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To:	Delegations
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Subject:	Council Conclusions on Financial Literacy

Delegations will find attached the Council conclusions on Financial Literacy, as approved by the Council at its 4023rd meeting held on 14 May 2024.

Council Conclusions on Financial Literacy

THE COUNCIL OF THE EUROPEAN UNION:

1. EMPHASISES the conclusions of the Special meeting of the **European Council** held on 17-18 April 2024¹, whereby EU Leaders i.a. called for, in the context of the Capital Markets Union, “advancing work in the Council and the Commission without delay on (...) viii) creating an attractive and consumer-friendly investment environment and promoting an investor culture among EU citizens, including by strengthening financial literacy of citizens and promoting awareness-raising initiatives”;
2. RECALLS the recent Statement by the **Eurogroup** in inclusive format on the future of Capital Markets Union (11 March 2024)²;
3. Also RECALLS its conclusions of 3 December 2020 on the Commission’s CMU Action Plan³, whereby it invited the Commission to promote the mobilisation of private capital and to stimulate more investment activity inside the Union, first, by empowering citizens to take well-educated investment decisions through enhanced financial literacy, in particular by establishing a common conceptual basis to develop policies and measures that foster citizens’ financial competence, while taking into account existing national and international initiatives and their work;
4. RECALLS the results of 2023 Eurobarometer on monitoring levels of financial literacy in the EU which showed that financial literacy levels across the EU are low and differ significantly across Member States⁴ and between different groups within Member States;

¹ **European Council conclusions - Consilium (europa.eu)**, doc. EUCO 12/24

² <https://www.consilium.europa.eu/en/press/press-releases/2024/03/11/statement-of-the-eurogroup-in-inclusive-format-on-the-future-of-capital-markets-union/>

³ Doc. 12898/1/20 REV1.

⁴ The results show that 18% of EU citizens display a high level of financial literacy, 64% a medium level, and the remaining 18% a low level. More detail:
<https://europa.eu/eurobarometer/surveys/detail/2953>.

5. STRESSES that the 2023 Eurobarometer results and the analysis in the 2023 European Financial Stability and Integration Review (EFSIR) underline the urgency of taking further action to promote financial literacy in the EU;

6. RECOGNISES that financial literacy is important to improve the financial well-being of EU citizens as well as financial inclusion; STRESSES this is in line with the objective of the European Commission's 2020 Capital Markets Union (CMU) action plan to empower citizens through financial literacy and NOTES that people who are financially literate make more informed choices about their own finances and are better equipped to prepare and invest for the future, including for retirement and other investment projects, thereby fostering increased retail participation in capital markets, thus contributing also to enhanced financial stability;

7. RECOGNISES that financial literacy not only benefits individuals but more broadly society and notes that increasing financial literacy can positively impact the level of trust between citizens and financial institutions;

8. WELCOMES the publication of the joint EU/OECD INFE⁵ financial competence framework for adults and the framework for youth and children ('the frameworks', hereafter) that were developed in collaboration with Member States and the OECD and STRESSES the importance of the digital, sustainable finance, and resilience competences contained in the frameworks;

⁵ International Network for Financial Education.

9. RECALLS that the frameworks seek to establish a common understanding of financial literacy competences across Member States and stakeholders and help to improve financial literacy so that adults and young people can make sound financial decisions in an increasingly complex and digital financial landscape where fraud, scams and cyberattacks are becoming ever more important; and WELCOMES in this respect initiatives, including at global level, to raise awareness and share best practice on tackling financial scams and fraud, such as the March seminar held by the OECD/Financial Consumer Protection Organisation;

10. HIGHLIGHTS that digitalisation of the financial landscape increases the need and the urgency to further enhance the level of financial literacy and digital skills in the EU; and NOTES as well that enhanced financial knowledge may help individuals to embrace new opportunities stemming from digital finance;

11. EMPHASISES that the frameworks, while being voluntary, could support national policymakers and stakeholders in coordinating, designing, implementing and evaluating financial literacy policies and actions, and INVITES Member States to take up the frameworks;

12. WELCOMES that several Member States have developed and implemented national financial literacy strategies and ENCOURAGES the other Member States to develop one, as well as possible relevant updates to existing ones;

13. RECOMMENDS that the existing national strategies are also periodically reviewed and evaluated to ensure that they remain effective and integrate new trends in finance;

14. WELCOMES the initiatives jointly taken by the European Supervisory Authorities (ESAs) in the area of financial literacy, including the publications on inflation and rising interest rates⁶, sustainable finance⁷ or digitalisation with a focus on cybersecurity fraud and scams⁸ that were developed with the National Competent Authorities and EMPHASISES the importance of further cooperation involving relevant national authorities to improve the level of financial literacy in the EU through information, knowledge and best-practices sharing, as well as via targeted communication campaigns;

Financial Education and Literacy for Youth and Children

15. HIGHLIGHTS that financial literacy is a fundamental life-long skill and, having regard in particular to the joint EU-OECD/INFE Financial competence framework for children and youth in the European Union starting from the age of 6⁹, that financial education should start at a young age for all and continue over the life cycle;

16. INVITES Member States to undertake actions with regard to financial education, including by continuing to develop or review national strategies on financial literacy, organising awareness raising campaigns, competitions and events and ENCOURAGES the involvement of relevant stakeholders;

⁶ Joint ESAs interactive factsheet on financial education, inflation and rising interest rates 15 May 2023

⁷ Joint ESAs interactive factsheet on financial education and sustainable finance, 30 November 2023

⁸ Thematic report on digitalisation (12 January 2023) and repository of national competent initiatives (January 2022)

⁹ <https://www.oecd.org/financial/education/financial-competence-framework-youth-european-union.htm>

17. ENCOURAGES Member States or, where relevant, competent bodies, including but not limited to national authorities, to consider integrating financial education in school curricula with an aim to cover key concepts and acquire skills that are relevant to their age to better prepare them for later in life;

18. While fully respecting the responsibility of Member States, subject to their own constitutional arrangements and competencies, for the content of teaching and the organisation of educational systems, CALLS ON Member States to develop or facilitate the development by stakeholders of traditional and digital financial literacy programmes and learning materials for school and out-of-school activities, including financial education games;

Financial Literacy for Adults

19. INVITES Member States to tackle the issue of low levels of financial literacy by developing inclusive financial literacy strategies with particular attention to the needs of adult groups identified as being less financially literate or financially vulnerable, including among others people with lower incomes and those with lower levels of general education, as well as the specific needs of migrants and people with disabilities; and accordingly INVITES Member States to identify financial vulnerability in their context;

20. ENCOURAGES Member States to also address the needs of older people who face a high risk of social and physical isolation and are less comfortable with digital financial services, making them particularly vulnerable to certain types of fraud and financial exclusion;

21. CALLS ON Member States, when developing financial literacy actions, to address the needs of specifically vulnerable categories of adults, in particular as identified in recent surveys and depending on local contexts, such as those with lower levels of financial literacy who tend to be less confident in managing their personal finances. Gender inequality issues must also be taken into account, e.g. pay gaps in working life, gaps in income from savings and capital income, financial abuse, pension gaps and poverty at retirement age combined with longer life expectancy. Adults who are highly exposed to fraud and scams due to social media usage should also be taken into consideration;

22. ENCOURAGES Member States to support the delivery of financial education to adults such as through events, seminars, workshops and awareness raising campaigns, and INVITES Member States to develop traditional and digital financial literacy programmes and learning materials involving private and non-profit stakeholders, including the retail banking sector and other financial institutions, who can play a crucial role in developing effective programmes;

Financial literacy for entrepreneurs and SMEs

23. RECALLS the relevance of OECD/INFE Core Competencies Framework on Financial Literacy for SMEs¹⁰ and the Commission Entrepreneurship Competence Framework¹¹ as a high-level tool that supports learning and assessment frameworks at the national level;

¹⁰ <https://web.archive.oecd.org/2018-09-21/494517-OECD-INFE-core-competencies-framework-on-financial-literacy-for-MSMEs.pdf>

¹¹ [JRC Publications Repository - EntreComp: The Entrepreneurship Competence Framework. \(europa.eu\)](#)

24. HIGHLIGHTS the importance of appropriate levels of financial literacy of potential entrepreneurs and SMEs owners and managers in order to enable firms to develop a sustainable approach for their financial resources in each life stage with positive effects on economic growth;

25. INVITES Member States to assess the financial literacy levels of SMEs owners and managers and ENCOURAGES Member States to develop and deliver strategies and programmes, potentially in collaboration with financial institutions, providers of accounting services and academia, that will contribute to improving weak points identified in the assessments and general levels of SMEs and potential entrepreneurs financial literacy;

Next steps

26. ENCOURAGES Member States to regularly measure levels of financial literacy, based on the relevant joint EU-OECD/INFE frameworks, and evaluate the impact of financial literacy initiatives for young people and adults, including SMEs owners and managers, to assess their effectiveness, so that relevant data can be shared with the Commission through its cooperation with the OECD;

27. INVITES the Commission to continue promoting the uptake of the financial competence frameworks and to facilitate the exchange of best practices by Member States and its stakeholders; REFERS in this regard to the press release published following the Informal meeting of economic and financial affairs ministers held in Ghent on 23 and 24 February 2024¹²;

¹² Belgian Presidency's Council webpage: <https://belgian-presidency.consilium.europa.eu/en/news/it-s-a-competitive-world-key-takeaways-from-the-informal-ecofin-meeting-in-ghent/>

Council Newsroom page : <https://newsroom.consilium.europa.eu/events/20240223-informal-meeting-of-economic-and-financial-affairs-ministers-february-2024>

28. TAKES NOTE in particular of the repositories of initiatives taken across the EU in the field of financial literacy, which have been set up, together with other individual and joint actions, by the European Supervisory Authorities (ESAs); UNDERLINES their importance for the exchange of best practices as well as stimulating further initiatives in the field; INVITES the ESAs to continue coordinating financial literacy initiatives and combine as appropriate updates to these repositories with meetings and workshops, in close cooperation with National Competent Authorities, and RECOMMENDS their promotion among Member States and stakeholders;

29. CALLS ON the Commission to support actions that can be delivered via non-legislative means, such as the Technical Support Instrument (TSI) and the Erasmus+ programme to fund financial literacy projects and ENCOURAGES Member States to consider the integration of the frameworks in their national education strategies and individual projects when submitting TSI requests to the Commission;

30. INVITES the Commission to regularly monitor financial literacy levels in the EU, in coordination with OECD/INFE, including by conducting in-depth Eurobarometer surveys where possible, and to provide analyses of the developments in financial literacy incl. with a gender equality perspective, sharing available data with Member States;

31. RECOMMENDS to the Commission to facilitate training, professional development, research opportunities, and, subject to Member States' constitutional arrangements and competencies, support for teachers related to financial literacy, in line with the objectives of the European Education Area, the European Skills Agenda and the European Research Area;
32. INVITES the Commission to strengthen cooperation in financial education matters with international organisations and government organisations from third countries;
33. CALLS ON the Commission, Member States and stakeholders to stimulate research and collaboration by considering funding opportunities to improve financial literacy in the EU;
34. Further INVITES the Commission to report regularly to the Financial Services Committee on progress made on financial literacy programmes and resulting outcomes.
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