



## Financial literacy: Commission and OECD-INFE publish joint framework to improve individuals' financial skills

Brussels, 11 January 2022

The European Commission and the OECD International Network on Financial Education (OECD-INFE) have today published the joint EU/OECD-INFE financial competence framework for adults. This framework aims to improve individuals' financial skills so that they can make sound decisions regarding their personal finances. It will support the development of public policies, financial literacy programmes and educational materials by Member States, educational institutions and industry. It will also support the exchange of good practices by policy makers and stakeholders in the EU.

Having a better understanding of finance empowers individuals in managing their personal finances and allows them to more safely and confidently participate in financial markets. Today's financial competence framework follows on from [measures announced in the 2020 Capital Markets Union Action Plan](#). It marks a key milestone in the Commission's work on financial literacy and is an important follow-up to OECD-INFE work on financial literacy.

The joint financial competence framework for adults published today: **outlines key skills to help individuals make sound financial decisions; and builds upon the competences defined in the G20/OECD INFE core competencies framework on financial literacy for adults**, adjusting them to the EU context, and integrating digital and sustainable finance skills.

Mairead **McGuinness**, Commissioner for financial services, financial stability and the Capital Markets Union, said: *"Equipping people with the know-how to make informed decisions about their personal finances promotes financial well-being and a more assured participation in financial markets. This is all the more important given the increasing digitalisation of finance. Current levels of financial literacy in the EU are regrettably low, and disproportionately impact the most vulnerable in society. Today's announcement, and the joint work of the Commission and the OECD-INFE, is a significant step forward in strengthening financial literacy in the EU by providing Member States and other stakeholders with the tools to develop financial literacy policies and programmes. This framework is a key part of our CMU Action Plan and brings us closer to completing a single market where consumers can safely navigate capital markets."*

### Next steps

Commission and OECD efforts will now focus on the uptake of the joint EU/OECD-INFE financial competence framework for adults by national authorities and practitioners. Exchanges with Member States and with stakeholders will be organised and will be moderated by Commission services and the OECD as of early 2022.

In parallel, the Commission and the OECD, in cooperation with Member States, will start work on a joint EU/OECD-INFE financial competence framework for children and youth, which is expected to be finalised in 2023.

### Background

**Financial literacy**, according to the 2020 OECD Recommendation on Financial Literacy, refers to a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial well-being. However, the level of financial literacy among individuals remains low, making it a priority for policymakers and other stakeholders in the EU.

This is why the Commission had included two measures in the **2020 Capital Markets Union Action Plan** that aim to increase the financial literacy levels of individuals in the EU:

- to conduct by Q2 2021 a feasibility assessment on the development of an EU financial competence framework:

The feasibility assessment for the development of a financial competence framework in the EU was published in April 2021 and supported the creation of EU-wide financial competence frameworks in

collaboration with the OECD-INFE.

- subject to a positive impact assessment, table a legislative proposal requiring Member States to promote measures that support the financial education of consumers:

This action will be further refined in the context of the retail investment initiative to be adopted in Q4 2022.

Today's **joint EU/OECD-INFE financial competence framework for adults** was developed by the Commission and the OECD-INFE through coordinated work. Member States and experts shared their views and comments on the development of the framework through a dedicated subgroup of the EU Government Expert Group on Retail Financial Services (GEGRFS). In addition, technical experts provided input on the usability of the framework through a technical discussion organised by the Commission services and the OECD.

This financial competence framework will aim to provide a common EU-level terminology and framework to inform the development of financial literacy policies and programmes, identifying gaps in the provision of training, and to create evaluation tools.

### **For More Information**

[Financial competence framework](#)

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Press contacts:

[Daniel FERRIE](#) (+32 2 298 65 00)

[Aikaterini APOSTOLA](#) (+32 2 298 76 24)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)