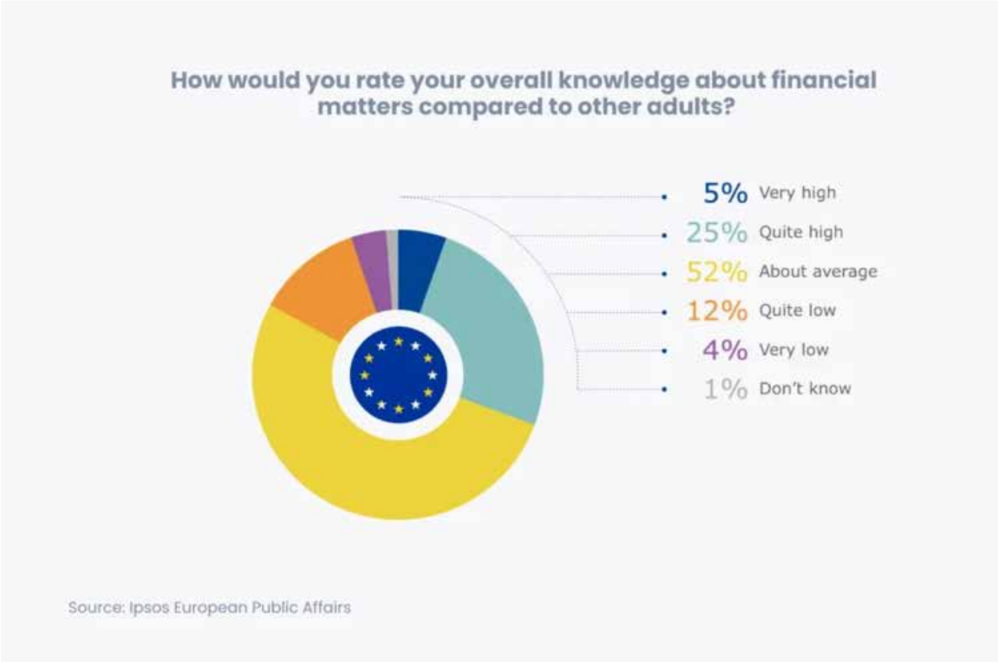
In terms of work and adult education, there has been an increase in the availability of programmes and resources to improve financial literacy. Employers and educational institutions are collaborating to offer on-the-job training courses and lifelong learning opportunities. These initiatives enable workers to acquire the financial skills needed to manage their wages, plan for the future and make informed decisions about insurance, investments and loans.

In adult and work-related education, 18 out of a possible 26 countries have established specific strategies that can be accessed through formal or informal procedures.

In terms of distribution channels for financial education, there has been a shift towards the use of digital technologies. Mobile apps, educational websites and online platforms have become popular tools for providing attractive and accessible financial information. However, the importance of conventional media campaigns is still recognised, especially for reaching more vulnerable populations or those who may not have access to technology.

According to the most recent data, based on the latest Eurobarometer, there has been a significant increase in the importance of financial education in the European Union. Governments in different countries have recognised the need to promote financial education from an early age, thus providing individuals with the necessary skills to make informed and responsible financial decisions throughout their lives.

According to data published in the latest Eurobarometer, commissioned by the European Commission and coordinated by the Directorate-General for Communication, the importance of financially literate citizens in maintaining the economic well-being of member states is clear.



Source: *Ipsos European Public Affairs interviewed a representative sample of citizens, aged 18+, in each of the 27 EU Member States. A total of 26,139 online interviews were conducted between 29 March and 5 April 2023. Read the press release here.

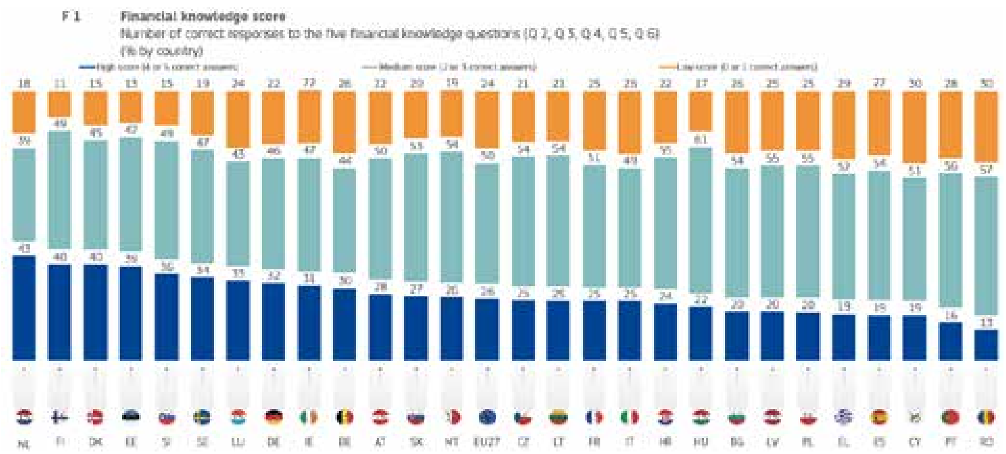
The survey results show that only 18% of EU citizens have a high level of financial literacy, 64% a medium level and the remaining 18% a low level. However, there are large differences between member states. Four countries account for 25% of citizens with high scores: the Netherlands, Sweden, Denmark and Slovenia.

Achieving general economic well-being is a priority for EU Financial Stability Commissioner Mairead McGuinness. To achieve this, banks and fintech startups need to commit to this goal by launching innovative tools that democratise access to banking services and improve people's financial health.

Only 52% of respondents rate their general knowledge of financial matters as "intermediate" compared to other adults in their country. A quarter say their financial knowledge is "fairly high" and 5% say it is "very high" compared to other adults. Around nine out of ten respondents across the EU agree that, before buying something, they consider whether they can afford it.

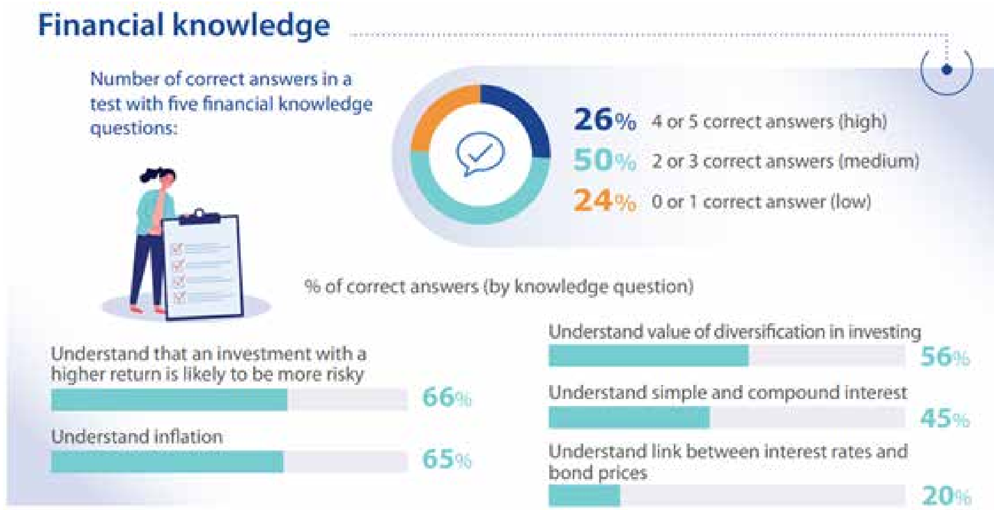
A similar proportion of respondents agree that they track and control their spending. Seven out of ten respondents agree that they set long-term financial goals and strive to achieve them. As for digital services offered by banks, such as online banking or mobile payments, three quarters of respondents across the EU say they feel comfortable using them.

Another study on the level of Europeans' financial literacy, *Monitoring the level of financial literacy in the EU (2023),* highlights that only about a quarter of the participants answered at least four of the five questions related to financial literacy correctly. About half answered only two or three questions correctly, while another half found the questions particularly difficult (they either failed to correctly answer all or managed to answer only one of the five). Countries such as Denmark, Finland, Estonia, among the most prominent, have a high degree of financial literacy (43%, 40%, 40% and 39%, respectively).



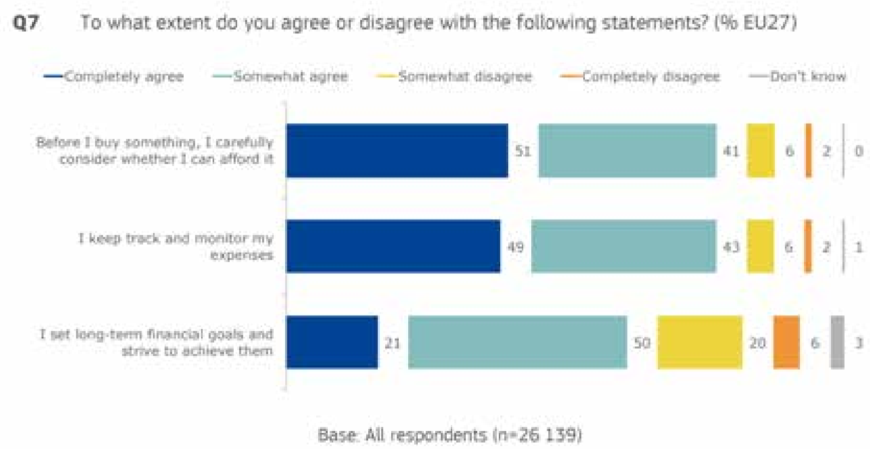
Source: Monitoring the level of financial literacy in the EU (2023)

A large proportion of respondents (65%) understand the inflation effect and its possible effects on purchasing power. Only 45% of respondents understand how compound interest works, despite the relevance of this principle for managing personal finances and achieving long-term savings goals.



Source: Monitoring the level of financial literacy in the EU (2023)

In relation to understanding investment risks, 66% of participants correctly associate high returns with high risks, while 56% correctly recognise that investing in a variety of companies is often less risky than investing in just one company. Finally, only 20% of participants evidence an understanding of how interest rates influence bond prices.



Source: Monitoring the level of financial literacy in the EU (2023)

Nearly nine out of ten citizens at European level agree that, before buying something, they assess their ability to afford it (51% 'absolutely agree' and 41% 'somewhat agree' with this statement). A comparable percentage of respondents agree that they keep track and control their spending (49% 'absolutely agree' and 43% 'somewhat agree'). Approximately seven out of 10 respondents agree on setting long-term financial goals and striving to meet them (21% 'strongly agree' and 50% 'somewhat agree').

In conclusion, financial education in the European Union has made significant progress in recent years. Countries are recognising the importance of providing people with the necessary skills and knowledge to make informed financial decisions. Through education programmes at all stages of life, a more financially literate and empowered society is being created, able to face economic challenges and make responsible decisions for their financial future. However, more needs to be done to increase the level of financial education and make it more sustainable in future years.

4.1 Comparison of financial education programmes and strategies in member countries

The information available, compiled from the informative documents, yearbooks and reports that the various national financial education programmes and strategies have been publishing in recent years, is intended to provide a detailed and exhaustive overview of the current situation in the countries, as well as the challenges and opportunities for the future in this important area. The conclusions obtained present in a detailed and precise manner the main characteristics of the national financial education programmes or strategies in sixteen European countries, which have been classified according to their level of conversion and collaborating partners. Now that the situation in the European Union in this area is well known, we strongly believe that it will be useful for the reader to gain an understanding of the situation in relation to the other countries in the different time cohorts in which the comparative development of financial education in the European Union was carried out.

A greater knowledge and understanding of the environment of each of these countries will allow us to intuit and understand in greater depth the organisational, strategic and specific causes and effects of our Spanish case, as well as the most outstanding challenges and opportunities that we identify in reference to the situation of neighbouring countries in relation to financial education.

4.2 Analysis of programmes implemented in EU countries

EU member countries show significant disparities in levels of financial education. While some countries such as Germany, France, the United Kingdom, Sweden and the Netherlands have well-established programmes and positive results in financial literacy, others such as Bulgaria and Romania face significant challenges due to a lack of educational infrastructure and underinvestment in this area.

Germany

Despite being one of the strongest economies in Europe, Germany faces challenges in financial literacy. According to an ING-DiBa study in 2021, only 45% of young Germans understand basic financial concepts. The aim of Germany's financial literacy programme is to promote local and regional development on a sound financial literacy foundation, which raises awareness of the rational use of financial resources, financial forecasting and planning.

With this programme, which is targeted at the citizens in the areas where the Sparkassen operate, they want to promote economic growth and generate confidence and stability for families as well as for companies and social and regional economies. The programme coordinators are the German Sparkassen (savings banks), which are decentralised institutions oriented towards the provision of financial banking services.

One of the statutory objectives is to promote financial education among the population, as well as to raise awareness among children and young people about the use of money and the need to save, a task that Germany has been carrying out for more than 70 years.

The actions they have developed are:

- Development of studies and analyses
- Development of materials for teaching financial education
- Organising strategic fora to discuss the future of financial education
- Specific programmes for the training of entrepreneurs and business people
- Training activities carried out by experts from the savings banks financial group: training activities to broaden knowledge of financial economic concepts and help to promote responsible consumption for good decision-making.

France

France has implemented educational programmes in secondary schools since 2016, although it still faces challenges in reaching rural populations. The aim of France's financial education plan is to let consumers know and understand what is inside the financial world. They do this by offering a service to the public where they can find information and advice on how to understand everything that surrounds the financial world.

The actions they carry out to this end are:

- The French Banking Federation has launched a public service called "les cles de la banque", aimed at providing information and advice on how to understand banking mechanisms. The contents of this service are organised into four different sections: individuals, professionals, young people and other social actors.
- A book published by the Institut pour I'Education Finaciére du Public (IEFP) which guides the reader in financial decision-making and prudent money management.
- Development of a financial education programme "Finance pour Tous".
- Creation of Finances et Pedagogie (finance and pedagogy), where activities are carried out through the cooperation of partners to raise awareness and educate citizens on the use of money. These activities are carried out in cooperation with local community partners, and the basic objectives are to advise and prevent exclusion and risks in decision-making.

United Kingdom

The UK's aim was for young people to leave school with sufficient financial literacy to cope with everyday life. This has been achieved by including financial literacy in the curriculum, creating guides and programmes taught by financial literacy experts, awareness-raising videos of real-life cases and marketing campaigns. The UK government has been heavily involved in this scheme.

More specifically, the actions are:

- The subject of financial education has been compulsory during the school term since 2011.
- Financial Capability Tools, a guide to help monitor and evaluate financial education programmes run by financial education experts.
- Creation of a website "Make Money Make", where young people are guided to acquire sufficient knowledge to make basic decisions.
- Support 4 learning: a training programme for teachers in which they are given the option of downloading educational materials for them to disseminate to children and young people. This programme is supported by volunteer experts from various organisations.
- Creation of a campaign aimed at combating financial exclusion through the expansion and modernisation of credit unions.
- A financial literacy centre containing materials for both students and the general public.
- Educational guides for each stage of life:
    - Birth of a child: a guide for parents
    - Work: information to employees at their workplaces
    - Other times: separation, divorce and retirement.

Sweden

Sweden is a leader in financial education thanks to its compulsory school curricula that integrate financial concepts from an early age. In addition, organisations such as Finansinspektionen (the Swedish Financial Supervisory Authority) lead nationwide awareness campaigns.

The Netherlands

It has initiatives such as "Wijzer in Geldzaken" (Wiser with Money), a governmental platform that unites public and private efforts to educate the population on personal finance.

Spain

Spain launched its Financial Education Plan in 2008, led by the Bank of Spain and the CNMV. However, the scope of initiatives remains limited compared to other European countries.

Bulgaria and Romania

These countries are among the laggards in the EU in terms of financial literacy. Factors such as lack of investment in education and high dependence on remittances aggravate the situation.

Estonia

Has proven to be a leading example by implementing a national financial education programme that has increased the percentage of citizens saving regularly by 15% in five years. Its education programmes focus on encouraging savings and financial planning from an early age.

Italy

Although initiatives such as the "Comitato Edufin" have been launched in 2017 to promote financial education, there is still a considerable gap in financial literacy, especially among older generations.

Finland

Notable for including financial education in the school curriculum from primary school onwards. This has resulted in a high level of financial literacy among young Finns, who are among the best educated in Europe, according to OECD reports.

Poland

Despite being one of the countries with a rapidly growing economy, Poland faces challenges in terms of financial education of its rural population. Recently, the government has started to implement pilot programmes in schools to address this gap.

Greece

The 2008 economic crisis highlighted the need to improve financial literacy. Programmes have now been launched targeting adults, especially those facing problems of over-indebtedness.

Ireland

Ireland has developed initiatives such as the National Adult Literacy Agency (NALA) which include specific modules on personal finance for adults, with a focus on helping families to manage their budgets more effectively.

According to an OECD study conducted in 2020, only 52% of European adults have basic financial literacy skills, such as calculating interest rates or understanding the principles of risk diversification. This is reinforced by the results set out in the previous subsection and highlights the need for more effective policies and education programmes tailored to each country's needs.

5

CURRENT CHALLENGES IN FINANCIAL EDUCATION IN THE EUROPEAN UNION

We continue to observe how financial education remains fundamentally a future challenge for countries around the world. Despite the progress made in recent years, we still face slow progress and difficulties in implementation. Most countries have not yet clearly defined their educational approach in this area, making it difficult to reach large sections of the population effectively.

In addition, another challenge is the lack of outcome evaluations and demonstrated impact on financial education programmes. More comprehensive monitoring is needed to better understand outcomes and continuously improve teaching strategies. In many cases, programmes are also influenced by special interest group interests, which can limit their effectiveness and neutrality.

In addition, there are adverse factors to financial education, such as an increasingly complex product offering, which requires more in-depth education of individuals. The speed of change in the financial market is also a challenge, especially in times of uncertainty and crisis, where reactions can drastically affect the economy and the financial behaviour of the population. This can result in an increase in precautionary savings, which directly impacts consumption and investment.

It is crucial to recognise that financial education must be a central component of programmes and policies aimed at responding to the major economic challenges that are emerging. It is difficult to envisage the design of any public policy whose impact is not strongly influenced by the levels of financial understanding of households, firms and workers in general. It is essential to provide people with the knowledge and skills to make informed and responsible financial decisions.

To highlight some of the medium and long-term economic challenges, it is worth mentioning: the design of social security systems that ensure an adequate level of protection while discouraging early retirement; the creation of a culture of entrepreneurship and innovation that energises our economy and fosters the development of new businesses; increasing the efficiency of financial markets, either by adequately capitalising the most profitable projects or by reducing costs in the processes of attracting financing and contracting; the design and orientation of housing policies towards more stable and efficient markets, with the aim of providing access to decent and sustainable housing for all; the design and orientation of housing policies towards more stable and efficient markets, with the objective of providing access to decent and sustainable housing for all; the creation of an entrepreneurial and innovation culture that energises our economy and fosters the development of new businesses; the design and orientation of housing policies towards more stable and efficient markets, with the aim of providing access to decent and sustainable housing for all; and finally, it is essential to design and implement policies to prevent and manage public, family and business indebtedness, with the aim of avoiding financial crises and promoting sustainable economic growth.

In summary, it is imperative that countries continue to strengthen their financial education efforts. Only through greater financial understanding across all sectors of society and better economic and financial policies can we overcome the challenges and achieve sustainable and equitable economic growth.

6

OPPORTUNITIES FOR IMPROVEMENT AND DEVELOPMENT IN FINANCIAL EDUCATION

Despite the efforts and initiatives taken so far, there are still areas for improvement in relation to financial education in the European Union.

It is crucial to highlight the importance of having a comprehensive and up-to-date study on financial education in the different markets that make up the EU. Such a study would provide an in-depth understanding of the current situation, identify areas of weakness and strength, and provide a solid basis for the development of effective policies in this area.

First, the lack of financial information and awareness among the population needs to be addressed. Existing reports so far have mainly focused on explanatory theories and evaluations of past experiences, but have not provided a comprehensive picture of financial education in the EU. It is crucial to have up-to-date data that will allow us to better understand the financial literacy needs of the population and to design effective strategies to address this problem.

In addition, a more holistic approach to the evaluation of financial education is needed. Currently, studies have mainly focused on the distribution and characteristics of financial education at state, provincial, regional and local levels. While this is important, there is also a need to analyse financial education across countries and different population groups in order to identify patterns and disparities that might indicate the need for specific interventions in certain areas.

The European Union has demonstrated its continued support for further studies and the implementation of new tools to assess financial education. However, these efforts need to be intensified and initiatives need to be better coordinated at transnational level. By working together, EU Member States can exchange best practices, share resources and collaborate on the implementation of joint projects to improve financial education across the Union.

In summary, an up-to-date state of the art survey on financial education in the European Union is essential to address current and future challenges in this area. Only through a solid understanding of the current situation and the needs of the population can we design effective strategies and ensure that all EU citizens have access to the financial education necessary to make informed and responsible financial decisions.

6.1 Challenges for improving financial education

In conclusion to this section, the challenges for improving financial literacy, based on reports published by various information sources, are presented in concrete terms:

- Inequality of access:
  - Differences between urban and rural regions in terms of access to educational programmes are significant. According to the World Bank, about 2.5 billion people do not use formal financial services, and 75% of the poor do not have a bank account, reflecting financial exclusion that may be linked to a lack of adequate financial education. World Bank
  - In Spain, a study by Funcas highlights that poor financial literacy has a negative impact on equity, leading to lower returns on savings for the most disadvantaged and increasing inequalities. Funcas Blog
- Lack of coordination:
  - The absence of a common strategy on financial education at European level hampers the implementation of effective programmes. The Council of the European Union has recognised the importance of strengthening financial literacy in order to build a more ambitious capital markets union, underlining the need for greater coordination in this area. Council of the European Union
- Low private sector participation:
  - Although some financial institutions have developed financial education initiatives, their reach is limited. Collaboration between the private sector, governments and NGOs is essential to broaden the impact of these initiatives. A World Bank report highlights that financial inclusion is key to reducing poverty and boosting prosperity, a goal that requires the active participation of all sectors. World Bank
- Generational gaps:
  - There are significant differences in financial literacy between generations. An article by Funcas points out that financial literacy and vulnerability vary markedly between different generational groups in Spain, suggesting that younger generations may be at a disadvantage compared to older ones. Funcas
  - In addition, a report by the Social Observatory of "la Caixa" analyses the generation gap in terms of intergenerational financial inequality, indicating that younger generations face financial challenges that did not affect previous generations in the same way. The Social Observatory
- Limited impact of digitisation:
  - The digitalisation of financial education has not reached the whole population equally. A report by Educaweb shows that 8 out of 10 Spaniards do not have the necessary knowledge to make informed decisions about their personal finances, reflecting a gap in financial education that digitalisation has not yet managed to close. Educaweb
  - Moreover, the lack of access to digital technologies in disadvantaged regions perpetuates financial exclusion, especially among the most vulnerable groups. The European Commission has recognised the need for financial literacy frameworks tailored to different age groups to address these disparities. European Commission

These data and benchmarks underline the complexity of the challenges in improving financial education and the need for coordinated approaches tailored to the diverse realities of the population.

6.3 Proposals for improvement and opportunities

Financial education in the European Union (EU) faces a number of challenges that hinder its effective implementation. These challenges are detailed below, complemented by statistical data and references to relevant reports:

- Inequality of access

There are significant differences between urban and rural regions in terms of access to financial education programmes. Rural areas tend to have fewer resources and opportunities to access financial education, which increases the financial gap between the two regions. According to the European Economic and Social Committee's report "Financial Education for All", it is essential to provide financial literacy to all European citizens in order to empower them to manage their personal finances. EESC

- Lack of coordination

Many financial education initiatives in the EU are developed in isolation, without a common strategy to facilitate the exchange of good practices between countries. This fragmentation limits the effectiveness of programmes and makes it difficult to create a cohesive approach at European level. The Council of the EU has recognised the importance of financial literacy and adopted conclusions to guide the Commission and Member States in this area. Council of the European Union

- Low private sector participation

Although some financial institutions have launched financial education programmes, their impact is limited due to a lack of collaboration with governments and non-governmental organisations. Greater public-private cooperation could enhance the effectiveness of these initiatives. The Santalucía Institute highlights various initiatives in countries such as Germany and France, where financial education is promoted through cross-sector collaboration. Saint Lucia Institute

- Generational gaps

Older adults often have less access to and familiarity with technological tools, which puts them at a disadvantage in an environment where digital platforms are central to financial education. This generation gap can lead to lower financial inclusion of this age group. The report "Financial Education for All" underlines the need to promote initiatives that reach all segments of the population. EESC

- Limited impact of digitisation

Not all EU citizens have access to technological devices or the internet, especially in more disadvantaged regions, which exacerbates financial exclusion. Digitalisation offers opportunities, but also presents challenges in terms of accessibility and equity. The EU Council has emphasised the importance of integrating financial education into school curricula to encourage investment and improve financial inclusion. Swissinfo

To address these challenges, it is essential to develop comprehensive strategies that consider the particularities of each region and demographic group, promoting public-private partnerships, and ensuring that digitisation does not exclude the most vulnerable. Following on from this analysis, concrete cases can be made for the implementation of these proposals for improvements and opportunities for financial education in the EU

1. **Creating a common European framework**: Designing common standards and objectives for EU member countries is key to ensuring a cohesive approach to financial education. This can be strengthened through strategic partnerships with specialised startups.
    - **Example: Finimize** (UK) has over 1 million users on its platform, which simplifies complex financial concepts through daily 5-minute guides. Its success demonstrates the value of centralising financial education resources for the young professional population.
2. **Incorporating financial education into the school curriculum**: Introducing basic concepts of personal finance into the education system builds citizens who are better equipped to manage their finances.
    - **Example: Didactic Albert** (Sweden), a gamified platform for students, has already reached more than 300,000 users, integrating basic financial lessons into its educational offering. This includes games that teach how to budget and plan savings, encouraging early learning in a digital environment.
3. **Use of technology**: Digital platforms play a key role in democratising access to financial information.
    - **Example: Technological innovation** Swedish startup **Gimi** has more than 1.2 million downloads in Europe. Its users report an 80% improvement in basic knowledge about saving, budgeting and spending after using the app for 6 months.
4. **Public-private partnerships** Encouraging the active participation of the private sector in sustainable education initiatives broadens the scope of financial programmes.
    - **Example: Public-private impact Pixpay** (France), a fintech targeting teenagers, has established partnerships with more than 200 schools in France and Spain to teach practical finance through the use of personalised debit cards. Its approach has impacted more than 50,000 students by 2023.
5. **Targeted programmes for vulnerable groups** Vulnerable populations are often excluded from mainstream financial education initiatives, underlining the need for specific approaches.
    - **Example: Inclusión social Finect** (Spain) has implemented educational programmes reaching more than 15,000 people in rural regions. In addition, it offers specific guides for immigrants and older adults, promoting basic financial literacy and the responsible use of digital tools.
6. **Awareness campaigns** Increasing the visibility of financial education through mass media can accelerate the adoption of good practices.
    - **Example: Digital marketing** Danish fintech **Lunar** has run social media awareness campaigns that reached more than 5 million people in Scandinavia during 2023, promoting healthy financial practices such as saving and investing.
7. **Promoting financial inclusion** Ensuring access to basic financial products is essential to combat social and economic exclusion.
    - **Example: Digital and financial inclusion Tomorrow** (Germany) reported that 70% of its users new to digital banking improved their savings and financial planning habits in the first year. In addition, the startup collaborates with NGOs to bring free educational programmes to disadvantaged communities.

7

OTHER ASPECTS OF FINANCIAL EDUCATION TO BE TAKEN INTO ACCOUNT FOR ITS FUTURE DEVELOPMENT

7.1 Technology and financial education: Innovations and trends

In recent years there has been an incredible increase in technological advances and a wide variety of electronic devices are readily available to us. These devices are constantly generating new and useful information. We have smartphones, tablets, smart TVs, laptops and the latest generation of devices such as smart watches or smart bracelets. All these devices connect to the Internet and have the capacity to store, process and display an overwhelming amount of information. Each person can interact with this information in real time. This advanced level of interaction and personal enrichment of information in real time is known as “wearable technology” or “wearable technology”. Moreover, in the smartphone and tablet market, especially within the wearable technology space, the world of financial education applications has experienced exponential growth. This allows us to subdivide these applications into three categories:

- Fintech Apps: these financial applications allow users to carry out procedures related to specific financial services, such as payments, insurance, investments, among others.
- Planning and Control Applications: these applications are intended to help users manage, monitor and control their household finances. They allow users to observe and control their expenses, make comparisons with other users and carry out other actions related to their personal economy.
- Educational applications: these applications aim to instruct and educate users in the financial sphere. They transmit financial knowledge, warn about financial risks and familiarise users with the world of finance through interactive games designed by these companies. They also seek to promote saving habits, sustainable consumption and good use of economic resources, providing daily advice through games on how and when to save and manage money responsibly.

7.2 Financial education and gender equity

The consolidation of the European Union in recent years, together with the development of economic and monetary policies, has taken on special relevance with the EU’s drive for financial education since the financial crisis of 2007. The detailed monitoring of the progress of financial education in the member countries, considered as a convergence process driven by the financial industry, is an undeniable fact that highlights the importance of this subject today. Those countries where it is supported on a legislative basis, such as France and Portugal, stand out, demonstrating a greater willingness and commitment to the promotion of sound and equitable financial education.

Although this paper, in its first analysis, has as its main objective to comprehensively review the state of financial education in member countries over the last few years, it also seeks to focus on the search for effectiveness within the gender equity paradigm, in order to detect possible differences and hypotheses to be demonstrated in this relevant area. It also seeks to focus on the search for effectiveness within the gender equity paradigm, with the aim of detecting possible differences and hypotheses to be demonstrated in this important area. Based on this objective, more than twenty programmes in the European Union, present in 13 different countries, have been analysed. It is important to note that most of these programmes are directly or indirectly funded by the financial industry, which demonstrates an interest and commitment on the part of this sector to promote sound financial education accessible to all.

In addition, only one programme has been identified as being in line with the principles of apprenticeship and two national programmes have been implemented in Finland and Sweden, which shows a gap in the implementation of effective and equitable programmes across the European Union. It is worth mentioning that most of the programmes are targeted at students and parents, which shows the importance of educating the younger generation from an early age on financial issues. However, there are also five programmes specifically aimed at teachers, which demonstrates the importance of training educators in this area so that they can transmit knowledge effectively.

It is important to mention that, according to the European Observatory, no specific programmes targeting other social strata have been identified. Most of the programmes focus on compulsory and secondary education, which reveals the need to expand financial education to other educational levels and different age groups. As of 2018, there is an underrepresentation of behavioural and emotional paradigms in the programmes analysed, suggesting an opportunity for improvement in this area.

In relation to the gender approach, forty programmes were identified whose content should be "neutral", i.e. designed to benefit everyone equally. However, gender differences have been established in only four of the programmes analysed, which is evidence of the need to ensure inclusive financial education free of stereotypes. A similar ratio is also observed in the case of ethnicity, where fifteen programmes should be "neutral" in principle, i.e. designed to benefit all equally, regardless of ethnic differences.

In conclusion, the consolidation of the European Union has boosted the development and promotion of Financial Education in member countries. Although significant progress has been made, there are still challenges in terms of gender equity and ethnic diversity in the programmes implemented. It is essential to continue working on improving financial education, expanding its reach to all educational levels and age groups, and ensuring an inclusive perspective in its content. This is the only way to achieve effective and equitable financial education for all EU citizens.

7.3 Financial education and environmental sustainability

It should be emphasised that, increasingly, companies must be concerned about all environmental sustainability actions within the entity, the internal sustainability department is in charge of implementing environmental strategies and policies that promote the conservation and protection of the environment in all the entity's activities. This approach applies to companies in any sector of activity, including the financial sector. These actions seek to disseminate and raise awareness among all staff of the importance of environmental sustainability, providing clear and direct instructions for its application on a day-to-day basis.

The internal department is also responsible for the publication of environmental sustainability data and results, with the aim of fostering egalitarian attitudes within the financial industry. A sustainability advisory committee, comprising experts in the field, has been established to advise and create strategies to drive the implementation of sustainable practices.

In collaboration with customers and third parties, methods have been developed to select suppliers and financial instruments that meet established environmental sustainability criteria. In addition, commercial strategies by financial industries and governments have been identified that seek to engage consumers to purchase sustainable products and promote sustainable behaviour.

This need for environmental behaviour has also motivated the development of programmes aimed at guiding microeconomic behaviour in terms of environmental sustainability. These programmes incorporate sustainable values that are relevant and meaningful to their target audiences, implementing actions that generate positive environmental impacts and are recognised as beneficial by society, despite the costs associated with their implementation.

In addition, incentives have been established for individuals and measures and information have been put in place to encourage companies to consider these sustainable aspects and link them to their financial health. It is recognised that it is important that these programmes are successful, offering environmental benefits that outweigh the cost of implementation, and thus achieve an effective transition to a more sustainable and environmentally friendly economy.

7.4 Financial education and entrepreneurship

Empirical evidence has strongly demonstrated that the insufficient level of financial literacy among individuals has seen a marked decline in recent years. This decline is due, in part, to the recent global economic crisis that has shaken the foundations of financial stability, thus highlighting the critical importance of a thorough understanding of the complex functioning of financial services and products. This decline in financial literacy levels leads us to confirm two fundamental hypotheses:

- firstly, that the economic context plays an influential and decisive role in determining the degree of financial literacy that an individual possesses;
- and secondly, that the main source of financial literacy acquisition among adults is to be found in non-face-to-face learning methods, such as online courses or specialised digital resources.

Recent research and studies have revealed that the low level of financial literacy is even more alarming among the group of entrepreneurs who decide to set up their own business.

This situation is truly worrying if we consider the importance that entrepreneurship plays in the economic development and general well-being of a society. In this sense, financial education plays a vital role in fostering an entrepreneurial culture, as it provides future entrepreneurs with the necessary financial tools and knowledge to turn their projects into a successful reality.

In addition, it is essential to bear in mind that many ventures fail and, to a large extent, these adversities are the result of the financial weaknesses of entrepreneurs in critical areas such as obtaining financing, strategic cash flow management, setting appropriate prices for their products or services, selecting the right financial instruments, among other fundamental aspects.

On the other hand, young people are the demographic group identified as the most appropriate target group to receive sound and quality financial education, as they have a higher degree of readiness and capacity to absorb knowledge. Providing young people with the necessary financial education from an early age is a determining factor in ensuring that their demand for entrepreneurship is at least minimally viable and sustainable over time. It is therefore proposed to focus efforts and resources on education, with special emphasis on secondary and higher education.

By implementing programmes and curricula specifically designed to promote financial literacy, students will be equipped with the necessary skills to make informed economic and financial decisions. This will produce a new generation of professionals and empowered entrepreneurs, capable of driving economic development and building prosperous and sustainable societies in the long term. Financial education is a strategic investment that ensures a stronger and more promising financial future for generations to come.

7.5 The role of financial and governmental institutions in promoting financial education

Within financial institutions, a number of very interesting and relevant initiatives can be highlighted in the field of financial education. A clear example is the case of Bankia in Spain, which, in 2015, carried out numerous specialised courses on this subject. These courses, focused on different groups, such as high-level vocational training students, have demonstrated the growing interest and commitment of financial institutions in promoting knowledge in this area, and it is very likely that this trend will continue to grow in the future.

In Germany, financial education is promoted by the Federal Ministry of Finance, which established the "German Strategy for Financial Education" in 2003. This strategy was mainly driven by the German Banking Association. Two outstanding initiatives in this field are worth mentioning. On the one hand, there is a portal created and promoted by various financial associations, in particular the German Savings Banks Association. This portal offers a wide range of educational resources aimed at young people and families. On the other hand, we have the notable participation of Finanzbildung e.V., an official organisation in charge of financial education in the country. This organisation has an extensive collection of multimedia materials and is responsible for planning educational activities in collaboration with various member organisations. In short, it is a dual partnership model in which both the private sector and the official sector work together to promote financial education.

The role played by the Finanzbildung e.V. within the official sphere is crucial. It is responsible for determining the content of financial education programmes offered by member institutions, based on a rigorous external evaluation system. In addition, it supports and assists these institutions in the development and implementation of such programmes. This helps to ensure the quality and effectiveness of financial education in Germany.

7.7 Role of non-governmental organisations and civil society in financial education

The development of specialised financial literacy training schemes is becoming increasingly important in all EU member states. These schemes, which aim to promote financial literacy, are being implemented by both non-governmental organisations and professional associations, as well as involving civil society at large. Thanks to these joint efforts, financial education is being strengthened and consumers are better protected. Non-governmental organisations and civil society currently play an important role in promoting financial education. Most of the actions carried out by these organisations focus on providing financial information to help people make informed decisions. However, in some cases, they go beyond this objective and offer broader and more generalisable educational strategies. These strategies are not limited only to specific decision-making, but also seek to provide the target audience with knowledge, values and skills that can be useful in dealing with financial problems in everyday situations.

In addition, in the area of specialised training, professional associations in the financial sector and other newly formed groups play an essential role. These associations seek to generate commitments among the different groups of people involved in financial education. Their aim is to motivate educational actions that increase the level of financial literacy and competence of the target group, adapting them to the needs and characteristics of each individual.

In summary, the development of specialised financial education training schemes is being promoted in all EU countries. This is due to the recognition of the importance of strengthening citizens' financial literacy and protecting their rights as consumers. Non-governmental organisations, professional associations and civil society in general are playing a key role in this task, providing information, training strategies and promoting informed decision-making in everyday financial situations.

7.8 Teacher training and its impact on financial education

It should be noted that, through the observation of numerous classrooms both in Spain and in the rest of Europe, and through a thorough analysis of curricula, materials, tests and assessments, it has been found that although there are areas, content, subjects, subjects or blocks of content related to financial education established in the educational laws and curricula of the member countries, their treatment is generally limited and, on many occasions, lacks relevance for the interests of the students. Moreover, it has been shown that these contents are often incorporated under the general concept of values education, which prevents them from being taught and valued in an effective way.w

In recent undergraduate curricula in the European university system, there has been a considerable increase in the number of credits dedicated specifically to financial education. These credits have been placed in the specialisation subject from the first year of the degree course, with the aim of providing future teachers with an in-depth knowledge of how to teach these concepts to their students. In other words, the importance of training future trainers of financial education has been recognised and a significant effort has been made to provide them with the necessary preparation. However, it is important to note that there is still a pressing need for broader and deeper training in this field, since economics, being a discipline that is taught throughout compulsory schooling and that has a direct impact on the development and well-being of the vast majority of citizens, is hardly studied at the baccalaureate level.

Considering the interest and prospects of the latest generations of students teaching at secondary and, to a lesser extent, primary level, there seems to be a lack of consistency and commitment to financial education subjects. It is therefore essential to continue to promote greater awareness of the importance of financial education at all levels of education, as well as to encourage more comprehensive and rigorous training for future teachers in this important field. Only in this way can we ensure that future generations are adequately prepared to face the challenges and make informed financial decisions in their personal and professional lives.

7.9 Financial education in non-formal and informal settings

Financial education in formal and informal settings forms a range of areas in society where content affecting citizens' financial decisions is harmonised. In the formal environment, formal education "must" include this subject in the curriculum for children and young people. At school, college, high school or university, the new citizen "must" acquire the knowledge necessary to function in all spheres of life, including, of course, the ability to manage his or her own money. The European Financial Education Indicator stands at 8.88, ranging from 0 (no education) to 15 (maximum possible). In this index, the countries with the highest scores this year are the United Kingdom, the Czech Republic and Sweden, with 14 points. The United Kingdom is also the European country with the highest number of financial education strategies in place. The report also makes it possible to analyse various variables that share specific financial education strategies in most of the countries, which have therefore signed up to political commitments in this area. However, for the purposes of this chapter, we would like to focus on the percentage of countries with financial education strategies that include financial education in informal settings.

In this respect, Spain, with 27% of the countries with a specific national financial education strategy, shows little commitment in this area. Another fact that reflects the situation is the low number of indicators relating to the inclusion of financial education practices in non-formal settings. Little progress has also been made in this area. Thus, some CNEFs state that this is the area where it is most difficult to establish progress. However, it is striking, for example, that primary and secondary school teachers consider that there should be specific training related to financial education. In six CNEFs they mention that pre-vocational training does not include aspects related to financial education. The low recognition of a training problem in these settings has a negative impact on the quantity and quality of initiatives and their chances of scaling up and mainstreaming.

Financial education is essential to ensure the economic well-being of individuals in today's society. In this regard, it is crucial to develop strategies and programmes that promote the acquisition of financial literacy in both formal and informal settings. In the formal setting, educational institutions play a key role in including financial education in students' curricula. Through schools, colleges, high schools and universities, young people can gain the necessary skills to efficiently manage their money and make informed financial decisions.

The European Financial Literacy Indicator provides a measure of financial literacy in European countries, and highlights the importance of promoting financial literacy in education systems. In this respect, the United Kingdom, the Czech Republic and Sweden are prominent examples with high rates of financial literacy. These countries have implemented numerous strategies and programmes to promote the financial literacy of their citizens. It is encouraging to see that political commitments have been made in this area, demonstrating recognition of the importance of financial education in today's society.

However, it is worrying to note the lack of commitment in Spain to financial education in informal settings. Only 27% of countries have a specific national financial education strategy, reflecting a low interest in addressing this crucial aspect. In addition, there is a lack of indicators measuring the inclusion of financial education practices in non-formal settings, indicating a lack of progress in this area. Some National Financial Education Commissions (NFECs) consider this to be one of the most difficult challenges to address, which is worrying.

It is striking that, despite these shortcomings, primary and secondary school teachers recognise the need for specific training in financial education. This demonstrates the perceived importance of this subject in students' education. However, it is worrying that pre-vocational training does not include financial literacy aspects in six CNEFs. This limited recognition of the training problem in informal settings has a negative impact on the quantity and quality of initiatives and on the opportunities for expansion and mainstreaming.

In summary, it is essential to prioritise financial education in all settings, both formal and informal. Governments and educational institutions should take concrete steps to ensure that financial education is an integral part of curricula and that continuing education opportunities are provided to education professionals. There is also a need to encourage the development of programmes and resources that promote financial literacy in informal settings, such as households and communities. Only through a strong commitment to financial education can we ensure that citizens are equipped with the knowledge and skills necessary to make sound financial decisions and achieve economic prosperity.

8

THE ROLE OF EUROPEAN STARTUPS IN THE FIELD OF FINANCIAL EDUCATION

In Europe, most startups do not focus exclusively on financial literacy education: they consider financial skills development as a secondary objective that complements their main objective, which is customer acquisition or customer loyalty. This is evident in the analysis of the selected EUMs. While in the US there are a multitude of startups offering financial education and advice services, in Europe financial education institutions tend to come from digital marketing environments offering digital financial services.

In Europe, FinTechs are the type of startups that are focusing especially on financial education, such as a German digital bank that promotes product-level campaigns. When it comes to advertising these campaigns, the bank chooses different influencers to support it in order to reach its specific target audience. The TV presenter is the face of the campaign advertising the savings product together with a loan; Polish actors and presenters act together as ambassadors and spread the word about different campaigns. The Swedish neobank chooses to select small companies or social brands to promote campaigns in its advertising. The positive response to a savings product leads the Swedish-based bank to report 250,000 new customers in its first four months internationally.

8.1. Technological Innovations in Financial Education

The use of electronic devices and the massive incorporation and consumption of social media have turned citizens into active subjects of their information and training. Education through technological media has been a key element in the training of people. Initially, it was designed for companies seeking to improve the training of their employees, although today it has broadened its spectrum both at a business level and in the formal and non-formal education sector.

Today, training has been joined by a new concept: M-learning, which refers to training via mobile devices. We are experiencing a similar phenomenon in the area of financial education, where training platforms allow access, with offline downloading of content and access to financial planning tools for home economics, to training content via any device: computer, tablet or smartphone. The advantages of these platforms that offer applications allow the interconnection of all the devices by carrying out the same content and a follow-up by the users. The training actions must be completed with at least 10-20% of the duration of the courses in the specific area. Mastering, use and integration of ICT - Digitalisation of the education system. In turn, the goals of digital competences are: to revitalise the teaching of both Compulsory Secondary Education and Baccalaureate and Vocational Training. The digitisation of the education system will encourage entrepreneurship and digital vocations among students, boost activity, modernise the management of educational centres and reinforce the objectives of equity in education.

8.2 Impact and Benefits of Startups on Financial Education

The predominant forms of receiving financial education are more individual and 'analogue', i.e. they are received on the person's own initiative, as in many cases solutions to personal finance-related problems have to be sought, or training is received through the education system. The digital transformation of many institutions has focused mainly on two aspects: the improvement and increase of financial products and services for customers and the improvement of internal management and administration processes. Spain is the EU country with the third highest number of start-ups offering online financial education, accounting for 5% of all start-ups in Europe. These companies have an average of 30 employees and 50% offer the courses in English, which reinforces their hypothesis of increased prospecting abroad, given the limited domestic demand. Thirteen companies are now exclusively dedicated to this business. Considering the observed weaknesses of our financial knowledge, we note the high dependence on the financial intermediary in decision-making, which leads us to ask ourselves what is the theoretical model behind this behaviour. It was found that 60% of the positions had a strong financial profile, despite the fact that 75% of the professions involved confessed that they had not received specific training in this area. Given this decision-making based on irrational financial behaviour, education in financial markets is considered to be the basis for sustainability in the finances of ordinary citizens, which is why this concept was institutionalised in its Agenda 2030 in order to develop and promote financial skills and competences.

8.3 Accessibility and Scalability

Fintech startups are significantly reducing the barriers to accessing banking services. They target groups that find it difficult to access the basic services provided by traditional financial institutions: mobile phones, social exclusion, disadvantaged rural areas, immigrants, travellers, etc. In general, they cover a demand that is not satisfied by traditional banking. Their use is particularly widespread in third countries, although several of these companies already operate in several Member States.

The projects analysed are spreading geographically; they started by offering their products to customers in one country, and have gradually expanded to a larger number of countries, mostly European Economic Area countries. Fintech startups tend to rely on existing and existing infrastructures. In other words, they effectively use mobile telephony and the Internet to develop and implement their digital platforms, as well as regulations that harmonise the services specific to the digital environment. Accessibility is total in the sense that there are no limitations to the use of the platforms created, although the requirements for the use of the services offered reduce the population groups at which they are aimed. The advantages of scalability are immediate and rapid. Many of these start-ups compete in the markets of different countries, offering their services in several languages.

8.4 Challenges and Limitations of Startups in Financial Education

Lack of collaboration with global financial market players

The lack of uniqueness in banking learning models is one of the main reasons why ineffective methods continue to work. In a utopian world, banking and financial education should be so powerful that the training provided by financial institutions should merely complement the user's needs without the need for theoretical explanations. Despite this great utopia, there are countries and market players that offer relatively effective financial training schemes. Therefore, a lot of research previously conducted on the culture of each country has an influence. Some people will be able to understand the benefits of a socially responsible brand and others will not. Whether the studies go in the right direction or the wrong direction is relative; it is often driven by interests seeking to prove a thesis or grants needed to pursue a job that is often expensive.

A major obstacle that startups face is the environment in which this already murky market dominates, and in the face of which they are helpless. They can be agents of change, yes, but the effectiveness of that change will depend on the following two points. This is easier to apply in your own country, because the company already knows the learner profile it will face. But if they decide to expand their borders, they will have to practice the ETQD technique: study/work a little bit in the target country, as it is not the same in the country where they have their operations. We can talk about business and financial culture, taxation, business plan, competition, but basically they don't know if their business model fits or will work in that country.

Regulations and Legal Framework

The first obstacle when visualising a potential collaboration between startups and states in the development of financial education strategies is the possibility of altering their institutional independence. The boom in this type of organisation in recent years has given rise to a specific regulation on supervision and technological development, commonly known as sandboxes. This instrument encourages the generation of financial innovations by collaborating with the authorities to test projects in a secure environment before their commercial launch. In this way, startups are linked to the government, while guaranteeing their independence for the formation of secure partnerships.

The European regulatory horizon is clearly focused on the ability to invest and the information requirements of financial services. Thus, institutions are obliged to ensure that their clients answer sufficient questions to guarantee that the user not only complies with the legal requirements, but also that this particular product is of sufficient interest to him or her, using the expression "to improve investor or consumer protection". In view of the risk that certain questions may be ignored, the possibility of exempting firms that implement automatic recommendation systems is provided for. This approach is of particular interest in order to encourage the development of financial education applications that are able to guide and interact with customers.

8.5 Case Studies of Successful Startups in Financial Education

Financial education is key to fostering social inclusion and progress in the European Union. In an increasingly digital and complex world, startups are playing a crucial role in promoting financial literacy that is accessible and tailored to the needs of different demographic groups. These startups are not only democratising access to information, but are also helping to reduce inequality gaps by providing personalised tools and resources for better financial decision-making.

The European context is particularly relevant, as it faces unique challenges related to cultural diversity, economic differences between member countries and rapid digital transformation. In this regard, startups offer agile solutions adapted to local needs, contributing significantly to financial education in the region. Their role is not only limited to the provision of knowledge, but also fosters greater financial responsibility, thus improving the quality of life of citizens.

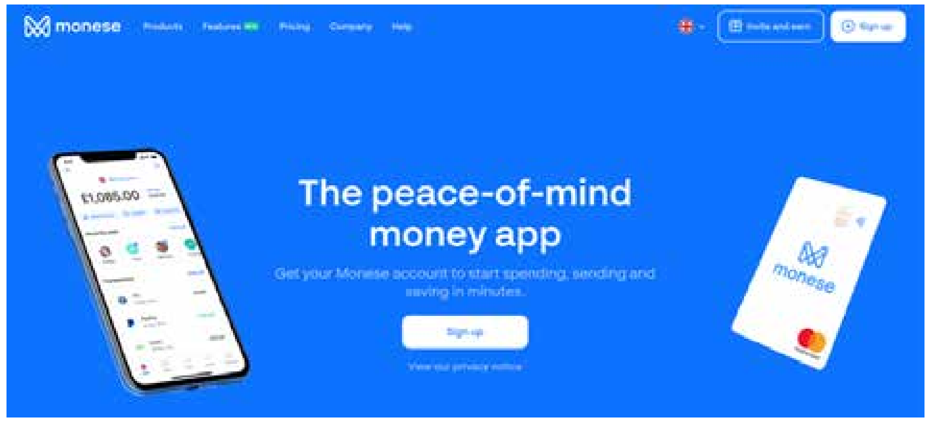
Some of the grassroots cases that have served to pave the way for startups are located in more traditional companies in the European financial sector. To begin this analysis, we can highlight companies in the European Union that have managed to consolidate and grow through the implementation of quality financial education plans for the progress of citizens, communities and the company itself. The selected cases are:

Deutsche Börse, founded in 1585, is considered one of the largest stock exchanges in the world. The company in question therefore believes that knowledge of the markets and the financial processes that influence asset prices, as well as insight into the different roles in the markets, is necessary. Aware of this situation, by launching the "Learning Center and Information Portal" project, it sought to be the intermediary between the financial services industry and market players. The learning modules provided by Deutsche Börse included: market modules, instrument modules, IT modules and the Group's corporate governance modules.

BBVA. Bank Holding Company, founded in 1857 in Bilbao, has been implemented globally, although it maintains its strong tradition and imagination that shows the idiosyncrasy of the Basque Country. Spain, Mexico, South America, France and the UK pensions research division are the main areas where the bank is located. In November 2012, it launched its new corporate website which focuses its attention on financial education, offering services such as stock market knowledge, securities or a securities simulator for the customer to observe the bank's opinion under a hedging service in given situations, in addition to multiple other financial services.

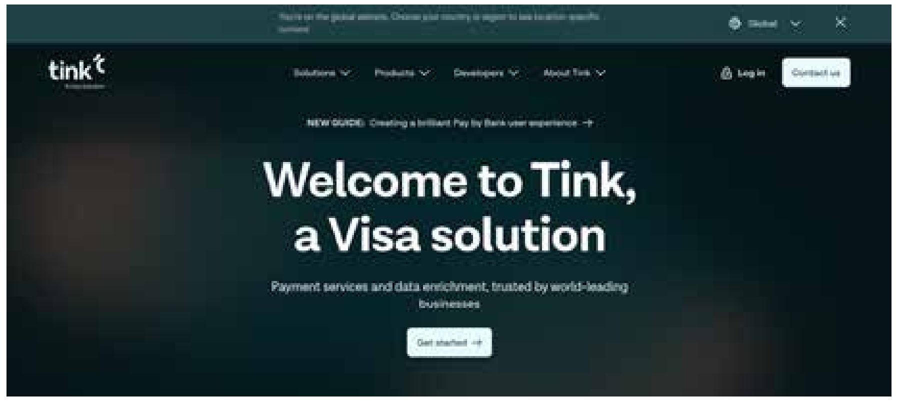
We then go on to analyse current initiatives, including specific cases of European startups, their measurable impact and areas of action, as well as the services they offer.

1. Monese (United Kingdom)



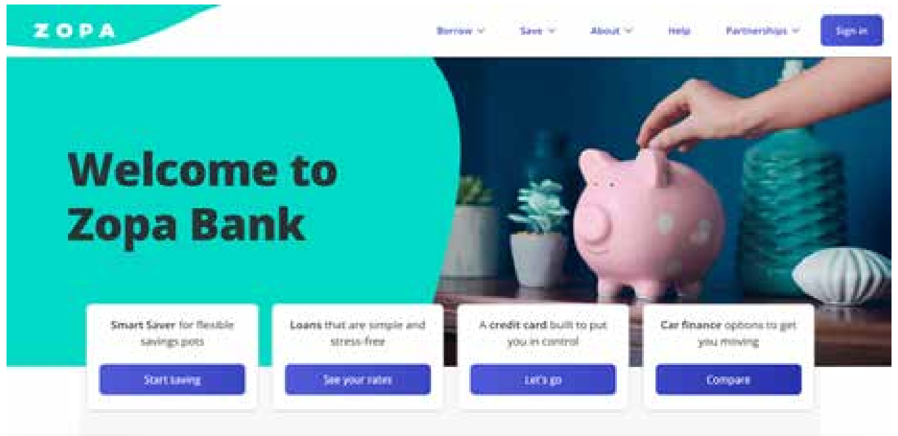
- **Business model:** Digital bank that focuses on financial inclusion, offering bank accounts without the need for a permanent address in the UK, which is especially useful for migrants and people without access to traditional banks.
- **Products/Services:** Current accounts, debit cards, international transfers, and savings and investment services, all managed through its mobile app. Also provides financial education on topics such as budgeting, savings and responsible lending.
- **Impact:** More than 2 million users. The startup has facilitated access to banking services for people who traditionally do not have access to banking services, especially migrants and people with limited credit history.
- **Link:** Monese

2. Tink (Sweden)



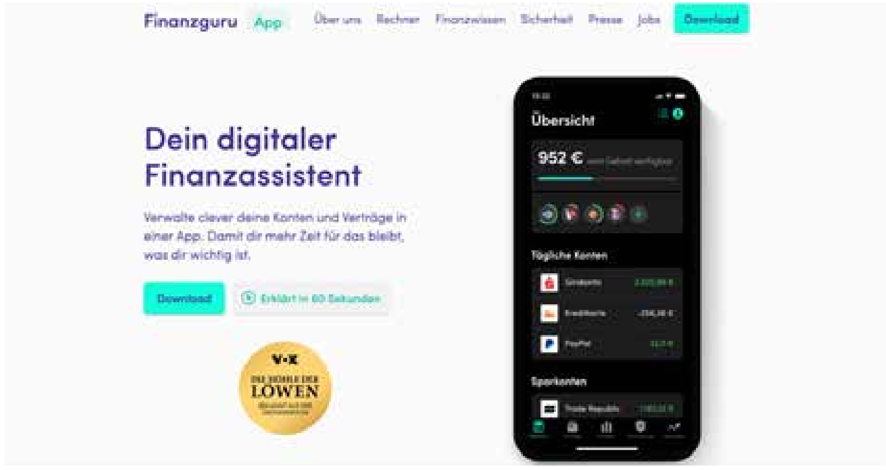
- **Business model:** API platform for open banking that enables companies to integrate financial services into their applications and products. It helps users understand and manage their finances by providing access to aggregated banking data.
- **Products/Services:** Offers tools such as account aggregators, spend analysis, personalised recommendations and payments through its API platform.
- **Impact:** It has worked with several European banks to improve financial literacy and make financial services more accessible and transparent for users. Its platform is used by more than 3,400 banks and financial service providers.
- **Link:** Tink

3. Zopa (United Kingdom)



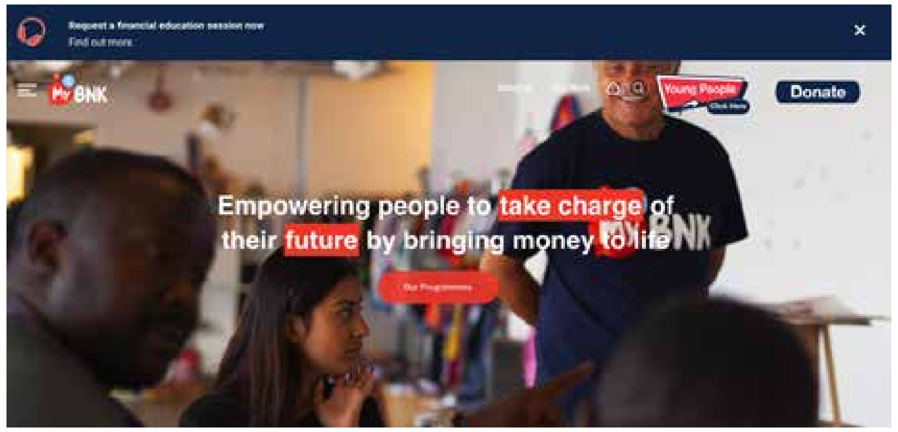
- **Business model:** Pioneer in the peer-to-peer (P2P) lending model, which also offers traditional banking products such as savings accounts and investments. It aims to transform the way people access credit and savings, while maintaining a vision focused on transparency and financial responsibility.
- **Products/Services:** Offers personal loans, high-yield savings, index fund investments, and a credit card. Also offers educational content on personal finance.
- **Impact:** Increased user confidence in responsible and transparent lending, with a focus on offering competitive rates. Its innovative business model has been instrumental in transforming the financial sector in the UK.
- **Link:** Zopa

4. FinanzGuru (Germany)



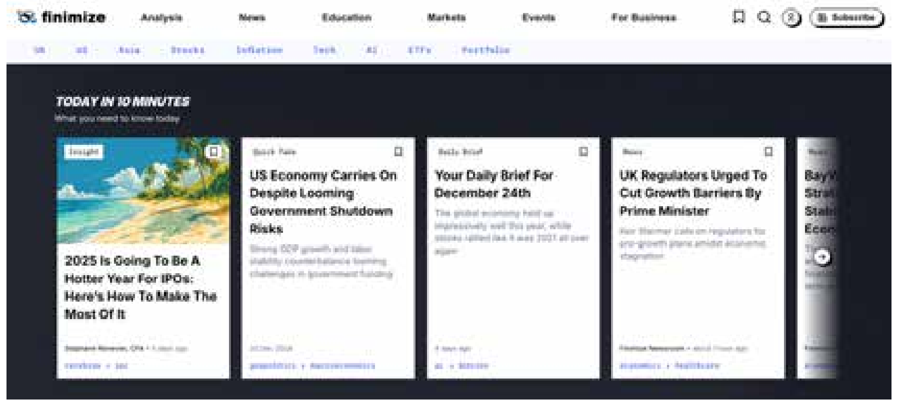
- **Business model:** Mobile app that helps users optimise their personal finances by managing their contracts, insurance and expenses. The app automatically connects to bank accounts to analyse spending and provide recommendations to improve financial health.
- **Products/Services:** Offers contract optimisation, insurance comparison, expense tracking, and personal financial planning services. The app also provides personalised recommendations based on user data.
- **Impact:** Increased the average annual savings of its users by 12%. The application has significantly improved the financial management of thousands of users in Germany, helping them to reduce unnecessary expenses.
- **Link:** FinanzGuru

5. MyBnk (United Kingdom)



- **Business model:** Non-profit organisation that provides financial education to young people to help them develop key money management skills. MyBnk focuses on imparting knowledge on how to manage money, save and invest responsibly.
- **Products/Services:** Educational programmes for young people in schools and universities, interactive workshops, and resources on personal finance, savings and entrepreneurship.
- **Impact:** It has educated more than 275,000 young people in Europe. Its approach has improved young people's financial skills, helping them to make more informed decisions and better understand the financial world.
- **Link:** MyBnk

6. Finimize (United Kingdom)



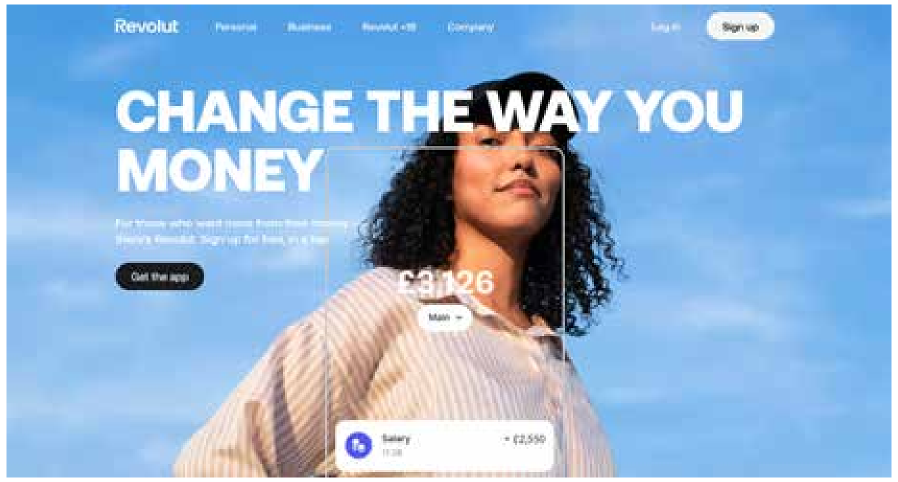
- **Business model:** Digital platform that provides daily summaries of financial news and educational guides on finance. It aims to make financial information accessible to all, even those with no prior knowledge in the area.

- **Products/Services:** Provides financial news summaries, market analysis, and educational guides on financial topics such as investments, global economics and financial planning.

- **Impact:** More than one million users in Europe use its services to make informed financial decisions. Its model has been key to increasing financial literacy among its users.

- **Link:** Finimize

7. Revolut (United Kingdom)



- **Business model:** Revolut is a digital financial platform offering a wide range of banking services, including international payments, foreign exchange, cryptocurrencies and insurance. The startup is focused on financial inclusion and accessibility to banking services for people around the world.

- **Products/Services:** Personal bank accounts, debit cards, international payments with no hidden fees, foreign exchange at real exchange rates, investments in cryptocurrencies, shares and precious metals, travel and health insurance.

- **Impact:** Revolut has grown rapidly and has more than 25 million users worldwide. It has transformed the way people manage their money, especially in the area of international payments and currency exchange.

- **Link:** Revolut

8. Curve (United Kingdom)

- **Business model:** Curve is a financial card and app that centralises all of a user's bank cards into one, making it easier and more flexible to manage accounts and make payments. Its model seeks to simplify personal finance by integrating multiple banking services into a single platform.

- **Products/Services:** Curve debit card, which allows all bank cards to be aggregated into one, applications to manage spending and get savings recommendations, and international payments with no fees.

- **Impact:** It has gained a growing user base, standing out for its focus on facilitating personal financial management by integrating different bank accounts in one place.

- **Link:** Curve

9. Bunq (Netherlands)

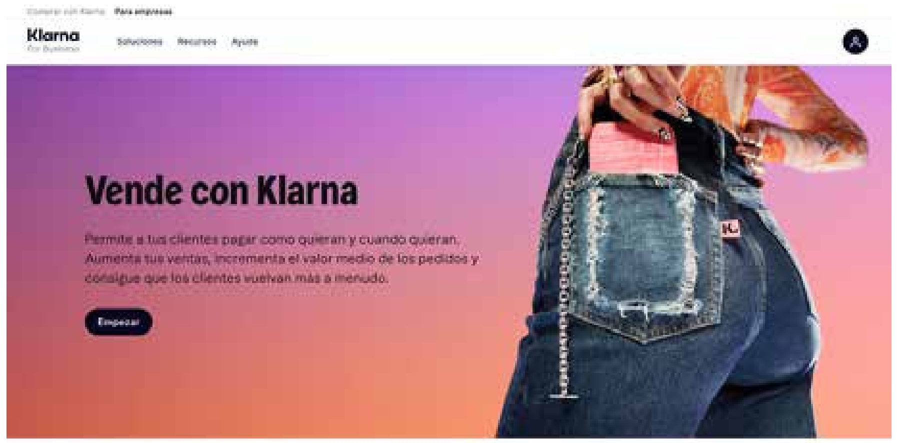
- **Business model:** Bunq is a digital bank that promotes a fully integrated banking experience in its mobile app. It aims to offer a transparent, flexible and user-friendly bank with no hidden fees and a strong focus on sustainability.

- **Products/Services:** Current accounts, debit cards, international payments, savings, and investment options in sustainable projects. Bunq also allows users to automate their finances through customised rules.

- **Impact:** More than 400,000 users in Europe. Bunq has stood out for its focus on sustainability and its transparent business model, which has attracted many users interested in more responsible and ethical alternatives within the banking system.

- **Link:** Bunq

10. Klarna (Sweden)

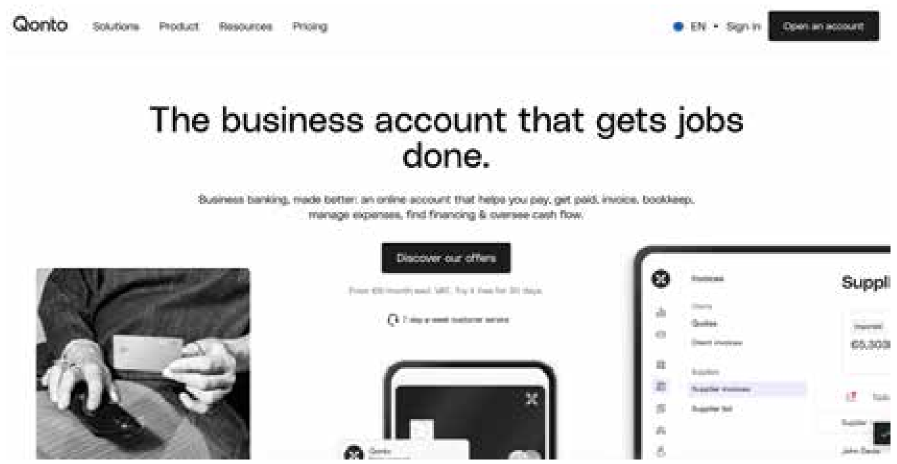


- **Business model:** Klarna is a financial platform offering payment and financing solutions, particularly known for its "buy now, pay later" service. Its business model focuses on making shopping more accessible through flexible payment options for consumers and merchants.
- **Products/Services:** Purchase financing, instalment payments, "buy now, pay later" payment options, and online payment solutions for merchants. Also offers card and transfer payment options.
- **Impact:** Klarna has more than 150 million users worldwide and has transformed the way consumers shop online, giving them more control over their finances through flexible payment options.
- **Link:** Klarna

11. Pleo (Denmark)

- **Business model:** Pleo is a fintech startup that offers debit cards and an expense management platform for businesses. Its focus is on improving the financial management of small and medium-sized enterprises by controlling corporate expenses and automating accounting processes.
- **Products/Services:** Business debit cards, real-time expense management, automated financial reporting, and enterprise budget control.
- **Impact:** More than 20,000 companies use Pleo in Europe, simplifying their financial processes and improving efficiency in expense management.
- **Link:** Pleo

12. Qonto (France)



- **Business model:** Qonto is a digital banking platform designed for small businesses, startups and freelancers. It offers banking services that make it easy to manage finances, from current accounts to debit cards and payment services, all integrated into one app.
- **Products/Services:** Business bank accounts, debit cards, expense management, international payments, financial reporting, and simplified accounting.
- **Impact:** More than 200,000 users in Europe, improving the efficiency of small businesses and freelancers in managing their finances.
- **Link:** Qonto

Below is a table illustrating the impact of some prominent startups in Europe:

STARTUP	USERS REACHED	INVESTMENT RECEIVED (MILLION €)	KEY BENEFITS
Monese	2 million	160	Financial inclusion, access to bank accounts without the need for permanent residence in the UK, budgeting education, savings and responsible lending.
Tink	3,400 banks and suppliers	300	Open banking platforms, account aggregation and spending analysis tools, personalised recommendations to improve users' financial health.
Zopa	500	450	Responsible lending, high-yield savings, investments in index funds, and transparency in financial products, with educational content on personal finance.
FinanzGuru	1 million	50	Contract optimisation, insurance comparisons, cost control, financial planning and personalised recommendations to improve savings.
MyBnk	275	15	Financial education for young people, educational programmes on how to manage money, save and invest, with interactive workshops and resources to improve financial skills.
Finimize	1 million	30	Daily summaries of financial news, educational guides on investing, global economics, and financial planning.
Revolut	25 million	800	Digital banking services, international payments, foreign exchange with no hidden fees, cryptocurrencies, and investment options in precious metals and equities.
Curve	1 million	100	Integration of multiple bank cards into one, fee-free international payments, flexible account management and savings recommendations.
Bunq	400	200	Digital bank focused on sustainability, current accounts, international payments, savings and investment options in sustainable projects, with finance automation.
Klarna	150 million	500	Purchase financing, flexible payment options such as "buy now, pay later"( ) and payment solutions for online merchants.
Pleo	20,000 companies	150	Business debit cards, real-time expense management, automated financial reporting, and corporate budget control.
Qonto	200	100	Digital banking platform for small businesses, freelancers and startups, including bank accounts, debit cards, international payments, and simplified accounting.

8.6 Recommendations and Conclusions

Finally, based on the existing literature and the results obtained in this study through the expert panel, a series of recommendations and conclusions can be drawn. At European level, as well as with the implementation of education and training strategies, it is important to implement mobility programmes that promote the acquisition of global experience, especially in those cases where it is an important factor in establishing relations with entrepreneurs, mentors, investors, etc. Through such policies, individual and collective competitiveness will be increased, not only through labour mobility, but also on a social level and directly with respect to the educational topic under study.

Institutions that promote the implementation of platforms in European territories and in educational themes, in addition to the mentoring model, should also pay special attention to the creation of coworking spaces aimed at young Europeans, more geared towards the acquisition of knowledge of new themes that motivate the implementation of new projects, promoting the exchange of ideas and networking among them . The control and monitoring of these projects, as well as of the users of these coworking spaces, can be a possible indicator for their measurement and justification. At the same time, institutions should question whether the term "startup" can be a catch-all term when it comes to encompassing a sensitive group, or whether, on the contrary, some of the projects in which they are included have a more educational and formative interest rather than a business interest.

Cross-sectoral collaboration

In turn, the role of startups can be facilitated by the collaboration of different sectors, as education and entrepreneurship complement and benefit each other. On the one hand, education is the breeding ground for future entrepreneurs; on the other hand, alongside the definition of entrepreneurship, incubators and support organisations, startups themselves can promote employability and entrepreneurship-oriented education. This synergy has been reflected in various initiatives to improve, seek to enrich the skills and knowledge of potential and newcomer teachers in the entrepreneurial sector. Professionals in entrepreneurship or in the generation of such governance would be supported by start-up centres and other training agents in favour of entrepreneurship, either through collaboration agreements between school and business activities.

The establishment of partnerships between members of both sectors can especially contribute to boosting innovative entrepreneurship. This is confirmed by various experiences, where the promotion of regional entrepreneurship has required the interaction of various economic and social actors to improve access to quality training. Obviously, these collaborative networks, which support the promotion of entrepreneurship, need to be built and maintained from a multidimensional and generalised governance, in which schools, universities and the main business areas contribute in a coordinated manner.

9

CONCLUSIONS AND RECOMMENDATIONS FOR STRENGTHENING FINANCIAL EDUCATION IN THE EUROPEAN UNION

Within the framework of the exhaustive analysis of the current state of financial education in the European Union, the following is a concise presentation of the main conclusions obtained and proposes relevant and appropriate recommendations that could be implemented in the design of a Comprehensive Financial Education and Inclusion Programme covering all member countries of the Union. With regard to consumer financial education, the following conclusions can be drawn:

- The development and strengthening of the quality and governance of financial education has been achieved mainly thanks to the experience and leadership shown by some EU member countries.
- The close interrelationship between financial education programmes and other education and social inclusion programmes has been of vital importance and one of the main determinants of success in these fields.
- Adequate specialised training targeted at different sectors of society and close cooperation between the public and private sectors have proven to be distinctive and decisive factors in successful European programmes.
- The consideration of international trends and the global policy framework aimed at promoting the improvement of financial literacy and citizens' well-being is a valuable opportunity to be taken into account for the co-financing of programmes and actions at national level.

The relevance of financial education in today's society cannot be underestimated, as there is a clear need to provide consumers with the necessary tools to make informed and responsible financial decisions. In order to promote this education and ensure the financial inclusion of all citizens in Europe, it is essential to implement an effective and comprehensive Financial Education and Inclusion Programme designed on the basis of the best practices and recommendations mentioned in this analysis. Only through sound financial education can we drive sustainable and equitable economic and social development across the European Union.

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