

The importance of financial education in promoting financial inclusion

Financial inclusion has become a priority for policymakers, regulators and development agencies globally. Financial education can be an effective way to promote financial inclusion. It boosts the understanding of financial and insurance products, encourages responsible financial behaviour and gives people the confidence to take control of their finances. Improving the level of financial literacy is one of the keys to increasing financial inclusion.

Five ways to raise financial literacy and inclusion levels



5. Embrace innovation

Technology-based tools can contribute to raising financial literacy levels and help overcome some barriers to financial inclusion. GFIA member jurisdictions are increasingly making use of digital tools to reach and engage the public on financial education.

4. Start educating at a young age

Financial literacy is a core life skill that must be nurtured as early as possible through school curricula to encourage responsible financial behaviour and financial inclusion.

1. Boost financial inclusion strategies

According to the World Bank, more than 55 countries have made commitments to financial inclusion since 2010, and more than 30 have either launched or are developing a national strategy. Financial education, consumer protection and access are key pillars of any financial inclusion strategy.

2. Develop and implement financial education programmes

GFIA members are engaged in a broad range of initiatives across the globe to increase people's financial literacy and understanding of insurance. These range from teaching and training programmes to online tools, advice services and media activities.

3. Cooperate with a wide range of stakeholders

Public authorities, the private sector and civil society can all play their part when addressing knowledge deficits among citizens about the broad range of financial products and services, and when funding financial education programmes.

Best practice examples from GFIA members

AMERICAS: Mexican Association of Insurance Companies

Prospera

Prospera is aimed at strengthening the skills that drive the economic development of young people. It includes the annual ¡Seguro Prosperas! competition, where participants prepare a report on the risks their community faces and the mitigating steps that could be taken.

EUROPE: Insurance Europe

#InsureWisely

The campaign showcases the European insurance industry's engagement in a wide range of initiatives to increase people's financial literacy and understanding of insurance.

ASIA: Life Insurance Association of Japan

Teaching materials on insurance and social security

The materials explain the roles and benefits of insurance and the social security system to junior-high and high school students. They can be used by teachers in social studies and civics classes.



AFRICA: South African Insurance Association

Consumer Education Initiative

The initiative includes a series of radio shows in local languages covering issues such as motor insurance, budgeting and managing personal finances, a 6-episode TV series and financial literacy projects in high schools and institutes of higher education.

OCEANIA: Insurance Council of Australia

Understand Insurance

A website providing practical information to help consumers find out more about insurance and make decisions that meet their needs.