



**EFAMA**

Building Financial  
Resilience in Turbulent  
Times: Financial Literacy  
in the 2020s

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EFAMA

A special online seminar organized by EBF

24 March 2020

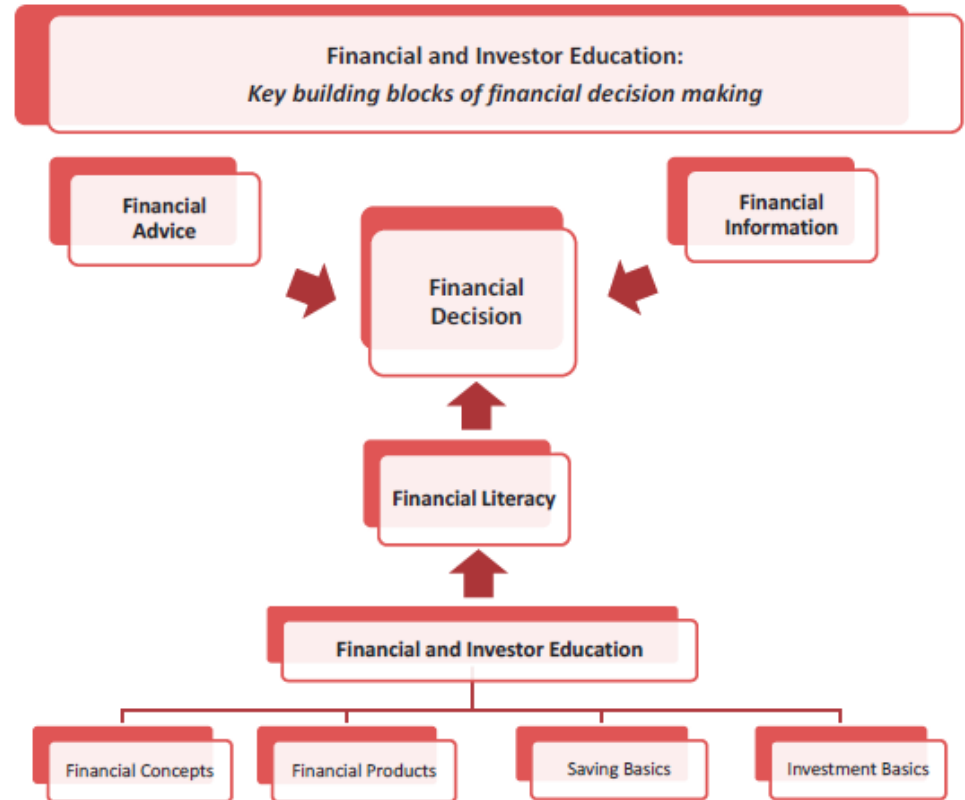
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2014

## Building Blocks for Industry Driven Investor Education Initiatives

EFAMA Report on Investor Education



## Financial literacy: a key element of investor protection





## Resolution Booklet



# EFAMA Partnership with the European Youth Parliament

- EFAMA sponsored a ‘financial literacy committee’
- 15 students from throughout Europe discussed what should the EU do to increase financial literacy among young people to ensure they are better equipped to save and invest for retirement.
- On day 1, IOSCO Chairman Paul Andrews delivered a speech to the students on the importance of financial information and consumer protection. The Chair and Vice-Chair of our Investor Education Platform, also spoke with the students.
- The committee worked for three days and drafted a resolution that was discussed and approved by the entire EYP (around 300 delegates) on the last day of the International Session.

[https://www.youtube.com/watch?v=MDal\\_c-14wPU&t=2s](https://www.youtube.com/watch?v=MDal_c-14wPU&t=2s) [https://www.youtube.com/watch?v=e8FU-l2T\\_sU&feature=youtu.be](https://www.youtube.com/watch?v=e8FU-l2T_sU&feature=youtu.be) <https://www.youtube.com/watch?v=l0o8Jgohk6g&feature=youtu.be>

# The EYP resolution was discussed at two EFAMA events in 2019

## A Breakfast Event during the World Investor Week



## A Panel discussion with EYP members at EFAMA IMF





## RESOLUTION BY THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS I

### The Youth European Parliament asked the European Commission to

- Demonstrate the disadvantages of not being financially literate through **websites, campaigns and other strategies**.
- Focus on financial education tools and methods adapted to the needs of different age groups, such as **interactive video games and web applications**, in order to help youth engage with financial concepts.
- Open a call for tenders for private companies to develop applications and other **digital tools** which help citizens, especially young people, to understand long-term financial planning.
- Provide young people with low-cost financial advice and seminars and financial literacy workshops about all investment options with an emphasis on sustainable investments.
- Utilise **online advertisement and social media platforms** to inform young citizens on how to best use the financial advice and other tools available to them.
- Establish and promote **a new digital platform** including webinars, expert talks on financial issues and other relevant financial information in all official EU languages.
- Allocate funds to support financial literacy initiatives in all Member States, prioritising the Member States with lower rates of financial literacy.
- Provide funding and support to national financial education campaigns to be translated into all Member States' languages.

[https://issuu.com/valencia2019/docs/\\_resolutionbooklet](https://issuu.com/valencia2019/docs/_resolutionbooklet)

# Ten principles for saving & investing for millennials



## New Report in Preparation

- Focus on regular saving
- Define your investment horizon
- Identify the risks you are willing to take
- Don't put all your eggs in the same basket
- Taking investment risk is usually rewarded in the long term
- Compound interest is the eighth wonder of the world
- Be fearful when others are ready and greedy when others are fearful
- ...

**Even more important to publish this report because of the coronavirus crisis**



## How to build financial resilience?

- Build up precautionary savings to cope with the unexpected
- Maintain adequate insurance
- Limit debt
- Invest for the future
- Plan for an adequate retirement income



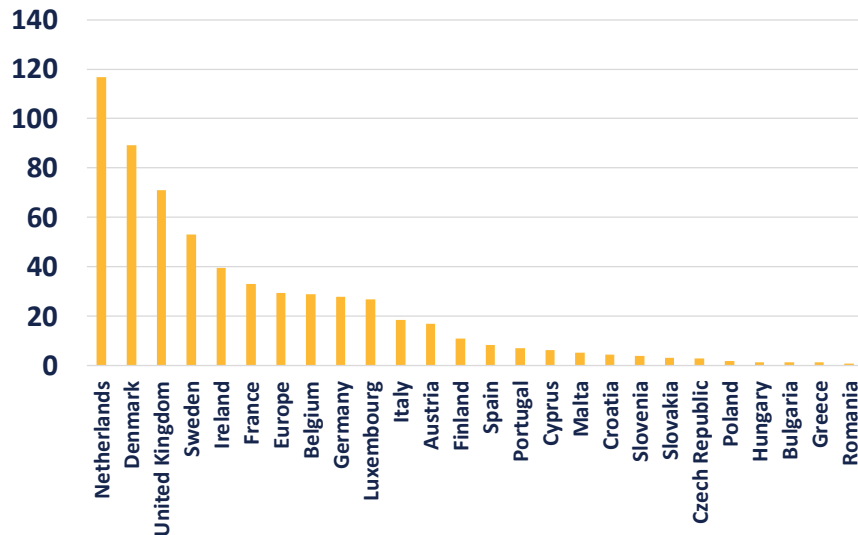
**We should use online social media platforms to launch new investor education initiatives to inform millennials on how to prepare for bad weather**

## Prepare yourself for the population ageing



- The corona crisis will create a massive budgetary challenge, and this will further reduce the generosity of first pillar pensions.
- Not all countries are as well prepared as the Netherlands, Denmark, the UK and Sweden to cope with population ageing.
- “We need a Greta Thunberg’s moment on pensions” (Gabriel Bernardino, EIOPA Chairman)

**Pension Savings per Inhabitant in 2019**  
(in thousands of euro)



**Investor education initiatives should explain the importance of retirement saving to strengthen financial resilience**





## Some signs of hope

The interim report of the High Level Forum on the Capital Markets Union (CMU) has noted that inadequate lifelong financial education of citizens is a problem.

**Let's hope that the final report will make strong recommendations to tackle this problem and that the European Commission will take them on board in its new Plan for the CMU.**



**EFAMA**

**THANK YOU**

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