Youth Financial Education in South East Europe

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Foreword

Young people in South-East European countries are less included in the financial system and have lower levels of financial literacy compared to older adults across the region. Although governments have prioritised financial education strategies that target children and young people for a number of years, development, implementation and evaluation challenges persist. The financial and economic consequences of the COVID-19 pandemic have further highlighted the importance of ensuring that young people in South East European countries are equipped with the financial skills that allow them to cope with periods of economic uncertainty and increase their financial resilience.

This report provides an overview of efforts by seven South East European countries (Bulgaria, Croatia, Georgia, the Republic of North Macedonia, Moldova, Montenegro and Romania) to develop and implement financial education policies and programmes. It identifies good practices and areas for further improvements with a view to further enhancing the ability of these countries to address the financial education needs of children and young people in the region.

The report was prepared by the OECD and its International Network on Financial Education (OECD/INFE) within the framework of its Technical Assistance Project for Financial Education in the Constituency Programme of the Ministry of Finance of the Netherlands. It takes into account work related to financial education for children and young people developed over a number of years.

Table of contents

FIGURES

TABLES

Executive Summary

The financial and economic consequences of the COVID-19 pandemic highlight the urgency of ensuring that young people in South East European countries are equipped with financial skills that allow them to cope with periods of economic uncertainty and increase their financial resilience. Young people in the region are less included in the formal financial system, have lower levels of financial literacy compared to older adults, and engage in less financially savvy behaviours. For example, only 40% of young people in South East European (SEE) countries keep a close watch on their financial affairs and about the same percentage will make purchases without first considering whether they can afford them. Such types of behaviours may impact young people's financial resilience and have long-term consequences on their financial lives. Financial inclusion of young people aged 15-24 in the region is also low, especially when compared to averages in OECD or high-income countries (based on the World Bank's Findex data). Over 60% of young people that are active savers in the region save informally, and less than 10% of them currently hold a pension or retirement product.

Focused on the SEE countries of Bulgaria, Croatia, Georgia, the Republic of North Macedonia, Moldova, Montenegro and Romania, this report provides an overview of efforts to develop and implement financial education policies and programmes to address some of the challenges. The following policy considerations emerge as potentially relevant for countries in the region:

- Enhance data collection on financial literacy levels of students and young people, on their needs and learning preferences.
- Improve coordination among implemented policies and programmes by public, private and NGO sectors across the spectrum, and more specifically align these programmes with adopted national competencies frameworks.
- Ensure that financial education programmes cover at least the basic concepts of good money management skills before delving into more complicated concepts.
- Manage private sector involvement in delivering financial education to children and young people through developing frameworks and codes of conduct.
- When possible, focus financial education programmes on skill development rather than information provision, and consider and test the impact of these programmes on attitudes and behaviours.
- Leverage knowledge exchange opportunities in the region to share and improve teacher-training programmes.
- Provide support not only to youth, students and teachers but also to parents, by encouraging practical activities to transmit knowledge, attitudes and habits around money.
- Develop programmes, which include financial education and financial inclusion elements and that support young people transitioning to post-secondary education or to the labour market.
- Evaluate financial education programmes before scaling them up.

1 Introduction

Context

The OECD and its International Network on Financial Education (OECD/INFE) are leading a five-year (2018-2022) Technical Assistance Project for Financial Education in the Constituency Programme of the Ministry of Finance of the Netherlands.[1] The project focuses on seven countries of the Dutch Constituency Programme – Bulgaria, Croatia, Georgia, the Republic of North Macedonia, Moldova, Montenegro, and Romania – and is conducted with the financial support of the Ministry of Finance of the Netherlands.

Building on the OECD/INFE's internationally recognised expertise and longstanding commitment to advancing financial literacy around the world, this five-year project aims to provide technical assistance to the design and implementation of effective financial education initiatives in the participating countries, adapted to their specific needs. The project also aims to promote peer learning and knowledge sharing and encourage regional cooperation through joint initiatives.

The project involves three different work streams focused on the following priority areas:

- Research: mapping current activities, establishing the current level of financial literacy within participating countries and identifying priorities and target groups;
- Development: supporting the design of a national strategy for financial education and the development of an evaluation process to measure its effectiveness;
- Implementation: supporting the implementation of the national strategy and the evaluation process.

Aim of this report

Common demographic, economic and social trends, coupled with the results of the adult financial literacy and financial inclusion survey conducted in 2019, allow identifying specific characteristics of different socio-economic groups across the region, including vulnerable groups that may require targeted financial education interventions.

For example, young people are less included in the financial system and have lower levels of financial literacy across the region compared to older adults. Consequently, SEE countries have prioritised financial education interventions for children and young people over the years and a variety of programmes have been implemented. However, development, implementation and evaluation gaps and challenges persist.

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[1] The Constituency Programme of the Dutch Ministry of Finance aims to assist Ministries of Finance and affiliated organisations in constituency countries in achieving (or promote awareness of) European and international standards in the area of transparent and solid public finances. The seven project countries are part of the Dutch constituencies at the IMF, World Bank Group and the European Bank for Reconstruction and Development.

Sources and Structure

This report provides an overview of efforts in SEE countries to develop and implement financial education policies and programmes and identifies successful examples and areas for further improvements. It takes into consideration OECD/INFE work related to financial education for children and young people developed over the course of the years.

The report draws on sources developed within the scope of the Technical Assistance Project:

- Country mapping documents, analysing current financial education provision in SEE countries, developed within the scope of the project
- 2019 Survey of adult financial literacy and financial inclusion in South East Europe (2019)

The document also builds on insights of previous OECD/INFE work:

- OECD Recommendation on Financial Literacy, which recognises the importance of financial literacy skills for current and future generations of youth to help them face contemporary financial challenges
- Policy Handbook on Financial Education for Young People in the Commonwealth of Independent States, which builds on country experiences and highlights a series of good practices for designing and implementing financial education for children and young people.
- OECD PISA financial literacy assessments of 2015 and 2018
- G20/OECD report on Advancing the digital financial inclusion of youth
- The OECD/INFE Core competencies framework on financial literacy for youth
- The OECD/INFE Guidelines On Financial Education In Schools
- The OECD/INFE Financial Education for Youth: The Role of Schools

The report acknowledges the importance of emerging good practice in implementing financial education policies and programmes for young people documented in the “Policy Handbook on financial education for young people in the Commonwealth of Independent States” (see Box 1.1). It discusses to what extent SEE countries have followed or advanced in the implementation of such practices in their efforts to enhance the financial literacy of children and young people.

The report is structured as follows: Section 2 presents evidence related to the socio-economic situation and financial literacy levels of young people in the region, highlighting the importance and relevance of financial education; Section 3 describes the status of policies and programmes in place in SEE countries in relation to financial education of children and young people; Section 4 concludes with policy implications.

This report encompasses country contributions, summary records of the Project’s 2020 Annual Meeting, as well as desk research.

2 Socio-economic characteristics and financial literacy of youth in SEE

This section presents relevant statistics relating to the socio-economic situation of young people in the region, addressing among others, demographic trends, youth access to education and employment, financial literacy levels, financial inclusion and digitalisation trends affecting young people. This data is relevant as background and for providing a deeper understanding of trends and issues that may affect the financial well-being of young people in the region beyond strictly financial elements. The section also explores how young people in the region have been, or are likely to be, affected by the ongoing COVID-19 induced crisis.

Socio-economic context

Demographic trends

Over the past 30 years, the global population has been aging, with the cohorts of young populations[2] becoming smaller every year in many regions around the world. While in 1990, people below the age of 15 (children as defined by the UN) represented over 32% of the population worldwide, in 2018 their percentage reduced to just over 25. Similar trends are recorded in the European Union countries as well as OECD countries. At the start of 2019, nearly one third of the EU-27's population were under the age of 30, with children accounting for a 15.2% share of the EU-27's population (Eurostat, 2021[1]). In OECD countries, the percentage of children reduced from 22.5% to 17.6% over the same period (1990 to 2018).

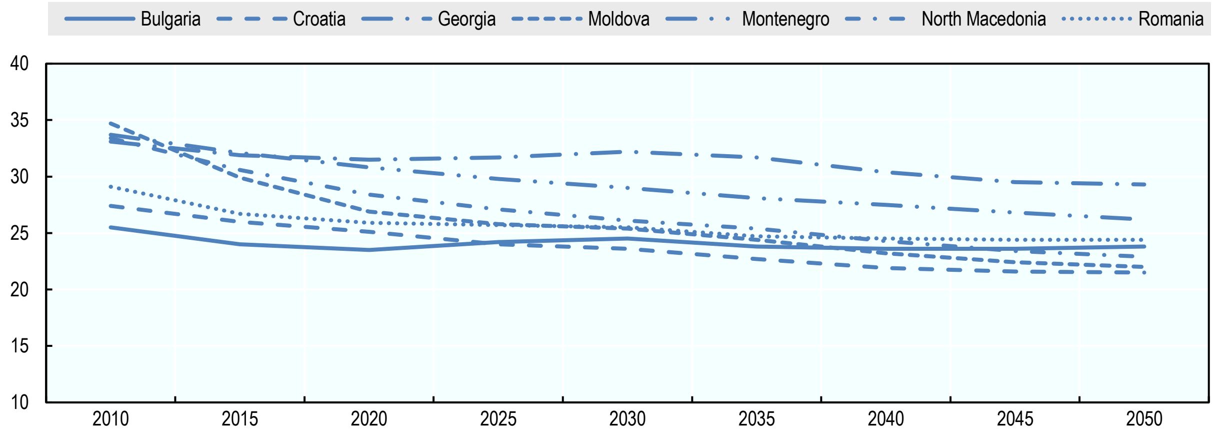
Most SEE countries are no exception, with the number of children in Romania reducing from 23.5% in 1990 to 15.6% in 2018, in Bulgaria from 20.3% to 14.3% and in Croatia from 19.7% to 14.5%.[3] SEE countries have a significantly lower percentage of young population than the global average of 25%, with children representing between 14% and 20% of the population. They are also below the OECD average of 17.6%, with the exception of Montenegro and Georgia which have a slightly higher percentage of children (18.1% and 20% respectively in 2019). However, the UN estimates that these percentages will start falling again from 2025 onwards. Figure 2.1 indicates the falling percentage of young people aged 24 or less.[4]

[2] Defined by the OECD as those people aged less than 15. However, in this report, when referring to young people, these are defined as those with ages between 15-24. When other age groups apply, this is specifically mentioned. The UN defines children as those younger than 15 and this definition is applied in the report.

[3] (OECD, 2021[60]), Young population (indicator)

[4] (Eurostat, 2021[64]), Ratio of children and young people in the total population on 1 January by sex and age

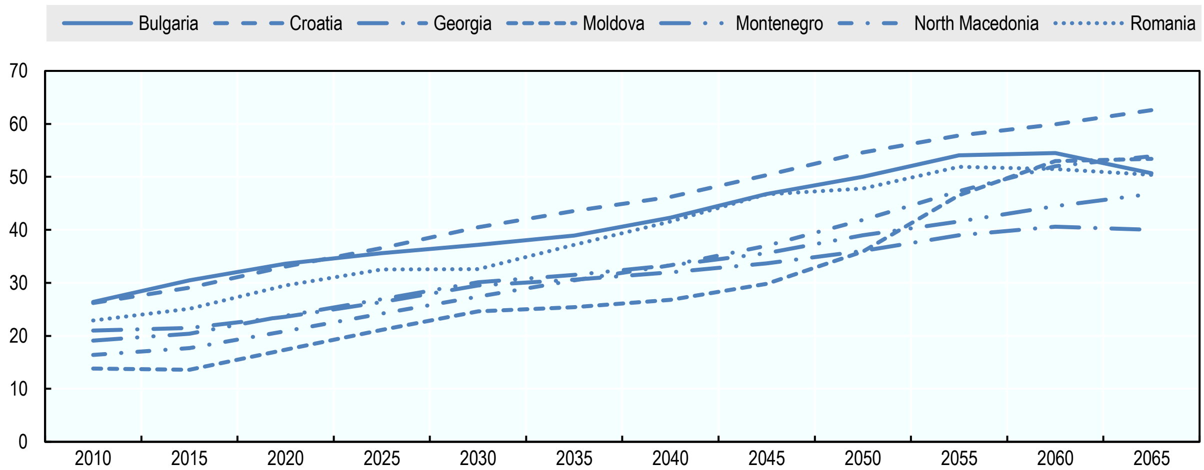
Figure 2.1. Percentage of youth population 0-24 years old (of total population) – projection



Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, custom data acquired via website on 8 March 2021

At the same time, the percentage of elderly population in SEE countries has increased over time, with Bulgaria, Croatia and Romania all having a percentage of elderly population above the OECD average (amounting to 17.2% in 2018 versus 21.17% in Bulgaria, 20.36% in Croatia, and 18.3% in Romania).[5] The old age dependency ratio has also increased in all seven countries in the region and is expecting to continue doing so in the near future (Figure 2.2).

Figure 2.2. Old-age dependency ratio (ratio of population aged 65+ per 100 individuals aged 15-64) – projection



Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, custom data acquired via website on 8 March 2021

These developments are caused by several factors, including a decrease in the fertility rate, increased life expectancy, increasing mean age of women giving birth to their first child, or migration (Eurostat, 2020[2]). Such demographic trends have significant implications for government and private spending on pensions,

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[5] (OECD, 2021[59]), Elderly population (indicator)

health care, and education, and, more generally, for economic growth and welfare. This highlights the growing importance of inter-generational justice and of comprehensive polices to empower youth, including through tailored financial education initiatives.

Access to and quality of formal education

Children and young people in SEE countries have high access to education, with most countries registering below 10% of primary and lower-secondary school-aged children out-of-school (with the exception of Moldova). School enrolment in upper secondary education is slightly lower, with an average of 15% of students out-of-school in Montenegro and Croatia, about 20% in Romania and as high as 35% in Moldova (UNESCO Institute for Statistics (uis.unesco.org), 2020[3]). A high percentage of those that graduate from upper secondary education pursue with tertiary education. For example, in 2018, more than a third of European Union young people aged 20-24 were in some sort of tertiary education, with the percentage reaching 36 in Bulgaria and 39.7 in Croatia,[6] while in Moldova 39.3% of 25-29-year-olds have a post-secondary or higher degree.

Despite high school enrolment, compared to their OECD peers, 15-year olds in most SEE countries scored lower on all three dimensions measured by the OECD Programme for International Student Assessment (PISA) in 2018.

Table 2.1. Performance of 15-year-old students in SEE in PISA 2018

	Mathematics	Reading	Science
European Union - 28 countries (2013-2020)	22.4	21.7	21.6
Bulgaria	44.4	47.1	46.5
Croatia	31.2	21.6	25.4
Georgia	61	64.4	64.4
Montenegro	46.2	44.4	48.2
Moldova	50.3	43	42.5
North Macedonia	61	55.1	49.5
Romania	46.6	40.8	43.9

Note: Indicates the total % of students achieving below level 2 proficiency level in Reading, Mathematics and Science, respectively
Source: PISA 2018

Lower learning outcomes indicate that many young adults in SEE countries leave formal education without mastering basic competencies that peers in other countries may be more familiar with. Moreover, average test results mask significant differences between advantaged and disadvantaged students. Results in the PISA tests are strongly related to family socio-economic background. Socio-economically disadvantaged students are more likely - compared to advantaged students - to be low performers in mathematics, reading and science (OECD, 2019[4]).

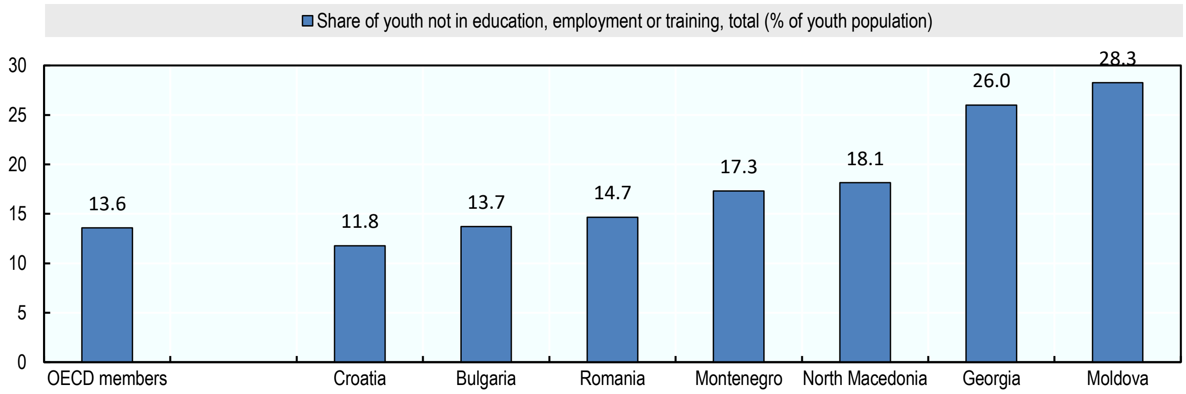
Employment, poverty and migration

In some SEE countries , young people have limited opportunities to integrate in the labour market once they finish their education. The share of young people aged between 15 and 24 not in education, employment or training (NEET) is high, especially in Moldova, Georgia, North Macedonia and Montenegro

[6] Eurostat, data extracted on 08/03/2021 15:19:12 from [ESTAT], Dataset: Students in tertiary education - as % of 20-24 years old in the population [EDUC_UOE_ENRT08$DEFAULTVIEW]; Last updated: 12/11/2020 23:00

(Figure 2.3), and more accentuated in rural than urban areas. North Macedonia had also recorded amongst the highest youth unemployment rates in the region, with 30% of young people aged 15-29 unemployed.[7] As of 2019, Montenegro, Romania and North Macedonia had also the highest shares in the region of young people at-risk-of-poverty (aged 16 to 29), both among young people living with parents and those living alone, higher than the European Union (EU-28) average. Having poorer opportunities and financial resources than their peers in the EU can limit young people's future prospects in education and employment.

Figure 2.3. Share of youth not in education, employment or training, total (% of youth population aged 15-24)



Note: Data for Moldova refers to 2018, as the latest year with available data; data refers to 2019 for the rest of the countries and OECD members
Source: Share of youth not in education, employment or training, total (% of youth population); International Labour Organization, ILOSTAT database. Data retrieved on January 29, 2021.

This lack of opportunities and employment may lead young people to migrate towards other European Union countries and beyond. For example, it is estimated that in 2019, 37% of the young people aged between 15 and 29 in North Macedonia have left the country (Eurostat, 2021[5]). Between 2008 and 2013, North Macedonia ranked among top ten countries worldwide with the most intensive brain drain. In a recent poll, about 23% of young people in Romania said that they intended to leave their country in the next year, and 47% planned to leave Romania in the next five years (Sandu, 2018[6]). In 2019, Romania was the EU Member State (pre COVID-19) with the largest share of working age population living and working abroad (i.e. outside the borders of the state of origin) (OECD, 2020[7]). Poverty, lack of decent employment opportunities and low salaries are the main push factors for youth migration in Moldova as well. A survey of Moldovan youth aged 14-29 showed that about 20% of respondents intended to go abroad to work. The main reason young people give for having gone or intending to go abroad is to improve their standard of living (79%) and for better job prospects (about 43%) (Center of Sociological Investigations and Marketing CBS-AXA, 2016[8]).

In Romania and Moldova, a high percentage of emigrants are women, which leave an important number of children at home without at least one parent. Although there is some inconsistency in the way in which statistics are reported by different institutions, it is estimated that the number of children living in Romania, whose parents are working abroad, is somewhere between 95.000 and 160.000, of which around 25.000 with both parents living and working abroad. Children with parents working abroad are often left in care to

[7] Eurostat, Youth unemployment rate by sex, age and country of birth [YTH_EMPL_100$DEFAULTVIEW], last updated on 11/11/2020; Data extracted on 09/03/2021

grandparents or older siblings. Migration can have negative implications, especially for youth well-being. Children of parents gone abroad are at higher risk of social exclusion and are more prone to declining academic performance, low attendance and lack of motivation (Yanovich, 2015[9]). While from a financial point of view, the families of migrants may have a relatively good situation, they also need the appropriate skills for managing the additional financial resources. The regular remittance flows can also be perceived as a de facto second form of welfare, and therefore negatively affect the recipients' willingness to work (OECD, 2013[10]).

Impact of Covid-19 on youth well-being

There are concerns amongst policy makers and economists that young people may be among the biggest economic casualties of the ongoing COVID-19 pandemic. As the crisis evolved from a health emergency to an economic and social one, it has become more evident that children and young people are among the hardest hit by the pandemic. Young people's increased vulnerabilities are evident in their access to education, employment, social interaction and mental health.

Three quarters of students in Europe have been out of school or university for the most part of 2020 and relied on distance learning to continue their education. Disadvantaged students have been the hardest-hit, with families having limited capacities to support their learning, in smaller and more crowded family environments, risking to deepen an already existing gap in education outcomes between advantaged and disadvantaged students, or to completely leave out of education students from disadvantaged families.

Many students have also been left without the possibility of earning basic income from part-time jobs. About 35% of young people (aged 15-29) are employed in low-paid and insecure jobs on average across OECD, compared to 15% of middle-aged employees (30-50) and these jobs are often linked to the services and tourism industries that have been severely affected by national lockdowns and closures. With lower financial buffers and savings available to them, young people risk falling below poverty lines. On average in the SEE countries, only 17% of young people aged 18-29 in the labour force said that if they lost their main source of income they could continue covering for their living expenses for at least 3 months (OECD, 2020[11]). As documented by OECD in previous work, unemployment at the beginning of one's career may have long-term effects, as young people with a history of unemployment face fewer career development opportunities, lower wage levels, poorer prospects for better jobs, and ultimately lower pensions (OECD, 2019[12]). Finally, social distancing and quarantine measures have an important impact on young people's mental health causing stress, anxiety and loneliness (OECD, 2020[13]).

These issues also apply to SEE countries. Furthermore, according to UNICEF, the COVID-19 health crisis is exacerbating child vulnerabilities by reducing economic growth in the region (UNICEF, 2020[14]), while limited opportunities for young workers could lead to a potential increase in the brain drain (OECD, 2020[15]).

The financial and economic consequences of the COVID-19 pandemic highlight the importance of ensuring that young people in the region are equipped with financial skills that allow them to cope in uncertain economic and financial times and increase their financial resilience.

Financial literacy and inclusion

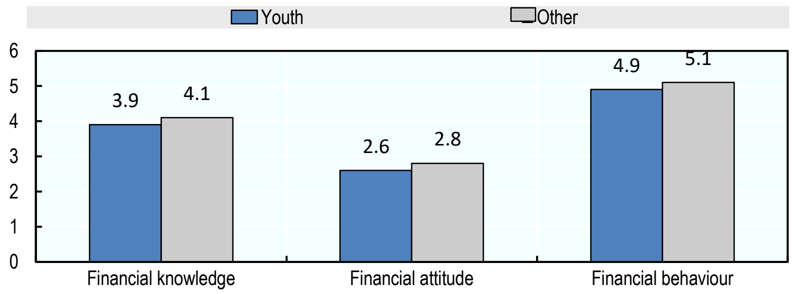
Financial literacy levels

The 2020 OECD survey on financial literacy and financial inclusion in SEE countries (OECD, 2020[11]) and the 2018 OECD PISA financial literacy assessment (OECD, 2019[4]), provide insights on financial literacy and financial inclusion of young people in the region. The data in these surveys predates the COVID-19 pandemic.

Young people in SEE (identified as those with ages comprised between 18-29) appear to have lower financial knowledge and financial attitudes than those with ages comprised between 30 and 65 (with the exception of Georgia and Moldova). Young people attain consistently and significantly lower behaviour scores (except in Moldova) than the rest of the population (see Figure 2.4).

The financial literacy score, as calculated by the OECD, is driven primarily by financial behaviour, which contributes 9 of the total 21 possible points, or almost 43% of the overall financial literacy score. This reflects the general understanding that financial well-being results primarily from positive behaviours and that financial education therefore needs to change behaviour to improve financial well-being. As such, a low financial literacy score not only reflects limited financial knowledge, but also translates into financial behaviours likely to lead to negative financial outcomes, meaning that young people save less, spend more, do not keep watch on their finances, and do not consider the long term consequences of their financial decisions, risking future financial stress and reduced financial well-being.

Figure 2.4. Financial literacy scores and their components of knowledge, attitude, behaviour



Note: Youth are defined as those with ages between 18 and 29
Source: OECD (2020), "Financial Literacy of Adults in South East Europe"

In South East Europe, with the exception of Georgia and Moldova, young people achieve lower financial knowledge scores than older generations. Supporting young people acquiring basic financial knowledge is important as the evidence indicates that higher levels of financial knowledge are associated with positive long-term outcomes such as planning for retirement, and reduction in negative outcomes such as debt accumulation [see for example (Hastings, Madrian and Skimmyhorn, 2013[16]) for a summary of this literature, (Mahdzan, 2013[17]) for details of a study in Malaysia; (Clark, Lusardi and Mitchell, 2015[18]) for a study of retirement savings in the United States].

The OECD financial knowledge questions test the ability to understand how inflation works and its impact on purchasing power, the ability to understand and calculate simple and compound interest and the benefits of interest compounding, they test the understanding of risk and return and whether there is awareness of the benefit of diversification. Under half (46%) of the adults in the study achieved the minimum target score for financial knowledge, that is responding correctly at least 5 out of the 7 questions, but only 40% of young people on average achieved a high financial knowledge score.

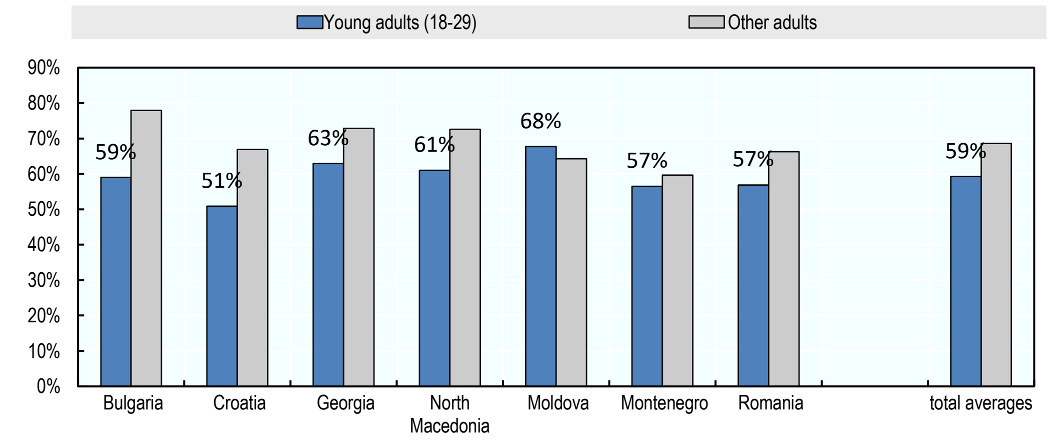
Young people in the region tend to have a short-term mindset and attitudes, except in Georgia and Moldova where the trend is the opposite – young people have financial attitudes likely associated with positive financial outcomes.

Financial knowledge does not always translate into savvy financial behaviour. This is why in some cases high financial knowledge scores are associated with lower financial behaviours or attitudes. Some day-to-day behaviours and attitudes may affect long-term financial well-being and financial resilience; hence, it is important to work towards building positive financial behaviours. On average, under half of respondents in the region (42%) reached the minimum target score on behaviours, ranging from 35% in Montenegro and

Romania to 52% in Moldova and 48% in Bulgaria, meaning that they managed to respond correctly to 6 out of 9 financial behaviour questions.

Figure 2.5. A lower percentage of young people keeps a close watch on their finances

% agreeing with statement keeping watch on finances

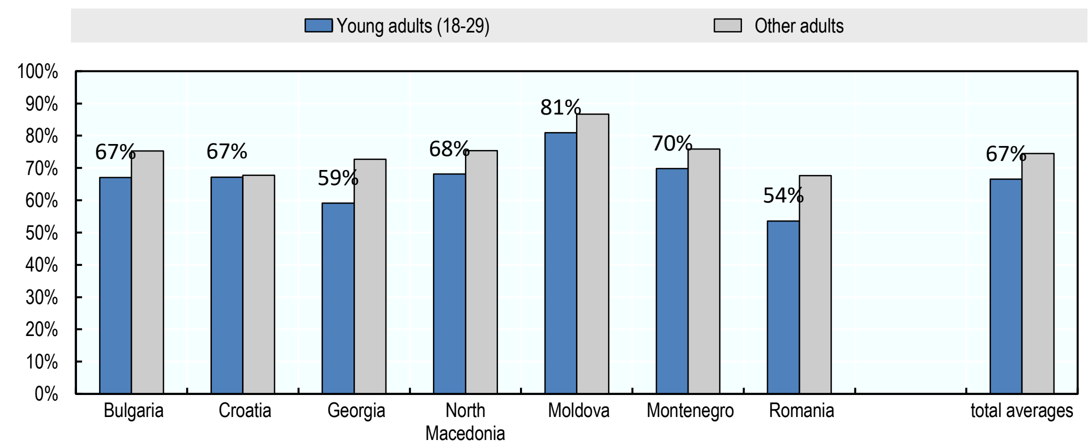


Source: OECD (2020), “Financial Literacy of Adults in South East Europe”

On average, about 40% of young people in SEE do not keep a close watch on their financial affairs (Figure 2.5), which may result in issues such as spending above one’s means, not being able to timely identify errors or fraudulent behaviour on one’s bank accounts, or simply running out of money at the end of the month. In fact, less young people than older cohorts carefully consider whether they can afford buying something before doing so (Figure 2.6). Impulsive purchases can significantly weaken financial resilience, and run counter to the notion of sound money management and budgeting.

Figure 2.6. Making considered purchases

% agreeing with statement: Before I buy something I carefully consider whether I can afford it

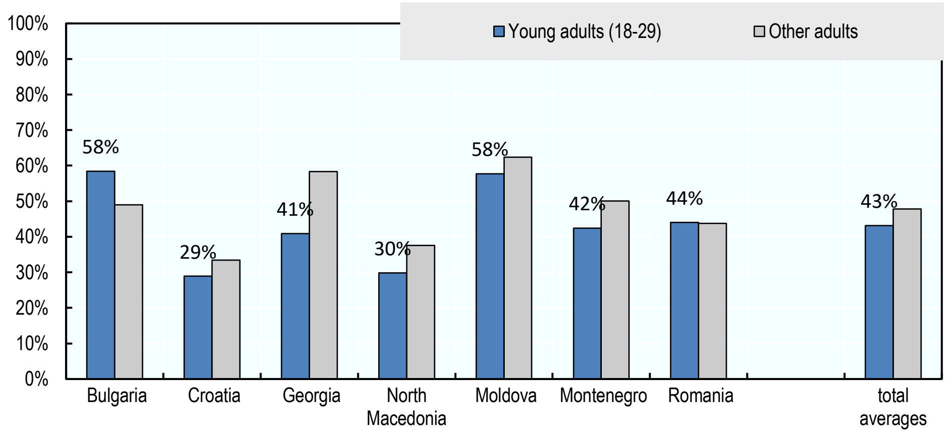


Source: OECD (2020), “Financial Literacy of Adults in South East Europe”

These types of behaviours (not keeping a close watch over one's finances, not considering affordability before buying something) may affect young people's ability to make ends meet. On average, about 40% of young people agree that they were unable to make ends meet over the past 12 months (Figure 2.7).

Figure 2.7. Unable to make ends meet over the past 12 months

Based on the question 'Sometimes people find that their income does not quite cover their living costs. In the last 12 months, has this happened to you, personally?'



Source: OECD (2020), "Financial Literacy of Adults in South East Europe"

The percentages vary between countries, and there are certainly various factors that affect young people's ability to make ends meet, such as having a job, support from family, friends or the government, being in education or the workforce, or even the general macroeconomic factors of the economies in their countries. Nonetheless, having the ability and consistency of keeping a close watch over one's finances and maintaining a budget of incomes and expenditures may help with feeling in control over their financial situation. On the positive side, the data shows that borrowing is not common amongst young people in the region that face a shortfall in financial resources. In fact, 72% of young people did not borrow to make ends meet, and, of those who did, only 15% borrowed formally. Most borrowing by young people is informal, from family and friends.

Available data from the latest OECD PISA financial literacy assessment allows understanding younger people's knowledge, behaviours and attitudes with respect to money matters. For countries in the region, the dataset is however limited, including only Bulgarian and Georgian students. Results nonetheless point to the fact that 15-year-old students may be less equipped to face future financial decisions compared to their peers outside the region. For example, Bulgarian and Georgian 15-year-old students have among the lowest financial literacy scores in the sample, well below the OECD average, ranking 16th and 19th (respectively) among the 20 PISA countries. In Georgia, fewer than 1 in 100 students are top performers in financial literacy (see Box 2.1).

Box 2.1. Students performance in financial literacy in Georgia and Bulgaria and its determinants

Both Georgia and Bulgaria performed below the OECD average in financial literacy, ranking 19th and 16th respectively out of the 20 countries participating in the PISA assessment. In terms of performance, in Georgia Level 1 was the most commonly observed proficiency level amongst 15-year-old students (out of a total of 5 levels, where level 1 is the lowest), while fewer than one in ten students performed at Level 4 or above. In Bulgaria, almost 40% of students were "low achievers" in financial education. Fewer than 3 students in Bulgaria and fewer than 1 in 100 students in Georgia were top performers in financial literacy.

PISA also allows studying differences between students belonging to difference socio-economic backgrounds, gender differences, or access to financial services. In terms of gender difference, girls outperformed boys in the financial literacy assessment both in Georgia and Bulgaria. In both countries, as in every country/economy that participated in PISA 2018, advantaged students (belonging to higher income families) performed significantly better than disadvantaged students, with a gap of 79 points, or roughly one proficiency level in Georgia and 108 points in Bulgaria, second highest registered gap between advantaged and disadvantaged students. Almost 15% of the variation in student performance in financial literacy in Bulgaria is explained by socio-economic status. Urban students performed better than rural students in financial literacy-specific skills and the difference between these two demographic groups was the highest in Bulgaria.

Some 87% of students, on average across OECD countries/economies, reported that they talk to their parents at least once or twice a month about money for things they want to buy. This proportion was 90% in Lithuania and Portugal, and was only 71% in Georgia (its lowest value amongst the 20 countries/economies that participated in the PISA 2018 financial literacy assessment). Parents in Bulgaria, alongside those in Brazil, Lithuania and Serbia were amongst the most involved in developing their children's financial literacy. Students whose parents discuss financial matters more often with them performed better in financial literacy, after accounting for gender, socio-economic status and immigrant background.

Source: (OECD, 2020[19])

Financial literacy seems to be positively correlated with the student's family background and income level. In this vein, advantaged students (belonging to higher income families) perform significantly better than disadvantaged students, with a gap of 79 points in Georgia and more than 100 in Bulgaria, or roughly one proficiency level. Urban students perform better than rural students in terms of financial literacy skills, with the highest gap across all countries registered between rural and urban students in Bulgaria. This confirms a trend also observed amongst adults, whereby financial literacy scores are generally lower amongst rural populations.

Another recent study carried out by the Croatian Banking Association and Štedopis - Institute for Financial Education in March 2020, offers insights on financial knowledge, attitudes and behaviours of young people aged between 13 and 19 in Croatia (see Box 2.2).

Although essential for evidence-based policy-making, recent comparable data on financial literacy levels of students lacks in the rest of the countries from the region.

Box 2.2. Attitudes towards money matters of young people in Croatia

Recent research carried out in the field of financial literacy conducted by the Croatian Banking Association and Štedopis provides insights on teenagers' knowledge, behaviour and attitudes towards money in the country.

The survey was conducted on a nationally representative sample of 1,011 students aged 13 to 19, and measured three dimensions of financial literacy: financial knowledge, financial behaviour, and attitudes towards money. Only students from schools in which Štedopis carried out financial education activities participated in the study. More than 70% of students indicated that they were active savers. Teenagers who receive pocket money (85% of them) showed greater responsibility in managing money, while of those who did not receive pocket money, as many as 36% did not know how much money they had per month, or how much they spend. Teenagers spent most of their money on going out (62%), food at school (62%) or bakery (50%), on clothes / shoes (40%) and cosmetics (32%).

The attitude of teenagers towards money shows that a significant part of them prefer spending over savings, and 65% of respondents agreed with the statement that "money is there to be spent".

Students were worried about their financial futures (92% of all respondents have some concerns about their financial future). Teenagers are most concerned about the cost of living independently (34%) and finding a well-paid job (26%). They are also concerned about paying for studies and other related expenses (14%) and unemployment or job loss (11%).

Source: (Croatian Banking Association and Štedopis, 2020[20])

Young people's financial well-being

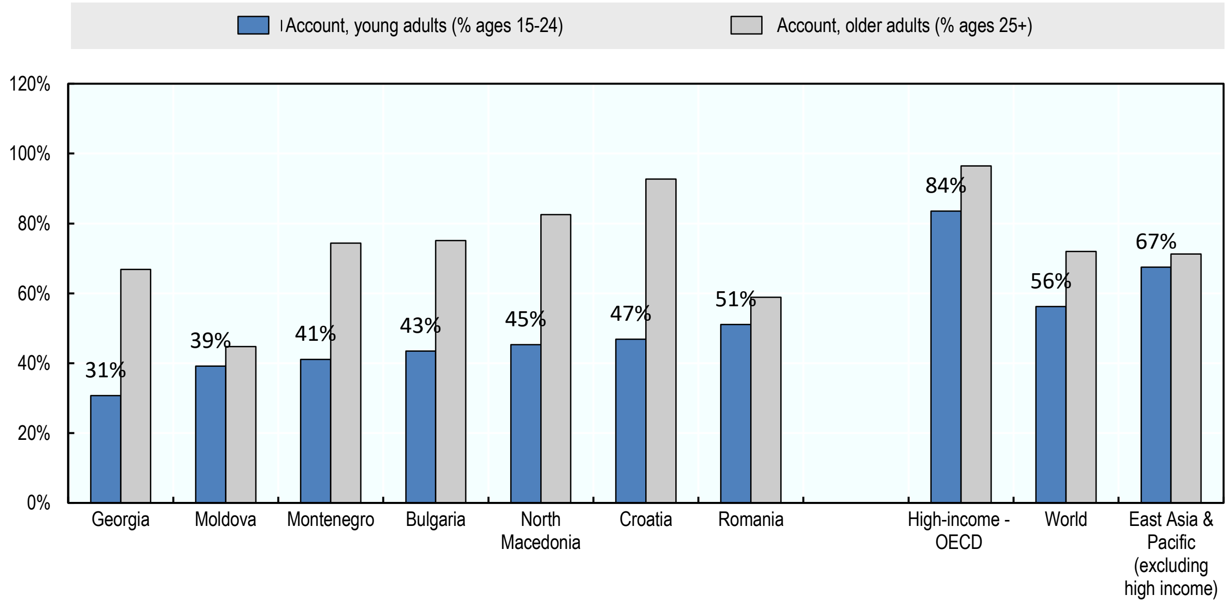
In the OECD financial literacy survey, elements of financial well-being are identified by a series of questions and statements that seek to detect how respondents feel about their financial situation, how stressful their indebtedness levels are, and ultimately how easy they can live their lives without worrying about money. Respondents in SEE appear worried and stressed about their current financial situation, their ability to meet living expenses, and their ability to make their monthly incomes last. For example, 41% of adults 30 years old or older are concerned that their money will not last, compared to 35% of young people (18-29 years old); while 36% of older adults mention that they are just getting by financially, only 27% of young people do so and 61% of older adults worry about paying for their normal living expenses compared to 47% of young people. Overall, young people appear to be less concerned that their money will not last compared to the older cohorts, and more young people than their older counterparts admit that they tend to live for today and let tomorrow take care of itself (28% against 26% for older adults).

On average, young people seem to experience less financial stress than their older counterparts do. This may have to do with the fact that younger people have yet less financial responsibilities as they transition from education to adulthood, and may even be unaware of the long-term consequences of financial difficulties. They may have little experience with finance, while on the edge of starting to earn income, handle debt (such as student loans) and pay taxes.

Financial inclusion

In the right context, access to financial services can be an enabler for young people, contributing to their empowerment and increased well-being, according to their needs and life stage. Access to savings accounts and financial education by children and young have a series of long-term benefits well documented in the literature (OECD/G20 GPFI, 2020[21]). For example, evidence from youth employment programmes in the USA suggests that young workers' access to non-custodial accounts is beneficial because it empowers them to manage their own money and work for their own savings goals. Nonetheless, financial inclusion of young people aged 15-24 in the region remains low, and well below that of older adults (25+), but also, and more importantly, below the world, OECD, high-income, East-Asia and Pacific youth financial inclusion averages (based on World Bank's Findex data). While in some of the countries in the region the difference between younger and older cohorts is not very marked, such as the case for Moldova or Romania, where financial inclusion levels are overall low, in the rest of the countries, it is much more consistent (see Figure 2.8).

Figure 2.8. Account ownership at a financial institution

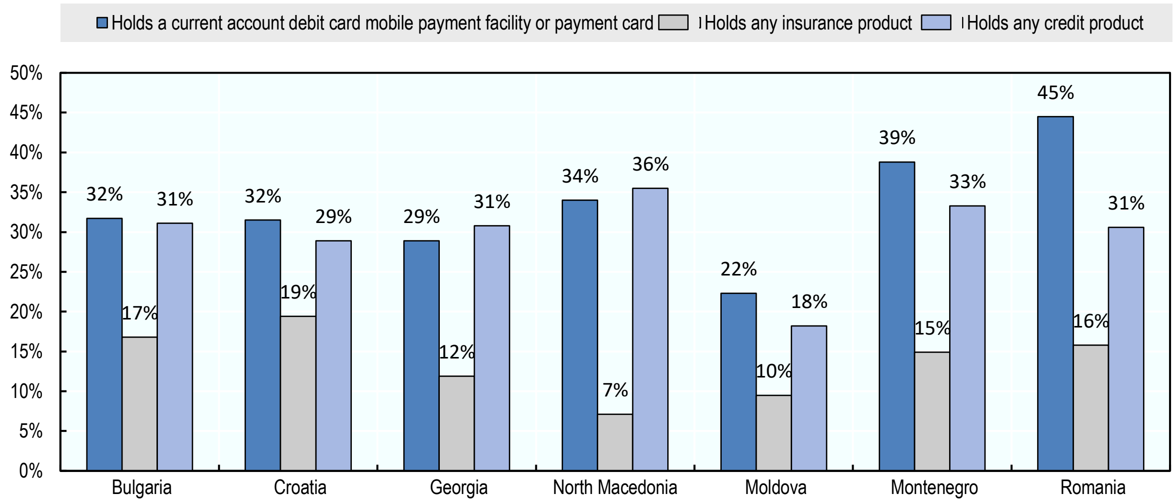


Source: Global Findex Database (World Bank Group, 2017[22])

In Croatia, the gap in account ownership is particularly large between youth (45%) and older adults (93%), while in Georgia, Montenegro, North Macedonia and Bulgaria the gap is higher than 30 percentage points. The OECD survey on adults' financial literacy also gathers information in relation to banking products, which similarly indicates low levels of financial product holding by young people aged 18-29 (Figure 2.9).

OECD data confirms that young people have lower access to formal savings accounts and their savings are informal (for example, through stacking cash at home or in the wallet, or giving money to relatives to save) rather than formal (with the exception of Georgia and Moldova). Over 60% of young people that are active savers do so informally. Less than 10% of the young people in SEE - and as low as below 1% in Montenegro - currently hold a pension or retirement product.

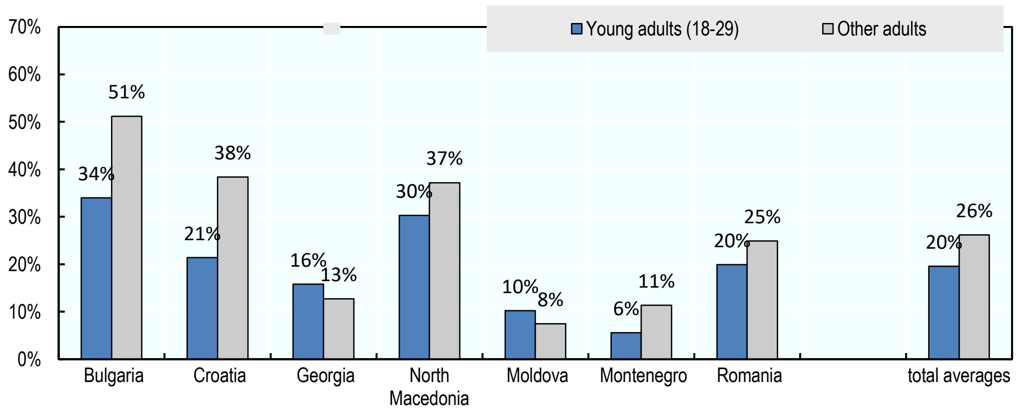
Figure 2.9. Product holding by young people aged 18-30



Source: OECD (2020), "Financial Literacy of Adults in South East Europe"

In South East Europe, limited financial inclusion of young people does not seem to be caused by limited awareness of financial products. In fact, on average, more than 80% of young people in the region are aware of at least five financial products and some 45% recently chose a financial product (over the past 12 months).

Figure 2.10. Currently holds a savings account



Source: OECD (2020), "Financial Literacy of Adults in South East Europe"

The PISA 2018 financial literacy questionnaire asked 15-year-old students whether they hold a variety of basic financial products and tools, such as an account with a bank, building society, post office or credit union, a payment card or a debit card, or a mobile app to access their account. In Georgia, just over 20% of students reported holding an account with a bank, building society or credit union, while in Bulgaria, over 36%. Just about the same percentage reported having a payment or debit card in both countries. The PISA 2018 financial literacy questionnaire also asked students whether they had, in the previous 12 months bought something online (either alone or with a family member) or made a payment using a mobile phone. Almost 60% of students had bought something online (alone or with a family members) and over 71% in Bulgaria. Both in Georgia and Bulgaria, over 45% of students had made a payment using a mobile phone.

In contrast to the majority of countries, students in Georgia who had bought something online scored lower by 9 points than their peers who had not bought anything online (OECD, 2020[19]).

Access to financial services by young people may be supported by the ongoing digitalisation of the financial services, as recently highlighted in an OECD report (OECD/G20 GPFI, 2020[21]). This may be especially beneficial for people living in rural areas, where traditional brick and mortar branches are not common. Nonetheless, to be meaningful, access to digital financial products and services must be supported by digital and financial education, and by appropriate levels of financial consumer protection. Access to digital financial services brings benefits but also poses risks for young people.

3 Development and implementation of financial education policies and programmes for young people

The literature acknowledges that habits, including financial ones, are developed from a young age. A number of studies mark the age of seven as that by which children have already formed their financial habits (Whitebread and Bingham, 2014[23]). Others suggest that financial habit formation should be seen as an evolution that spans across several developmental phases and is affected by multiple factors (CFPB, 2016[24]). What is certain, nonetheless, is that children as young as seven understand financial concepts and should be familiarised with them, to form financial habits that will lead to their financial well-being later in life.

Providing financial education to young people has gained momentum over the years all around the world. This is not only because it contributes to young people's empowerment, financial emancipation and long-term well-being, or because it is seen as a way to break intergenerational immobility (Frisancho, 2020[25]). This is also the case because, in practice, it is easier to reach children (in schools) when they are at an age prone to learn. It is also a fair way to reach children belonging to different socio-demographic groups, and reduce inequalities in financial well-being later in life, as research shows that financial literacy amongst students is strongly correlated to the socio-economic background of their family (OECD, 2020[26]).

At the same time, developing and delivering financial education to children and young people can prove challenging. Development and implementation of curricular financial education may encounter difficulties in a range of areas, such as coordinating with relevant national authorities, overloaded curricula, limited financial resources or financial expertise to develop tailored financial education content, limited evaluation and scale up of successful programmes. The efforts are worth taking since a number of successful experiences have shown that delivery of financial education through the school curriculum can have positive and long-lasting effects on young people's financial knowledge, behaviours and well-being later in life. Academic research has also shown that financial education is successful in increasing knowledge and changing behaviour irrespective of student age (Tim Kaiser, 2020[27]).[8]

Financial education can also be provided to young people through a number of other means, beyond integration into the formal school curriculum, such as delivering financial education through out-of-school programmes or digitally, through parents or peers, games and other innovative means.

[8] Based on a quantitative meta-analysis of 37 studies, the authors find on average, improved financial knowledge test scores and changes in financial behaviours which could be assumed to be enhancing individual welfare (e.g., increasing personal savings). Their findings also suggest that effectiveness of financial education is the highest in elementary school, although it is effective in increasing financial knowledge and improving financial behaviour irrespective of student age.

The OECD has been at the forefront of international efforts to gather evidence and distil good practices on the development and implementation of financial education for young people. This experience and the good practice accumulated through the years have been recently compiled in the Policy Handbook on Financial Education for Young People in the Commonwealth of Independent States (OECD, 2019[28]) (see Box 3.1).

Box 3.1. Emerging good practices on financial education for young people

The "Policy Handbook on Financial Education for Young People in the Commonwealth of Independent States" highlights a number of good practices in developing and implementing financial education for young people. Among them:

- Establishing institutional and coordination mechanisms:
  - Among public authorities
  - Involving private and not-for-profit stakeholders
- Designing financial literacy curricula and programmes, considering the importance of:
  - Collecting evidence to inform the design of financial education
  - Developing core competencies and learning frameworks
  - Designing effective programmes, considering age, intervention duration, messaging
- Delivering financial education in and out of schools, by:
  - Developing teaching materials and learning resources
  - Training the trainers/teachers
  - Utilising traditional and/or digital tools
- Assessing financial literacy and evaluating impact of financial education programmes

Source: (OECD, 2019[28]), Policy Handbook on Financial Education for young people in the Commonwealth of Independent States

Deep diving into the SEE region, chapter 3 describes how and to what extent financial education is provided in the region in the formal school curriculum in pre-university education, at university level, in vocational training schools and out-of-school settings or through other means. It discusses key success factors for children and young people financial education delivery and potential challenges in the region.

Institutional coordination and cooperation to advance financial literacy of children and young people

National Strategies for Financial Education (NSFE) provide the context and strategic direction for the implementation of financial education at national level. This is the case for over 70 countries around the world where NSFEs were implemented or actively designed in 2019 (OECD, 2019[28]). The NSFE's development and implementation often relies on formal coordination mechanisms set up amongst financial regulatory authorities, other public institutions (such as the Ministry of Education) and the private and not-for-profit sectors. Effective coordination mechanisms typically establish a clear mandate with an appropriate level of leadership for a leading institution or committee and a clear division of roles and responsibilities amongst implementing stakeholders.

When it comes to children and young people, often times the Ministry of Education plays an important role in ensuring the successful implementation of financial education programmes in schools. Therefore, it is important to establish a clear cooperation framework with the Ministry of Education and/or other national educational authorities from early stages and to ensure high-level political support for financial education in schools.

Private sector institutions (such as industry associations and financial institutions) and not-for-profit organisations are also often involved in developing and delivering financial education for children and young people, either through schools or out of schools settings. Such interventions should be in the interest of the beneficiary and avoid all conflict of interest. Emerging good practices suggest that it is important to ensure that the Ministry of Education or other relevant authorities approve all interventions involving schools. This involves such thing as private sector participation taking place through associations, instead of by individual private institutions; and that principles and criteria for their involvement in financial education ensure impartiality, objectivity, quality and fairness. These could take the form of principles, rules, accreditation systems or others.

Therefore, coordination between public, private and not-for-profit organisations is key in successful implementation of programmes and projects that avoid duplication and increase efficiency of financial education delivery for children and young people. Coordination mechanisms adopted by SEE countries include National Strategies for Financial Education but also other arrangements.

As of end-2020, Croatia and Georgia were the only two project countries that had already adopted a National Strategy for Financial Education (NSFE). The NSFE of **Georgia** provides the context and the framework for the implementation of financial education activities in the country. There is a clear mandate for the National Bank of Georgia (NBG) to lead the coordination and to carry out (through a Steering Committee) the implementation of the National Strategy for Financial Education and of financial education programmes. The NBG monitors implementation across the country and provides direction when new needs of the population are identified. The National Strategy is implemented through Action Plans, which identify specific activities for implementation, with dedicated timelines and corresponding funding sources, responsible implementing organisation and a detailed description of initiatives for each target audience.

In **Croatia**, the Government identified the Ministry of Finance as leading institution for the preparation and implementation of a strategic framework for financial literacy, in cooperation with competent ministries, interested representatives of scientific and educational institutions, supervisory bodies, consumer organisations and the financial industry. As in the case of Georgia, Croatia's NSFE provides a framework for implementation, while annual Action Plans define specific financial education activities of all stakeholders, deadlines for and status of implementation, performance indicators and sources of financing.

Both the Georgian and Croatian NSFEs identify young people as key target group. In Georgia, the young generation (pupils and students) are considered a "higher-need target group", which means that they should be given special attention and are expected to benefit from financial education programmes designed to meet their needs.

In order to advance financial education for young people, especially implementation through the school system, collaboration and close coordination with the Ministry of Education is essential. In Georgia, the Ministry of Education, Science, Culture and Sport is a member of the national Steering Committee, alongside other key public stakeholders. This ensures the Ministry's continuous commitment and engagement in advancing the financial education of youth. In Croatia, both the Ministry of Education and Science as well as the Education and Teacher Training Agency (ETTA) of the Ministry of Science and Education (MSE) are actively participating in the implementation of the National Action Plans and have a leading role in the implementation of financial education in the school curricula.

The Ministry of Finance of **Bulgaria** took a leading role in the set-up of a coordinating working group for financial education back in 2013. This group gathered a number of important and relevant stakeholders, such as the Ministry of Education and Science. It was dormant for a while, until it was reconvened in 2019. The Working Group currently includes public institutions (Ministries of Finance, Economy, Education and Science; Financial Supervision Commission, Bulgarian National Bank, Bulgarian Deposit Insurance Fund National Revenue Agency and others), private sector representatives and NGOs. Through consistent efforts and a collaborative approach, Bulgaria has recently adopted a National Financial Education Strategy (beginning of 2021) which identifies young people as a key target group (more specifically, the target groups is identified as children and students in all education stages). There is close collaboration between the Ministry of Finance and the Ministry of Education and Science in Bulgaria as well as with the other government, supervisory and non-government stakeholders in the country.

North Macedonia is the latest amongst SEE countries to adopt a National Strategy for Financial Education and Financial Inclusion where young people are identified as a priority target group as well. Its implementation is expected to start in the second part of 2021. The National Bank initiated the creation of a Coordinating Body for Financial Education and Financial Inclusion, and continued to establish Memoranda of Cooperation around financial education and financial inclusion with other relevant institutions from the public and private sectors in North Macedonia. Some examples include the memorandum of understanding with the Bureau for Development of Education, with the Macedonian Banking Association, the Alliance of Microfinance Organizations and the Economic Chamber of North Macedonia. The Coordinating Body of the Regulatory Authorities for Financial Education in North Macedonia was formed through a Memorandum of Understanding between five institutions: National Bank of the Republic of North Macedonia, Ministry of Finance, Insurance Supervision Agency, Agency for Supervision of Fully Funded Pension Insurance and the Securities and Exchange Commission of the Republic of North Macedonia. The Coordinating Body led the development of the NSFE. Even though currently the Ministry of Education is not part of the Coordinating Body, the NBRNM has signed a MOU with the Bureau for Development of Education and maintains close relations with the institution when it comes to financial education for pupils.

Moldova, Montenegro and Romania have not yet adopted a NSFE at the moment of writing, although Romania and Montenegro are in the process of actively developing one, while Moldova is interested and planning to start in the near future.

Montenegro has established a national committee on financial education in February 2020, which aims at coordinating financial education activities in the country and spearheading the development of a National Strategy. It is led by the Central Bank of Montenegro and includes representatives from relevant ministries, such as the Ministry of National Education and other supervisory authorities.

Starting with 2018, the National Bank of **Romania**, the Financial Supervision Authority, the Ministry for Education, the Finance Ministry and the Romanian Association of Banks have taken active steps to create a national strategy. At the time of writing, no public authority had an explicit mandate to set up or coordinate a national strategy. In July 2018, the National Bank of Romania spearheaded the signing of a Protocol for financial education to create a cooperation framework at the national level. The protocol was signed by the National Bank of Romania, the Ministry of National Education, the Ministry of Public Finance, the Financial Supervision Authority, and the Romanian Association of Banks.

There is no formal coordination mechanisms on financial education at national level in **Moldova**, although the National Bank has a role in providing information on the rights and obligations of consumers and promoting educational programmes. There are also no specific protocols or MOUs between public institutions for the development and promotion of financial education in the Republic of Moldova.

Table 3.1. Coordination mechanisms for financial education programmes in SEE

Country	NSFE	Leading institution	Formal coordination with MOE	Youth target group
Bulgaria	Yes, approved by the Council of Ministries of the Republic of Bulgaria at the beginning of 2021	Ministry of Finance	Ministry of Education and Science is an active member of the working group for financial education	Yes
Croatia	Yes	MOF	Yes	Yes
Georgia	Yes	National Bank of Georgia (NBG)	Yes	Yes
Moldova	No	National Bank of Moldova (NBM)	--	--
Montenegro	Planned	Central Bank of Montenegro (CBM)	Member of the coordinating committee for NSFE development	--
North Macedonia	Yes	National Bank Republic of North Macedonia (NBRNM)	Memorandum of understanding with Bureau for Development of Education	--
Romania	In development	Unclear	Ministry of National Education signed the protocol for financial education	Yes

Collaboration with private and not-for-profit stakeholders

The private sector and non-governmental organisations play an important role in financial education in SEE countries. They contribute either through direct provision of financial education to different target groups, collaboration with public institutions in joint activities or events, or contribution to funding specific activities (such as research or financial literacy measurements). For example, a mapping of financial education activities in Romania had identified more than 50 financial education programmes conducted by public, not-for-profit and private organisations in the country active between 2015 and 2019. A mapping exercise in Bulgaria, developed in 2016 by the Financial Literacy Initiative Foundation, identified more than 100 initiatives in the area of financial literacy in the country. In February 2021, the Ministry of Finance in Bulgaria published a document on its website, listing the main financial literacy initiatives in the country.

In such a context, it is important to ensure that potential conflicts of interests that may arise from involvement of private and non-public stakeholders in financial education activities, or the risk of a blending between educational and commercial messages, are avoided. For example, guidelines or principles (issued by national authorities or voluntarily adopted by the sector), accreditation systems, quality control marks and others can constitute useful mechanisms to address the above-mentioned concerns.

Georgia has developed and adopted specific guidelines for the implementation of financial education by public and non-public institutions alike. The NSFE of Georgia includes a section on the guiding principles of the NSFE, to be followed by all financial education providers. For example, some of the principles refer to “building on existing initiatives and learning from experiences” and “focusing on customers and their needs”, placing therefore emphasis on the beneficiary and on clear and impartial messaging. Furthermore, to ensure that financial education imparted by non-public institutions is aligned with the overall National Strategy, the NBG developed guiding tools for financial education provision, and in particular a set of high-level principles for financial education programmes and for teaching resources. As a result, several organisations representing the private sector (commercial banks, microfinance institutions) provide financial information and training, and collaborate with the NBG in the development of financial education content and the implementation of the NSFE.

A number of public, not-for-profit and private organisations are conducting financial education programmes on topics under their remit, mostly targeting young people and students in **North Macedonia**. Under the newly approved NSFE in North Macedonia, the Coordinating Body and the implementing committee have developed a “Code of good practices” for the financial industry and the NGO sector, outlining the principles for the delivery of financial education in alignment with the NSFE. Furthermore, all activities that are implemented in primary and secondary schools are done in cooperation and under supervision from the Ministry of Education and Science, which, at least in theory, ensures their quality and impartiality.

In **Croatia**, although most of the private sector interventions are designed for children and young people, there is no specific framework or guidelines developed by the Ministry of Finance or the coordinating national committee of the NSFE the private sector needs to abide by in order to interact with their target group. Impartiality is ensured through the fact that most activities are led through industry associations and are most often developed and implemented with the respective financial sector regulators.

In **Moldova**, several organisations representing the private sector (the banking association, commercial banks, microfinance institutions, etc.) provide financial information and trainings, often for young people. These are mostly focused on the use of formal financial products and in many cases with no clear distinction between commercial and educational activities. There are no guidelines that financial institutions or other non-public organisations should follow when providing financial education to children and young people, potentially representing a risk of conflicts of interest.

In **Romania**, the FSA and all the professional associations of the non-banking financial markets signed protocols of collaboration in order to develop and sustain financial literacy programmes. The FSA collaborates with different other private entities, NGOs and volunteers in developing educational programmes, and indirectly supervises their quality.

Financial education in school

Evidence used to inform the design of financial education curricula

The development of sound financial education programmes and curricula requires evidence that allows tailoring to the needs of different target groups and subgroups. Evidence of the financial literacy levels of children and young people, their particular areas of interest and the financial skills young people lack most, as well as understanding of vulnerable youth subgroups (e.g. those with lower opportunities to learn good financial habits outside of the school setting) are useful in the development of effective financial education curricula.

In order to assess financial literacy levels, countries may participate in internationally comparable data collection exercises, such as the Programme for International Students' Assessment (PISA), or develop national data collection exercises, both quantitative and qualitative, whenever possible. Amongst SEE countries, Bulgaria, Croatia and Georgia participated in the PISA financial literacy assessment of 15-year-old students. While Croatia participated in the PISA measurement in 2012, Bulgaria and Georgia participated for the first time in the 2018 measurement exercise. PISA financial literacy assessment provides information and data that can be disaggregated according to students' socio-economic background, location (rural against urban), levels of education of the parents, migration background and other relevant characteristics. Such data provides key insights to policy makers on the specific subgroups of the youth population, including the most vulnerable in need of specific interventions (see Box 2.1).

When the first PISA financial literacy assessment in **Bulgaria** took place, financial education topics were not yet integrated in the school curriculum. Against this background, the Ministry of Education and Science in Bulgaria plans to use the results of the PISA 2018 financial literacy assessment as a baseline to monitor progress in financial competencies of students, the effectiveness of the changes made to the curricula, and the introduction of financial literacy elements in the new subject of technology and entrepreneurship. It is expected that the next PISA financial literacy study will show improvements in the students' results and give an indication as to the effectiveness of the introduced changes and potential guide revisions of the materials developed or even the curriculum.

Croatia participated in the first financial literacy assessment of students, in PISA 2012, along with a variety of other surveys, which provided useful evidence for the design of financial education activities in the country. For instance, some of the Croatian National Bank's financial education initiatives were developed considering the results of the PISA financial literacy assessment and the survey of financial literacy for adults conducted in cooperation with the Croatian Financial Services Supervisory Agency (HANFA) and the Ministry of Finance in 2015.

Georgia participated in the PISA for the first time in 2018 and by that time, work on the development of the financial education curriculum was well advanced. Therefore, the financial literacy curriculum does not reflect PISA results. However, insights from the PISA assessment are used to develop further educational materials and/or teacher training in Georgia.

To tailor education delivery to pupils' needs, the **Romanian** Ministry of Education adopted in 2020 a Minister Order aimed at the creation of "pilot schools" meant to provide an environment for testing new methods of learning, evaluation and engagements with the students. This project may provide insights and recommendations for changes in the curricula or other formal aspects of the educational systems, to better support children learning. Financial education may be subject of such "pilot schools".

Young people's learning preferences may vary according to their respective social environment, related capacities (such as digital skills) or access to specific devices (such as computers or mobile phones). Evidence in relation to young people's learning preferences, financial challenges and risks affecting young people may be collected in a variety of forms, through for example, qualitative studies. These can be used to inform how programmes are designed to ensure that they are aligned with their audience's preferences and are effective. Surveys can be designed both for young people and their parents, and may focus on assessing levels of financial literacy of young people or aiming at gathering information in relation to young people's interests in relation to money, behaviours, attitudes, use of financial products, related digital tools, etc.

Integration of financial education in the school curriculum

Integrating financial education into curricula from an early age allows children to acquire the knowledge and skills to build responsible financial behaviours throughout each stage of their lives. This is especially important as some parents may be ill equipped to teach their children about money.

When it is imparted in schools, financial education can be provided either through the mandatory curriculum, or through elective courses. As mandatory course, financial education may be integrated in the school curriculum either as standalone subject or as part of other existing subjects. This second option seems to be the most common amongst countries where financial education is taught as part of the mandatory curriculum (OECD, 2019[28]), and it is more often than not a practical choice which aims to overcome challenges such as overcrowded curricula.

Research evidence (Frisancho, 2020[25]) shows that mandatory financial education courses yield large and robust impacts on financial literacy while voluntary or after-school programmes yield smaller effects.

In SEE countries, financial education has been integrated in school teaching to some degree in pre-higher education. In some cases, it is integrated as mandatory standalone subject or as cross-curricular competency, in others as optional course for specific grades.

In 2015, the Ministry of Education and Science in **Bulgaria** approved new curricula for all general education subjects, which came into force in stages from the 2016/2017 academic year for grades 1 to 12. Building financial knowledge, skills and competencies is part of four subjects: technology and entrepreneurship, mathematics, geography and economics and civic education. In the academic year 2021/2022, a state matriculation exam is planned in relation to the subject of entrepreneurship for the first time. High school graduates will be asked to demonstrate their capacity to take opportunities and to solve challenges as potential entrepreneurs. They will also be asked to demonstrate whether they have acquired the skills to start their own business and knowledge in the field of market economy and entrepreneurial management, providing an opportunity to test *inter alia* their financial knowledge and skills.

In **Croatia**, the Ministry of Science and Education (MSE), together with the Education and Teacher Training Agency (ETTA) introduced financial education as part of a module on “Education for Democratic Citizenship (EDC)” into primary and secondary school curricula as early as 2010. The curriculum for Civic and Citizenship (CCC) education for primary and secondary schools also covers issues related to the economy, entrepreneurship, financial consumer protection and financial literacy. The financial education competencies targeted by this curriculum become broader and more sophisticated the older the students are. As of 2018, elements of financial education were also introduced in the curriculum for “Entrepreneurship education” and, as of 2019, the cross-curricular topic entrepreneurship is included in primary and secondary schools.[9] Financial education is currently mandatory and encompasses 20 hours per year of cross-curriculum training. The head teacher needs to plan 10 out of the 20 hours “as out-of-school” training, such as visits to banks. ETTA has specific teacher training on CCC (including financial education), with a focus on implementation, using a cross-curricular approach. About 50% of the teachers concerned have had relevant training. The MSE and ETTA are also considering implementation of monitoring and evaluation of financial education trainings.

In 2018, the Ministry of Education, Science, Culture and Sport of **Georgia**, in collaboration with the National Bank of Georgia, approved a new national curriculum for students in grades 7, 8 and 9. This curriculum makes financial and economic education a part of civic education. However, as civic

[9] The curriculum covers three areas: A) Think entrepreneurial B) Act entrepreneurial C) Economic and financial literacy (See https://narodne-novine.nn.hr/clanci/sluzbeni/2019_01_7_157.html).

education already comprises many other thematic areas, only selected financial literacy topics could be included in the curriculum. Certain elements of financial literacy were also introduced in mathematics classes. This curriculum was first introduced for grade 7 students in 2019. The NBG collaborated with the German Sparkassentiftung (DSIK) and Civic Education Teachers Forum to develop teacher training modules and learning materials. The Ministry of Education has also been actively engaged in providing support and training to teachers and authors of the schoolbooks on financial matters, for the effective implementation of the new content as part of the curriculum.

Box 3.2. School Bank in Georgia

In 2016 the NBG, the Ministry of Education and Science of Georgia collaborated with Child and Youth Finance International (CYFI) to develop standard SchoolBank educational module, lesson plans and evaluation methodology for Georgian schools. The educational component consisted of 15 financial education lessons, which were delivered to children in the pilot project, through the formal education system. The SchoolBank lessons were held in several public and private schools as part of extracurricular education and in the National Youth and Children's Palace (NYCP) since 2017.

The content was focused on personal money management, saving and borrowing, financial fraud, consumer rights and responsibilities. SchoolBank was piloted in 11 public schools in Tbilisi, Rustavi and Mtskheta for three months, from October until December 2017. The programme was evaluated by NBG and the International School of Economics at TSU Policy Institute (ISET).

In addition, Bank of Georgia implemented its own financial education programme, during which children received sCool cards. The aim of the project was to provide students with the possibility of applying their new money management skills through practical experience, utilising the cards. Over 170 youngsters who had received the cards completed the educational programme.

In **North Macedonia**, financial literacy and personal finance topics are partially covered in the life skills subject in primary education since 2015. Between 2014 and 2015, through a joint project between the Bureau for the Development of Education,[10] Aflatoun International, UNICEF, the Centre for Human Rights and Conflict Resolution and the Institute of Social Sciences and Humanities Skopje, elements of financial education were introduced in the primary life skills education curriculum. The project was piloted in 10 schools in North Macedonia. The pilot evaluation showed positive results in terms of knowledge and skills acquired by the students participating in the programme. In 2018, new competencies for civic education were developed and financial education was introduced as a new separate area. Students are expected to acquire financial education competencies through compulsory subjects such as civic education (grades 8 and 9 in primary education and the first year of high school and vocational education) or as “transfer goals” within other subjects in the lower grades of primary education.[11] The Bureau for the Development of Education, in cooperation with the Ministry of Economy and the Organisation for Consumer Protection often implement activities together with the teaching staff that aim at enhancing students’ skills and understanding of their rights as consumers.

[10] Specialised bodies affiliated to the Ministry of Education and Science (MoES) provide technical expertise and develop policies in specific areas. The Bureau for Development of Education (BDE) develops curricula and associated learning standards for all levels from pre-primary to secondary education (except for vocational education and training). In addition, the BDE provides teacher training and conducts education research.

[11] www.bro.gov.mk/wp-content/uploads/2018/09/Nastavna_programa-Gragjansko_obrazovanie-VIII.pdf and www.bro.gov.mk/wp-content/uploads/2019/07/Nastavna-programa-Gragjansko_obrazovanie-IX_odd.pdf; www.bro.gov.mk/wp-content/uploads/2019/07/Nastavna_programa-GRAGJANSKO_OBRAZOVANIE-I_god-4.pdf

Elements of financial education are integrated in the national curriculum of **Romania** as well, both in compulsory education as well as through optional courses for primary, lower and upper secondary schools. From the school year 2020/2021, economics and financial education became a mandatory course in lower secondary education (gymnasium) in eighth grade. It is taught as a standalone subject for one hour per week. The curriculum for this subject covers topics such as consumers, money and budget in the family, relation between consumers and financial institutions, including consumers' rights and obligations, elements of economic, entrepreneurial and economic citizenship education, elements related to risk, insurance and investments. Entrepreneurial education in 10th grade and economics in 11th grade include elements of financial education (e.g. career choice and the role of consumers in the economy, capital market, insurance). In vocational schools, financial education elements are included in applied economics.

Financial literacy and personal finance topics are covered to a limited extent in compulsory subjects in school education in **Moldova**. The general school curriculum was revised in 2017 under the framework of the "Education Development Strategy for the years 2014-2020". The curriculum reform included the review of two school subjects that are relevant for financial education: personal development and education for society. Personal development covers some competencies related to financial education, such as proactive behaviour, focus on integrity and resource management, aimed at enhancing the quality of life and responsible design of the career by capitalising on the individual potential and labour market opportunities. Elements of financial education are also included in some optional classes in Moldova, such as social and financial education, economic and entrepreneurial education, and consumer education, which are taught on a voluntary basis.

Financial literacy and personal finance topics are not covered in compulsory school education in **Montenegro** currently. However, students' financial literacy competencies are mainly developed through cross-curricular topics, elective and extracurricular activities. Extracurricular activities usually refer to "entrepreneurial clubs". There are several elective courses through which students may develop skills related to financial literacy. There is, however, little focus on personal finance issues. The cross-curricular mandatory subject "Education on human rights" includes a module on "Education for the market, work, and consumption (economic education)" which covers issues such as the importance of income and expenditure planning, lending relations and responsible behaviour towards money and credit payment methods. Entrepreneurial learning is another cross-curricular topic, which includes several modules related to personal finance and entrepreneurship, as well as sustainable development.

Table 3.2. Financial education (FE) in primary and secondary education curricula in SEE countries

Countries	FE as standalone & mandatory	FE standalone & optional	FE in cross-curricula & mandatory	FE in cross-curricula & optional	Grades	Subjects
Bulgaria			X	X	Grades 1-12	Technology and Entrepreneurship, Mathematics, Geography and Economy and Civil Education
Croatia			X		Primary & secondary schools	Education for Democratic Citizenship; Civic and Citizenship; Entrepreneurship education
Georgia			X		Grades 7, 8 and 9	civic education
Moldova		X	X	X	Secondary schools	Personal development and education for society; Optional: social and financial education, economic and

						entrepreneurial education, and consumer education
Montenegro	--	--	--	X	Pre-school, primary Secondary schools	Economic and financial mathematics; entrepreneurship; Education for the market, work, and consumption
North Macedonia			X	X	Grades 8 and 9 in primary education; first year high school; vocational education	Life skills (primary, secondary education); Civic education
Romania	X	X	X	X	Primary, grade 8, 10 and 11 - technological education	Optional in primary, mandatory in grade 8 (standalone), mandatory, cross curricular in grade 10, 11

Source: Desk research and countries consultations, updated as of October 2020

Financial literacy core competencies and learning frameworks

Core competencies and learning frameworks generally identify key competencies that children and young people at different ages should possess. Financial literacy core competencies refer to specific financial and economic concepts with which young people at specific ages should be familiar, and that may support improved financial behaviours and financial well-being of young people. These core competencies should be developed based on evidence and adapted to the national contexts, to reflect the current financial system, available financial products, and more broadly the economic environment. It is good practice that financial education curricula are designed based on core competencies or learning frameworks developed and agreed by national education authorities and financial sector authorities, and that they are suitable to children or youth at different ages. The OECD has also developed a general core competencies framework for financial literacy for youth, which may be used as reference for development of more contextualised national frameworks. It provides guidance on the typical outcomes that benefit financial literacy of youth aged 15 to 18. The framework covers several content areas (money and transactions, planning and managing finances, risk and reward, and financial landscape) and it refers to competencies across knowledge, skills, attitudes and behaviours.

Generally, a few topics are included in most available financial literacy frameworks, namely savings and spending, risk and reward, consumers' rights and responsibilities, using money and the value of money, and understanding the broader economic and financial contexts. Given ongoing digitalisation trends, financial literacy core competencies may be complemented by digital skills.

As seen in the previous section, in six of the SEE countries financial education is integrated in the school curriculum, either as standalone subject or cross-curricular competencies, in mandatory or optional courses. Each of these subjects and their contents are based on specific learning frameworks, covering a broad range of personal finance and economics issues.

In **Bulgaria**, the curricula of technology and entrepreneurship integrate elements of financial education. They have been developed following a framework including mandatory topics and expected results (or core competencies) that pupils are to achieve as a result of the training. Curricula are developed by working groups of experts in the relevant subject area, and are approved by the Ministry of Education and Science. Textbooks used in the process of education in Bulgarian schools are developed based on these curricula and proposed for approval by the Ministry of Education and Science. Under the recently adopted National Strategy on Financial Literacy and its Action Plan (February 2021), a broader competences framework on financial literacy will be developed in Bulgaria. Young people are among the target groups for whom this framework will be valid.

In **Croatia**, a few international financial literacy core competencies frameworks were used by stakeholders to develop their financial education programmes (such as the (OECD/INFE, 2015[29]) core competencies frameworks), while keeping in mind and taking into consideration the official curriculum of the Republic of Croatia.

Georgia's core competencies framework for financial education for youth was developed by the NBG in consultation with the Ministry of Education and other educational experts. It covers a series of personal finance concepts adapted to the age of the students, such as personal money management, saving and investing, responsible borrowing, financial organisations and products, consumer rights and responsibilities, financial fraud and insurance.

The national standards for primary education in **North Macedonia**[12] determine the competencies that students should acquire at the end of primary education and incorporate key competencies for lifelong learning included in the Recommendation of the Council of the European Union from 2018. The European Qualifications Framework is used to define the competencies included in the national standards, where competencies are defined as a combination of knowledge, skills and attitudes. The national standards refer to eight areas around which the competencies are grouped: Language literacy; Using other languages; Mathematics and Natural Sciences; Digital literacy; Personal and social development; Society and democratic culture; Technology and entrepreneurship; Artistic expression and culture. Competencies in the field of technology and entrepreneurship include the ability to take initiative, act on opportunities and translate ideas into products and services of cultural, social or commercial value as well as to apply knowledge and skills in the fields of technology, business, financial literacy and entrepreneurship. National standards are incorporated into the curriculum through the various subjects and extracurricular activities. The competencies are translated into expected learning outcomes and, consequently, into assessment standards.

In **Romania**, the national curriculum includes several mandatory and optional school subjects that cover financial literacy concepts and are based on specific competencies frameworks. For example, the subject "social, economic and financial education" for grade eight of the lower secondary education has a specific syllabus that was developed and approved a year later, structured along several elements. Core competencies or general skills, specific skills and examples of learning activities and methodological suggestions are all covered by the syllabus, which spans across four main content areas: citizenship, economic dimension, money and budget and consumers' relationship with financial institutions. The pre-university education in Romania includes several other optional financial education subjects, which are each developed based on specific financial literacy skills and core competencies.

Tailored design of programmes and curricula

In order to be effective, financial education should consider the beneficiaries' needs and learning preferences, that is to say both the content delivered and the design and delivery tools, as well as timing. Financial education should be engaging and of suitable duration, take into consideration the beneficiary's age, personal development, attitudes and habits, and provide opportunities to put in practices the theoretical aspects of the learning. All these factors may contribute to the effectiveness of financial education programmes and to sustaining behaviour change (OECD, 2019[28]) (see Box 3.3).

Generally, however, across the region, the majority of financial education programmes and projects are currently based on information provision. As such, financial education interventions would benefit from being more demand-driven and designed to respond to specific financial literacy needs, using for

[12] https://www.bro.gov.mk/wp-content/uploads/2021/03/standardi-USVOENI.pdf

example interactive methodologies or behavioural insights. Practical visits and guest lectures should be continued as an engaging way of interacting with audiences and learning by doing. However, content and delivery methods would benefit from further customisation and in-depth research on audiences' learning preferences.

A good example of behavioural insights use in curriculum development in the region comes from **Georgia**. When developing the financial education curriculum, the National Bank of Georgia and the Ministry of Education took inspiration from different behavioural frameworks, such as Mind Space and EAST. The curriculum covers topics that are relevant and close to students' lives, including how financial decision-making is influenced by advertisements, peers, family and society, and financial safety online. It provides easy, ready-to-use budget templates to schoolchildren and focuses on activities to build practical skills and induce behavioural changes (OECD, 2019[28]).

Box 3.3. Designing effective financial education programmes

A few good practices have emerged in relation to when (at what age) financial education provision should start, the duration of interventions and good practices for programme design. These are explored in depth in the Policy Handbook on Financial Education for Young People and briefly mentioned below:

- Financial education should start early and be age appropriate. As young people have increasing access to money and basic financial services at younger ages, they need to be equipped with basic money management skills and understanding of the value of money already from a young age;
- The duration of interventions is an important variable in the design of effective financial education programmes. Practical implementation and several studies seem to indicate that short-term one-off interventions are less effective, while interventions of about 20-40 hours tend to have the highest impact in terms of knowledge and behaviour change;
- Financial education is a tool that may be used to develop or improve one's financial behaviours, with the objective of contributing to one's overall and long-term financial well-being and resilience. Therefore, most financial education interventions will aim at behaviour formation (in the case of younger children or youth) or behaviour change. The Policy Handbook on Financial Education for Young People highlights a few key elements that may contribute to this outcome, including: using experiential learning and learning-by-doing, acknowledging and acting upon behavioural biases (for example, in the case of youth most notably the lack of self-control or desire for instant gratification), using a trusted messenger for financial education delivery (such as parents or peers) and ensuring the relevance and salience of the messages.

Source: (OECD, 2019[28])

Teachers' training and financial education materials

A key factor for the successful delivery of financial education through the school curriculum is to ensure that teaching resources are available and that teachers are trained and confident in delivering the financial education content. The resources should be of high quality, aligned with the national curriculum and the adopted core competencies for financial literacy, be engaging, and continuously updated. In all SEE countries, financial education materials (either traditional/written or digital resources) need to be approved by the ministry of education in order to be used in the classrooms.[13]

Consequently, the effectiveness of financial education delivery may be dependent of local authorities, schools and teachers, and their ability and confidence to teach financial concepts. Teachers' professional development and the availability of suitable learning resources may encourage and motivate teachers to integrate and deliver financial education consistently. Another incentive for teaching financial education is integrating financial education in the students' formal assessments.

Dedicated training in financial literacy provides teachers with the confidence to teach financial matters. Teacher trainings may be delivered in a variety of ways, for example, through online platforms (such as in Brazil or Australia), directly in universities (Austria), through challenges and competitions (Japan).

In **Bulgaria**, the subjects including financial literacy topics are taught by teachers who are specialists in the respective subject area with pedagogical qualifications, or by teachers with acquired additional qualifications. Teachers may choose between several manual options approved by the Ministry of Education and Science of different author teams, developed on the basis of the approved subject curricula. To respond to the need to accommodate distance learning in response to the COVID-19 pandemic, the Ministry of Education and Science has created a National Electronic Library for teachers (https://e-learn.mon.bg/) where electronic resources can be shared by teachers and which is publicly accessible (to teachers, students, parents, etc.). In this repository, trainings, didactic and methodological materials can be shared to support the learning in the digital environment. Resources include video lessons, training programmes, innovative methods, tests, movies, exercises, entertaining pedagogic materials, presentations and so on. These resources can be created by one person or by a team but need to be in accordance with state educational standards and curricula. Such materials are divided by classes, by thematic areas and by type of material – for training, for self-preparation and for knowledge testing. Teachers share their ideas and developments in order to promote and increase interest of students for both distance learning and in-class learning, interdisciplinary learning, project-based learning and so on.

In **Croatia**, ETTA has developed a specific teacher training for the course "civic and citizenship education" that incorporates elements of financial education, and more than 50% of the teachers concerned have been trained (more than 1000 teachers are trained each year). Moreover, the Institute for Financial Education (Štedopis) has been organising teacher training sessions, with financial support from the private sector, the Ministry of Science and Education and City of Zagreb. Štedopis released a financial education textbook "My money, my future" approved by ETTA, organised 25 workshops for teachers in the biggest Croatian cities and trained over 250 teachers. In 2017 and 2018, the Croatian National Bank held several seminars for almost 400 teachers as part of their professional development programme. They covered various topics within the CNB's remit: supervision of credit institutions, prevention of money laundering and terrorist financing, non-cash payment transactions in Croatia, cash flow, the CNB's role in consumer protection and the introduction of the Euro.

The National Bank of **Georgia** collaborates closely with the Ministry of Education, the German Sparkassenstiftung for International Cooperation (DSIK) and the Civic Education Teachers Forum in order to deliver financial education trainings to teachers for the newly introduced curriculum of civic education. Training modules and additional learning materials have been developed for seventh grade

[13] For example, for Croatia: https://narodne-novine.nn.hr/clanci/sluzbeni/2018_12_116_2288.html

In Georgia, the school textbooks should be approved by the Ministry; however, teachers can use additional materials, not necessarily approved by the Ministry, that are corresponding the curriculum. In case of Georgia, the NBG with the support from German Sparkassenstiftung (DSIK) developed additional financial education materials for 7th grade teachers, which can be used by teachers. They are available on the Ministry's e-library website and the NBG's financial education web portal: finedu.gov.ge students and teacher trainings started in 2020 through face to face and online trainings, with more than 600 teachers reached (as of February 2021). Teachers can access for free and at any time training and supporting education materials, from the NBG's financial education portal (finedu.gov.ge).

Box 3.4. Financial literacy Olympiads and competitions in Bulgaria

From the 2019-2020 school year, the Ministry of Education and Science has introduced a National Financial Literacy Competition for students in eight age groups - from 5 to 12 grades inclusive. A national commission of experts (university lecturers and teachers) prepares eight separate topics for the Olympiad for the grades 5 to 12 on the curriculum. These contests are based on the subjects covered in the mandatory hours for the respective class, covering finance and financial literacy knowledge from the curricula in mathematics, technology and entrepreneurship, geography and economics and civic education.

From the 2020-2021 school year, the Ministry of Education and Science in Bulgaria has also approved the National Competition "Practical Finance", organised and conducted in partnership with Junior Achievement Bulgaria. The competition has two rounds. The first consists of 60-minute financial literacy test in an electronic format. The 80 best performing participants qualify for the second round where teams solve a case prepared by the National commission focused on personal finance management. The second round concludes with a public presentation of the work on the case (the National Commission acts as jury of the competition). The Ministry of Education and Science provides a one-year scholarship to the three participants who achieve the highest results.

Source: Information provided by the Ministry of Education and Science in Bulgaria

In **Montenegro**, teachers are supported by guides with complete methodological recommendations, manuals for student-centred learning, entrepreneurship competences frameworks and various teachers' manuals. The implementation of entrepreneurial learning as a cross-curricular area is carefully planned and teachers undergo a specific training programme enabling them to integrate learning for entrepreneurship into regular teaching activities (see Box 3.4). So far, some 30% of primary and secondary school teachers have been trained through a three-day training programmes organised by the Institute for Education. All primary schools have appointed coordinators for entrepreneurial learning who regularly report to the Institute for Education on the implemented activities. Due to COVID-19, online trainings are being offered to teachers. An online platform supports participants during the training (available at www.ikces.me).

In **Moldova**, teachers can attend trainings on a voluntary basis to teach optional courses (amongst which those on financial education) and receive credits to attend these training; such trainings are often conducted by not-for profit organisations and approved by the ministry of education and the Academy of Economic Sciences.

The teacher training of civic education teachers in **North Macedonia** is based on standards developed by the Bureau for Development of Education (BDE). Trainings are led by advisors from the BDE supported by specific experts. Trainings focus on the implementation of the standards for civic education in all teaching and extracurricular activities.

Box 3.5. Entrepreneurship education in the Montenegrin curricula

Cross-curricular topics in subject curricula – General Gymnasium

Several courses have been introduced in the school curriculum in Montenegro in recent years to support young people acquiring entrepreneurial skills. Some of these are integrated as cross-curricular topics in different subjects and prepare the young people, amongst others, to:

- identify different forms of entrepreneurship, opportunities for entrepreneurship;
- present an entrepreneurial idea and assess its feasibility based on the principle of scarcity;
- make effective decisions as consumers, savers, investors and citizens;
- understand the importance of externalities and sustainable planning (think green), and describe the purpose of the public good.
- identify the interdependence of savings, loan and investment decisions, list components in creating a family budget based on one-month expenditure monitoring, and present differences in trade barriers and exchange rates between nations/countries with concrete examples. They learn how to use budgets, how to communicate and negotiate ideas with others, assess personal potentials, use comparative advantages.

Elective courses

Students may also chose to deepen and broaden their entrepreneurial skills through elective courses, such as “Entrepreneurship” for grades VII, VIII or IX of primary school. These courses further develop young people’s entrepreneurial culture, awareness of self-employment and adoption of specific general, technical, economic and financial knowledge. Pupils learn to draw a budget, explain the importance of taxation, and compare profits with costs on specific examples. Finally, they create a business plan based on their own business idea.

Source: Information provided by the Ministry of Education of Montenegro and the Bureau for educational services of Montenegro

The Ministry for Education and Research has accredited, upon the request of the National Bank of **Romania**, the Romanian Association of Banks, the Romanian Banking Institute, the Financial Supervisory Authority and the Institute for Financial Studies the course called “Economic and financial education for teachers". The target group for this course are teaching staff employed in secondary schools, responsible for teaching the newly integrated course on financial education in the eighth grade. The Romanian Banking Institute (RBI), founded by the National Bank of Romania and the Romanian Association of Banks, is the provider of this course.[14] About 350 financial education teachers from all around Romania went through the 40-hour specialisation course in 2021. The trainers of the teaching staff are university professors of economics. Furthermore, starting with 2017, the FSA organised a series of free seminars for teachers in the pre-university education, the scope being to form abilities and knowledge regarding the non-banking financial markets and to give supporting teaching materials. More than 3.500 teachers from all over the country attended on voluntary basis these programme. The seminars typically cover both theoretical knowledge and practical examples. The teachers that are interested in learning more about financial markets can follow another training course on non-banking financial education organised by FSA and the Financial Studies Institute. The FSA is also publishing an online magazine for teachers, containing both learning materials and

[14] The Ministry for Education and Research accredited the course, for a period of 4 years, via Order no. 3,559/ 2021

teaching resources. FSA and the Financial Studies Institute organized in 2020 and 2021 a contest for teachers that awarded financial education lesson plans made by participants. The programme Academica BNR (of the National Bank of Romania) is addressed to university teachers and implemented in partnership with the National Council of Rectors (heads of Romanian universities). It is focused on debates and public conferences on current issues in the financial-banking field, held by members of the NBR Board or by in-house experts.

The Romanian Association of Banks deploys a train-the-trainers programme called "Banking Education and Competences for Teachers" via which groups of specialized trainers, teachers in schools and high schools are trained on financial and banking concepts (functioning of the banking sector, the economy and financial/entrepreneurial topics). The course takes place over 10 weeks and ends with a written exam. The Association for Promoting Performance in Education (APPE) has developed a wide range of teaching resources on financial education (students' manuals and teaching guides) for students at all levels of education, from kindergarten to high school. These teaching resources are approved by the Ministry of National Education and are used by several institutions in optional financial education classes in school, or to teach financial education as part of existing subjects.

Out-of-school and extracurricular delivery of financial education

Out-of-school and extracurricular delivery of financial education refers to the use of a diverse range of delivery channels which occur outside of the classroom, or are complementing the school curriculum. In SEE countries, awareness raising campaigns, games, Olympiads and competitions are often used to deliver financial education to different age groups of children and youth. Research also shows that supporting young people to learn about money at critical transition moments or the use of authentic contexts and experiences to teach financial education, can be particularly effective.

Initiatives led by public sector organisations

In most countries in SEE, the national bank or a leading financial authority have the central role in implementing out-of-school financial education initiatives, alongside grassroots organisations and representatives from the private sector. Such collaborations provide credibility to the events organised, ensure impartiality (by reducing the risk of private sector marketing), while at the same time leveraging knowledge, skills and resources of a variety of stakeholders.

Most countries in the region participate in the Global Money Week and the World Savings Day, seen as key international vehicles for the promotion of financial education for young people. Often, on these international days, countries organise various lectures, visits to money museums, financial authorities or banks, debates, creative prize contests and other activities for school and university students. For example, **Bulgaria** participates actively in the Global Money Week. In 2021, around 150 schools from 70 different cities and villages in the country participated in GMW. Different initiatives and competitions were organised. The events and initiatives reached around 26 000 young people in 2021.[15]

In **Georgia**, the NBG developed awareness raising programmes that target the overall population, and specifically children and young people. In addition, the NBG implemented a number of activities for students in collaboration with other public and non-public organisations, including public lectures for over 2000 students; development of books, brochures, printed materials, comic books, budget tools,

[15] For further reference in relation to GMW in Bulgaria in 2021, see: www.jabulgaria.org/article/news/svetovnata_sedmica_na_parite_se_provede_v_balgariia_za_peta_poredna_godina (in Bulgarian language).

calendars; integration of financial literacy components into the School Olympics and supporting development of special educational resources. These resources, developed in a child-friendly format and language, cover financial topics such as personal money management, saving, spending, financial goal setting and decision-making, financial products, consumer rights and responsibilities, and financial safety. Georgia also organises World Savings Day contests for schoolchildren, including the possibility for parents to open deposit and savings accounts for their children.

In **Montenegro**, all primary schools and gymnasiums implement Global Entrepreneurship Week on an annual basis, which includes elements of financial education. To promote savings, the Central Bank of Montenegro provides financial incentives to parents of children born during the World Savings Week: for any child born during this specific timeframe, the Central Bank opens a special savings account (operated by the parents) and deposits seed funding for the child's education. Educational materials on the importance of savings are also provided to parents, who are encouraged to keep the funding in the child's account for at least one year. This is an interesting example of providing in-time financial education.

In **Moldova**, the National Bank of Moldova carries out financial education through the Global Money Week, public awareness campaigns (Open doors days and Savings day), training sessions, and meetings with the press and mass media. The National Commission for Financial Markets (NCFM) also participates in the Global Money Week and conducts public awareness campaigns and "open doors" days. These activities focus on consumers' rights and responsibilities, and provide information about credit (how to take a loan, the importance of reading contacts and clauses, etc.). The State Tax Service targets schoolchildren to explain that taxes are a contribution towards future and the need to pay them.

Visits to money museums and exhibitions are common across the region. The National Bank of **Romania** created a dedicated "Museum and Financial Education Department" in 2017, which features interactive labs and money exhibitions. This department conducts several financial education activities using a wide range of delivery channels and mostly targeting children and young people from primary school to university. The content of these programmes focuses on the functions of the central bank, the history of the Romanian currency, monetary policy, financial stability, and banking supervision as well as basic economic and financial concepts (e.g. personal/family budget, savings, money functions, value of money, payment instruments, needs and preferences). Since 2011, NBR is actively involved in promoting financial education among primary, secondary and high school students within the project "Let's talk about money and banks". The project aims to support children and young people acquire basic financial and banking knowledge and develop skills related to managing money and savings, loans, personal/family budget, investments among others.

In September 2020, National Bank of Romania, Financial Supervisory Authority, Ministry of Public Finance and Romanian Bank Association launched "FinClub", a financial education programme designed for high school students (grades X-XII). The programme lasts for the entire academic year (from September until June), with a frequency of two meetings per month. Main topics addressed include business development and the role of financial instruments, negotiation techniques, tax evasion (typology and study cases), financial well-being, long-term money planning, savings and personal investments, modern means of payment.

The Financial Supervisory Authority created in 2015 a dedicated department for financial education that developed a national strategy for non-banking financial education and managed several national programmes and campaigns, targeting both children and adults. The Financial Supervisory Authority, together with all its partners, both public institutions and corporations, organised several events addressed to children, youngsters and adults. The content of the programmes referrs to insurance, investment, private pensions, personal budget, needs and wants, long term personal financial planning. As of 2021 over 159.000 children participated in FSA programmes and over 14.000 students attended university activities. FSA also developed books, brochures, printed materials, and contributed to public awareness raising campaigns.

Initiatives led by private and not-for-profit organisations

Private and not-for-profit organisations are very active in developing and delivering financial education for different age groups of students across all SEE countries, often in collaboration with the leading national authorities. Most common activities organised by private sector institutions are visits by children and youth to financial institutions offices that are accompanied by lectures and practical learning, opening of savings bank accounts, competitions and quizzes with various prizes (either national or internationally coordinated, such as the European Money Quiz), development of videos and games. The Stock Exchange of **North Macedonia**, for example, developed the “Virtual Stock Exchange”, designed as a contest and game which allows participants to practice their skills in the virtual trading with securities, and gain practical experience around investing in stocks that are traded on the Stock Exchange of North Macedonia. VISA is also active in the region, implementing programmes and financial education games for students, such as Bani IQ in Romania (baniiq.ro). In **Georgia**, the German Sparkassenstiftung developed a Savings Game for pupils.

In **Croatia**, Croatian Insurance Bureau, the association of insurance companies focuses mostly on young people’s financial education. It cooperates with universities, secondary schools and with ETTA on the training of teachers. The Association prepared booklets for school and university students on the purpose of insurance, used during financial education workshops across the country along with a board game titled “Less risk-more fun”. The Zagreb Stock Exchange Academy supports youth financial literacy and for the past 10 years organised students’ visits. It recently introduced virtual presentations for youth. Faculties and high schools in Croatia use the online game ‘Virtual Stock Exchange’ to teach the basics of investment.

In **Romania**, the Bucharest Stock Exchange is involved in different extracurricular activities dedicated to young people. Visiting the Bucharest Stock Exchange is available at least twice a year to students and interactive lessons are held both physically or online. The Association of insurance companies (UNSAR) developed different educational programmes for young people, using modern online channels and tools such as interactive web pages (asiguropedia.ro), social networks, games, video-podcasts using influencers. The non-banking financial entities from the capital market, insurance market and the private pension system organise yearly country wide ”open-doors” events for students, for them to interact with the professionals and participate in different learning experiences.

Involving parents in financial education programmes

A significant part of the socialisation of young people, including financial socialisation, begins in the family environment. Being the first source of learning about money, financial skills, habits and values, parents play an important role in fostering the financial literacy of their children. Further analysis based on the OECD PISA financial literacy assessment in 2018 shows that students who have the chance to talk to their parents about money also tend to get higher scores in financial literacy. Financial education initiatives targeting parents at the same time as young people could reinforce financial education delivery in formal contexts. This has been acknowledged by South East European countries where parents are a target of financial education initiatives, for example, those organised in the framework of Global Money Week. This was for example the case in Bulgaria where in 2021 Junior Achievement organised an event focusing on the importance of parents in cultivating the financial literacy and skills of their children. Policy makers can provide additional parental support by encouraging practical activities to transmit knowledge, attitudes and habits around money. Involving parents in financial education programmes for their children seems to be effective in increasing the financial literacy of children and adolescents (OECD, 2020[30]).

Personal finance in the higher education system

Students finishing the mandatory school education typically transition to post-secondary education (being vocational training or tertiary education) or enter the labour market. For these young people, this represents a critical teachable moment, as they typically move to a more independent life, may start living out of the parental household and may start earning an income from (part-time) jobs. Often times, this transition also represents a key financial inclusion moment, when young people may open their first current account or get access to a wider array of financial products (such as insurance, credit cards etc.). Nonetheless, there is little evidence from the SEE countries that young people transitioning to post-secondary education are supported in this transition from the point of view of financial inclusion, and a very limited number of higher-education institutions in the region provide any personal finance management education to their students.

In **Bulgaria**, for example, some universities, during the first few years of study, provide students with access to disciplines in the field of economic sciences and/or entrepreneurship and some higher-education institutions have dedicated courses or programmes on personal finance or financial education.

In **Georgia**, Ilia State University offers "Guidebook for micro and small enterprises: Interacting with Financial Organisations and Financial Decision-Making", developed by the NBG. It is used by the University's business and entrepreneurship students.

Only the State Economic Faculty of the University of St. Kiril and Metodij in **North Macedonia** offers its students financial education through a course on Personal Finances. The course introduces students to the importance of financial planning and managing personal and family financial budgets and teaches them how to ensure financial security for themselves and their families after graduation. Students study practical and real-life topics and content that may affect their future, such as career choice and earning potential, home budget planning and personal finance management, choosing between spending and saving, different forms of investing and borrowing, personal financial management, behavioural approaches to finance.

In **Croatia**, the Croatian Chamber of Commerce organises lectures at different faculties on the topic of investment funds. Amongst the participating faculties, there are Faculties of Economics in Zagreb, Rijeka, Osijek and Split; Faculty of Law in Zagreb; Faculty of Science in Zagreb and the Department of Economics, University of Zadar. The courses are taught using materials developed by the Chamber of Commerce, on the basics of investment funds. HANFA founded the "Annual HANFA's Award for students for the best scientific and professional papers". Its objective is to improve cooperation between HANFA and higher education institutions in the country and encourage the students' community to become more closely acquainted with developments in the financial markets.

Several initiatives of the financial regulators in Romania target university students. For example, the programme "Open doors for economics students" (of the National Bank of **Romania**) aims to improve students' knowledge and understanding of the central bank's activities, its role, functions and implications of its decisions on the economy. The Financial Supervisory Authority of Romania targets university students and teachers through the national programme Academic Laboratory. Seminars, workshops, conferences are held for students no matter the study profile, presenting both general financial literacy knowledge such as personal budget, recognising and managing different types of risks, financial market issues or specific study cases that teach students how to understand and manage different financial instruments, products and services. Career orientation is included in the Academic Laboratory. The programme has a separate segment dedicated to university teachers and managers – Academic Fin Hub, that creates a space of collaboration between universities and the financial market. The FSA also launched the FSA Student Club, a financial education programme for students focused on the capital market, insurance and private pensions.

Financial education as part of youth entrepreneurship and youth employment support programmes

Providing financial education at teachable moments, considering life cycle events, may contribute to increased receptivity to the educational messages and may lead to prompt and positive financial decisions, increasing financial well-being. For young people, transitioning from education to employment, receiving a first pay-check represents an important life event, which may be leveraged by programmes integrating youth employment support with access to basic financial services and financial education (OECD/G20 GPFI, 2020[21]). Field experiments and research from the US show that providing financial education and access to appropriate and safe financial products at teachable moments leads to more effective and long lasting financial knowledge and financial behaviours, and it also more broadly contributes to youth empowerment, increased self-confidence and self-efficacy, asset accumulation and financial well-being.

SEE countries have adopted youth support schemes and strategies aimed at assisting and preparing young people for employment and incentivising youth entrepreneurship. However, very few of them have an integral component of financial education, personal finance and/or financial inclusion, as outlined in the following paragraphs that provide only a few examples of initiatives focusing specifically on improving financial literacy.

In European Union countries, a series of EU wide support schemes (EU Youth Guarantee or Youth Employment Initiative) have been implemented to support all those of ages below 25 to receive a good quality offer of employment, continued education, apprenticeship, or traineeship within four months of becoming unemployed or leaving formal education (OECD/European Commission, 2020[31]). Amongst the supported interventions, there is high priority placed on the promotion of youth entrepreneurship. A wide range of initiatives to support young entrepreneurs are implemented in Bulgaria (OECD, 2017[32]), (OECD, 2020[33]), Croatia (OECD, 2020[34]) and Romania (OECD, 2020[35]).

In **Bulgaria**, a wide range of supporting measures for labour market integration of young people has been implemented under the National Youth Guarantee Implementation Plan. For example, one of the measures is aimed at young people with higher education and qualifications that would like to start their own business. They are supported through provision of grant schemes, loans or investments. In addition to funding, young people can access and use a range of services such as information on specific financial support schemes; orientation and consulting during the development of the business idea; support and assistance in developing a business plan and applying for funding; rapid approval of the plan and supportive monitoring of its implementation; access to training programmes on knowledge and skills for SME management; provision of assistance in the initial stage of operation of the newly established enterprise. In addition, measures to support entrepreneurship are also implemented under Art. 47, 48, 49, and 49b of the Employment Promotion Act. These measures are aimed at unemployed people from vulnerable groups on the labour market including young people, and provide grants for starting a business, funding for trainings and consulting services. The Support for Entrepreneurship initiative, under the Human Resources Development Operational Programme 2014-2020, provides grants for training of individuals wishing to develop an independent business. The target groups are the unemployed, inactive, or working young people up to 29 years old. The support includes information provision, entrepreneurship trainings, consulting services, assessment of the viability of business ideas, consultations in the preparation of business plans and consultations for business registration.

Romanians are more likely to be self-employed than their EU counterparts, with 16.4% of Romanians being self-employed in 2017, above the EU average (13.7%). Romania also had amongst the highest share of self-employment by youth in the EU (OECD, 2020[35]), and the Romanian Government had put in place a National Strategy for Youth Policy 2015-2020 to support “the active participation of young people in the country's economic, social, educational, cultural and political life, providing equal opportunities for access to education, employment and decent living conditions, with particular attention to adolescents and young people who, for various reasons, had fewer opportunities" (Romanian Government, 2015[36]). However, many of the new businesses are created by youth because of lack of other opportunities in the labour market.

Junior Achievement (JA) is participating in Supporting Entrepreneurial Education in Europe and Eurasia (SEEEE) project aiming to increase entrepreneurial skills of young people. The project is active in Georgia and North Macedonia. Through a collaboration with the National Bank of **Georgia** (NBG), financial education is also incorporated in the project. In **North Macedonia,** it implements the Entrepreneurial Skills Pass (ESP), an international certification for students (aged 15-19) that undertake specific programmes and trainings in entrepreneurship. Programmes also incorporate a financial literacy module.

The Government of **Montenegro**, through the Ministry of Education, Science, Culture and Sport is implementing a Youth Strategy 2017-2021, with support from the UN system in Montenegro. The strategy was established to address the lack of policy focus on youth in the country and aims to provide a level playing field in the implementation of youth policies within the formal education sector and outside of it, namely in the field of non-formal education and youth employment programmes. The Centre for Vocational Education in Montenegro has prepared an Education Programme for the Acquisition of Entrepreneurial Knowledge and Skills "Start a Business". The programme covers contents related to finance and accounting. New education programmes organised and financed by the Employment Agency of Montenegro for acquiring professional qualifications contain a special module on entrepreneurship that includes finance and personal financial management topics. The implementation of these programmes target unemployed young people.

Digital delivery of financial education

The use of digitalisation and digital tools to deliver financial education has gained more traction in the past years and especially within the context of the ongoing COVID-19 pandemic, which has seen schools closing and face-to-face interventions reducing or stopping altogether. Digital tools for delivering financial education range from web portals, e-learning platforms and videos, to more recent developments such as gaming, digital budgeting tools, mobile apps, investment simulators or financial goal trackers, online courses or other digital gadgets.

Digital means can be more easily adapted to specific audiences and deliver behaviourally informed interventions. At the same time, they entail challenges related to the need to update the content to remain accurate, to adapt the pedagogical approach to online delivery, or to digital exclusion of specific populations. Lack of digital skills and lack of access to infrastructure may also represent challenges, while for policy makers and education providers there are challenges in the adaptation of content to the digital environment, training the trainers and the issue of privacy of data.

In the EU, in 2019, more than three quarters of all people aged between 16 and 74 were using the internet on a daily basis, with the percentage increasing for the younger cohorts. In 2019, more than half (55 %) of the EU-27's adult population (aged 16-74 years) used the internet for banking during the three months prior to the latest survey and online banking was particularly common among people aged 25-34 years (72 %), while less than one third of population aged 65-74 years made use of the internet for banking.[16] According to latest available data from the Fintech adoption index, 76% of young people aged between 25 and 34 were Fintech adopters, meaning that they had used at least two or

[16] https://ec.europa.eu/eurostat/statistics-explained/pdfscache/2549.pdf

more Fintech services in the prior six months. Given the acceleration of the financial digitalisation trends due to the COVID-19 pandemic, it is expected that these numbers have increased over the past year. While this provides opportunities for increasing the digital financial inclusion and digital financial literacy of young people, it also poses risks, such as financial frauds and scams, increasing risks of over-indebtedness due to easy access to online credit, misleading advertising and mis-selling, and data privacy issues (OECD/G20 GPFI, 2020[21]).

In SEE countries, a number of organisations have integrated digital delivery of financial education with more traditional delivery methods, to increase engagement and reach a broad range of otherwise difficult to reach young people. Interventions can be therefore digital or provided in support of traditional delivery.

Websites/web-portals

Most organisations involved in financial education in SEE countries, both public and private organisations, publish key information on their websites, such as information on financial products, list of loan providers, banking fees, and so on. Website and web-portals are the most common digital tools for sharing financial education content digitally. However, in most countries, there is a lack of a "one-stop-shop" website, where consumers can find all financial education related information in one place, and more often information is fragmented across a series of websites that provide information under the remit of the organisation who developed the website. An exception is **Georgia**, where the NBG has recently launched a financial literacy platform, aimed at becoming the go-to website for consumers in relation to financial education. Other countries from the region are currently discussing or planning the one-stop-shop sites on financial education.

In **Romania**, the national committee on financial education developed a national financial education website, www.edu-fin.ro, launched in March 2021. It aims at gathering in one place information regarding any financial literacy activity implemented in Romania. In addition, several public and private institutions in Romania developed websites aimed at consumers of financial services. For example, the Financial Supervisory Authority is managing and promoting since 2015 a financial education website that publicly offers free materials and resources on non-banking financial literacy and presents all the campaigns, activities and programmes implemented by FSA. The website addresses children, youth, parents, teachers and the public. The Association of Banks promoted the development of a Platform for Financial Education in 2016 and a related financial education website, including a Practical Handbook for the Users of Financial Services, which collects chapters drafted by different institutions. The financial education website (www.educatiefinanciara.info) may be useful for anyone interested in financial and banking maters, more specifically their rights, obligations and risks in lending and saving, loans and loans restructuring or in avoiding fraud.

Other examples of topical financial education websites can be found in **North Macedonia**, where the Insurance Supervision Agency has a website dedicated to consumers and beneficiaries of insurance providing accessible insurance information. Consumers can find all necessary information on the registered insurance entities on the market, different insurance products and services. The Agency for Supervision of Fully Funded Pension Insurance (MAPAS) oversees the website Penzija.mk, where consumers can receive information about retirement savings and pension fund assets.

In **Bulgaria**, several such websites exist as well. For example, the Financial Supervision Commission has developed a website with detailed information and interactive games for consumers of non-banking financial services. The Association of Bulgarian Insurers developed a special site for consumers with detailed information concerning insurance products and services. The Ministry of Education and Science has created a publicly accessible online National Electronic Library of teachers for sharing electronic resources. Given the multitude of information sources for consumers of financial services, Bulgaria plans to establish in 2022 a one-stop-shop website with educational resources on financial literacy (single internet portal for financial literacy) that will combine information on the financial literacy area from different stakeholders in the country.

Country/Institution	Financial education websites/portal	Includes section dedicated to youth
Bulgaria	http://www.tvoitefinansi.bg/ (for non-banking services) https://www.abz.bg/bg_BG/za-potrebitelya.html (for insurance) https://e-learn.mon.bg/public/study-resources?selectedArea=6ff849df-8802-466e-8c7c-cec1a70c7db6 https://www.jabulgaria.org/ http://www.financialiteracy.eu/ https://edu5.0.bg/ https://finlit.eu/edu/	No No Yes Yes Yes No No
Croatia	www.hanfa.hr ; www.novaczasutra.hr www.svezapotrosace.hr https://www.hnb.hr/o-nama/edukacija	Overall information for consumers Educational lectures for primary, secondary and university students on topics within the competence of the central bank with educational videos and PDF materials.
Georgia	www.finedu.gov.ge	No
Moldova	n/a	
Montenegro	n/a	
North Macedonia	www.edukacija.aso.mk (for insurance); www.penzija.mk (for pensions); www.nbrm.mk/finansiska-edukacija.nspx (for banks, money and finance)	
Romania	www.asfromania.ro/edu; www.educatiefinanciara.info; www.edu-fin.ro	Yes

Videos

In **Croatia**, HANFA has been working on animated movies in the format of mini-documentaries and held a video award for high school students with the theme "Secure your future". The winning video was published on HANFA's website and YouTube channel. Štedopis used their YouTube channel to promote financial literacy videos and e-learning programmes.

The German Sparkassenstiftung (DSIK) in **Georgia** has developed videos about personal finance, consumer responsibilities and financial institutions' obligations. Jointly with the NBG it developed nine additional videos about core financial literacy topics such as responsible borrowing, insurance, pension schemes, effective interest rate and internet fraud. The NBG translated in Georgian 37 Khan Academy videos about finance and economics.

Recently, the National Bank of **Moldova** signed a memorandum of cooperation with a local think tank “Expert-Group” committing to undertaking practical steps to promote financial literacy. The scope of this initiative is to develop an analytical database of fundamental financial concepts, infographics, video graphics, presentations targeting young people and students of schools and universities. In addition, it is expected that through this collaboration an online web page and quizzes will be developed.

In **North Macedonia**, the National Bank of the Republic of North Macedonia published a series of nine animated educational videos on different banking topics, of interest to the public. The Securities and Exchange Commission of North Macedonia published educational videos issues related to securities, investments, bonds, financial frauds and other similar topics. The Agency for Supervision of Fully Funded Pension Funds has also been active with many short information videos on how to build your pension, the three existing pension pillars, what are pension funds and general information about the security of the pension system in North Macedonia. These videos however do not specifically target young people.

In March 2021, National Bank of **Romania** released the first four episodes from an animated video series “Financial education with Ana and Radu”, an educational product for primary and secondary schools. It offers in an accessible and attractive way, explanations about the role of the central bank, as well as basic financial and economic notions: inflation, money functions, revenue and expenditure budget, supply and demand.

Social media

Social media use is widespread in South East Europe, with Facebook, LinkedIn, Twitter, YouTube, Flickr used to reach a wide range of audiences, particularly the younger ones. In **Romania**, the banking community hosts the financial education show "La Taclale & Parale" (“talking about money”) with over 2 million (unique) users reached on Facebook.[17]

Online games and competitions

The Stock Exchange of **North Macedonia** developed the Virtual Stock Exchange in 2005 (initially called Students’ Stock Exchange). It is a contest and game, that allows participants to practice their skills in the virtual trading with securities and gain practical experience around investing in stocks traded on the Stock Exchange. The National Bank of the Republic of **North Macedonia** developed a mobile educational game "Earn and save" for young people. Young people can play and earn money through the game, and indirectly learn about the value of money and the fact that hard work pays off. HANFA in **Croatia** uses Kahoot! during presentations, to make these more engaging and motivating for students. The German Sparkassenstiftung (DSIK) collaborated with the NBG to develop a board game about savings for schoolchildren, used in several schools in **Georgia** during the World Savings Day. The **Romanian** Association of Banks has supported the participation of over 1500 Romanian pupils, aged 13-15 years, in the national final of a European on-line contest on financial education called ‘European Money Quiz’. The two winners of the national contest took part in the European final, where pupils from 28 countries competed.[18]

[17] https://dreptullabanking.ro/taclale-parale-editia-a-iia/

[18] The European Money Quiz is a common initiative on financial literacy by the banking associations in Europe, under the coordination of the European Banking Federation (EBF).

Mobile apps

In 2018, the Ministry of Finance of **North Macedonia** organised a “fin-hackathon” following which a web app was launched (“Citizens’ Budget”), explaining the State’s revenues and expenses. Although it does not focus specifically on young people, this app can be easily accessible to younger audiences.

The **Croatian** National Bank has developed the mHNB mobile that provides information enabling a comparison of banks' credit offers and a comparison of current bank fees for the most frequently used payment services, as well as an overview of the CNB's exchange rate list.

Assessing financial literacy and evaluating impact

Financial literacy assessments refer to identifying and testing performance in financial literacy of children and young people and may include testing in the classroom, formal examinations, national and international tests. Assessments provide evidence and track progress on financial literacy of young people over time or in relation to a specific programme.

Programme evaluation is different from financial literacy assessments, as the objective in this case is to test whether a specific programme is achieving its goals and if students acquire knowledge or skills, or if they improve their behaviours in relation to money. In programme evaluation, both the content as well as the teaching methods may be tested for impact.

Assessment of financial literacy knowledge and skills can be done through international comparable tools (such as the PISA financial literacy assessment) or at school level, whenever the students receive financial education. For example, in **Bulgaria** all set competencies in the curricula, including the financial literacy competencies, are subject to assessment at the end of the second high school stage through state matriculation exams.

In terms of financial education programme evaluation, the National Bank of **Georgia** recognises the importance of monitoring and evaluation of both individual financial education programmes as well as of the NSFE as a whole. It, therefore, provides a framework for the evaluation of both. Individual financial education programmes are to follow guidelines issued by the NBG on monitoring and evaluation of impact, and to report results to the NBG and the Steering Committee (Box 3.5 presents an example of programme evaluation in Georgia). At the same time, the NBG is planning to carry out periodical measurements of financial literacy levels of the population, to assess the overall impact of the National Strategy.

In addition to evaluation of financial education programmes delivered traditionally through face-to-face interaction, discussions around most effective ways to evaluate digitally delivered financial education programmes has become more relevant in recent years. While automated monitoring of digital delivered financial education programmes may provide interesting and useful insights on number of users, time of interaction and specific components of the programmes that are most interesting for users, there is still limited evidence and practice on the effects of digitally delivered programmes, apps, games, videos on sustaining behaviour changed and financial well-being. The **Croatian** National Bank uses quizzes within an online tool “Mentimeter” to test the financial knowledge that children and youth acquire after educational lessons.

There has been no reported programme evaluation of financial education for children or youth in Moldova, Montenegro, North Macedonia or Romania.

Box 3.6. Evaluating the SchoolBank programme in Georgia

Schoolbank was an educational programme for secondary school youth, comprised of lessons of about 60 minutes, covering 15 different topics related to personal finance, banking products, consumer rights and responsibilities. The project was piloted in 11 schools in Georgia. The schools were selected by self-interest principle expressed following information about SchoolBank Project received from the Ministry of Education and Science of Georgia. The schools which expressed their interest to be involved in the project were selected. The SchoolBank project was piloted in grades 7, 8 and 9.

To assess the effectiveness of the programme, students were asked to fill out a pre- and post-intervention questionnaire, with questions aiming to assess their level of financial literacy across three dimensions: financial knowledge, attitudes and behaviour. The study found that the programme improved the overall financial literacy among participating students, even though this was mostly driven by an increase of financial knowledge and attitudes, while the effect on financial behaviour was limited.

The empirical results show that neither gender and grade nor geographical location of school and the source of income affect significantly the initial level of financial literacy of selected school children. However, the evaluation demonstrates a positive interdependence between having a bank deposit and financial literacy.

Source: (Barbakadze, 2018[37]) Effectiveness of Financial Literacy Program at Schools. The Case Study of Schoolbank in Georgia

4 Conclusions and policy implications

Following worldwide trends, young people in South East Europe may face unprecedented inter-generational responsibilities ranging from supporting aging cohorts to tackling the issue of climate change. Within a context of slow economic growth and increased market and labour competition, young people are also facing lower levels of employment, longer periods of inactivity and reduced incomes. Moreover, having fewer opportunities and financial resources than their peers in the EU can limit young people's future prospects in education and employment in the long term in a competitive labour market. They will also face increased public debt and reduced social transfers such as pensions, social security, child support or unemployment benefits.

To take control of their financial future and become financially resilient, it is important to support the financial literacy of young people and ensure they have access to appropriate financial services. At the same time, ensuring that young people are financially empowered and have opportunities for development and growth is essential for countries to avoid increasing youth poverty and slow down youth migration.

To date, young people in South East Europe have lower financial literacy levels, reflecting not only limited financial knowledge, but also financial behaviour. This means that young people save less, spend more, do not keep watch on their finances, and do not consider the long-term consequences of their financial decisions, risking future financial stress and reduced financial well-being. This is also the case for students and young adults as documented for the countries from the region, which have participated in the PISA financial literacy assessment. In general, young people are less financially stressed than their older counterparts in SEE, which may have to do with the fact that they have less financial responsibilities (as they transition from education to adulthood) and may even be unaware of the long-term consequences of financial difficulties. Moreover, limited financial literacy is associated with limited financial inclusion.

Countries in the region have taken active steps to develop National Strategies for Financial Education (NSFE) and address, amongst others, the financial literacy needs of children and young people. The Ministries of Education are often actively involved in these processes and financial education is, to some extent, integrated in the school curriculum in all countries in the region. Young people in pre-tertiary education have access to curricular financial education. Although only Romania has so far introduced a standalone financial education subject for 14 year-old students, in the rest of the countries, financial education competencies are cross curricular and mandatory, and often complemented by optional and extracurricular activities. Countries are also taking steps in implementing formal examination of financial education courses, which can act as incentive for the implementation of the curriculum.

At the same time, some limitations persist:

- Data on financial literacy levels of students and young people, on their needs and learning preferences is key. However, just a few countries in SEE have gathered such insights (through national studies or the PISA financial literacy assessment). It is important, therefore, to enhance efforts to understand better young people financial literacy levels and needs.
- There are many activities led by the public and private sector and NGOs across the spectrum, often with little coordination amongst them. It would be beneficial for them to align with the national competencies framework in place in each country.

- Financial education programmes delivered in the region tend to delve into complicated concepts (such as insurance or capital market functioning) without first covering at least the basic concepts of good money management skills. Integrating basic competencies in all financial education programmes, will allow young people to acquire a sound understanding of basic concepts such as the value of money or budgeting skills.
- Although the private sector and NGOs are very active and involved in delivering financial education to children and youth in the region, just a few countries have, or are working on developing, concrete frameworks for the involvement of private sector in financial education delivery. In some cases, no specific guidelines are set for non-public organisations when providing financial education to children and young people. This potentially represents a risk of conflicts of interest and mis-alignment with national objectives or core competencies.
- The majority of financial education programmes and projects are based on information provision. Some would benefit from considering in their development and implementation their ability to support skill development, attitude and behavioural change. Usage of interactive methodologies or behavioural insights could be beneficial in this sense.
- Financial education interventions could also be more demand-driven and designed to respond to specific financial literacy needs of their target group. This could be achieved through, for example, in-depth research on audiences' learning preferences and financial literacy gaps, and further customisation.
- There are diverse and impressive efforts to support teachers' capacity to teach financial education. Programmes are well structured, diverse, and tailored to the situation of each country. They could be scaled up and more experience sharing amongst countries could enhance these programmes.
- At the same time, financial education providers may focus more on providing support not only to youth, students and teachers but also to parents, by encouraging practical activities to transmit knowledge, attitudes and habits around money. Involving parents in financial education programmes is an effective way to increase the financial literacy of children and adolescents, and may also benefit parents themselves.
- There is little evidence from SEE countries that young people transitioning to post-secondary education or to the labour market are supported in this important passage and teachable moment from a financial education and inclusion point of view. A very limited number of higher-education institutions or youth-employment programmes in the region provide any personal finance education to their students or members. These efforts could be scaled up.
- There is limited focus on monitoring and evaluating the different financial education efforts across the board. Many initiatives have either limited or no evaluation component at all, resulting in a lost opportunity to understand whether a programme is effective or whether it needs adjustments to achieve its objectives. This can potentially imply an ineffective use of resources.

To address these challenges, policy makers in SEE countries may consider implementing the following policy suggestions:

Enhancing collaborations

- Whenever these do not exist yet, develop national strategies for financial education (NSFE) to enhance cooperation and coordination between national stakeholders. Children and young people may be a specific target group of the NSFE. The NSFE frameworks allow for efforts to be streamlined, coordinated and aligned with national core competencies and national objectives.

- Prioritise cooperation with Ministries of Education and/or other educational authorities that play an essential role in the process of developing and integrating financial education in the school curriculum. At the same time, explore new collaborations with higher education institutions and other governmental authorities that support youth in their passage from mandatory education to tertiary education or employment. Hence, complement youth career support, youth employment, youth entrepreneurship and youth empowerment programmes with elements of financial education and financial inclusion. This transition is an important teachable moment that can be leveraged in the benefit of young people.
- Consider establishing collaborations with teachers and parents associations. These can be important partners in advancing the financial education of young people. Involving parents in financial education programmes is an effective way to increase the financial literacy of children and adolescents and it often benefits parents themselves.
- Cooperate with a variety of relevant stakeholders, while avoiding all potential conflict of interest that may arise from involvement of private and other non-public sector stakeholders in financial education activities, or the risk of a blending between educational and commercial messages. Guidelines, codes of conducts, or even bilateral agreements may be developed and implemented to achieve this goal.

Developing and implementing evidence-based policies and programmes

- Develop financial education curricula and programmes based on existing evidence and well-defined, tailored and nationally agreed financial literacy core competencies. It is important that curricula undergo regular reviews, so that they remain relevant to the continuously changing financial environment and provide young people with the needed skills to understand and navigate the financial system. More countries in the region could consider regularly participating in the PISA financial literacy assessments.
- Financial education programmes and curricula are engaging and of suitable duration, take into consideration the beneficiary's age, personal development, attitudes and habits, and provide opportunities to put in practices the theoretical aspects of the learning. Other good practices that have emerged as effective in increasing financial education long-term effects include: using experiential learning and learning-by-doing; acknowledging and acting upon behavioural biases; using a trusted messenger for financial education delivery (such as parents or peers) and ensuring the relevance and salience of the messages.
- Continue integrating financial education in mandatory school curricula, in a variety of subjects and grades, to provide students with the opportunity of learning a variety of concepts relevant to their age. Optional courses or extra-curricular activities are important. However, evidence suggests that mandatory financial education of appropriate duration has higher and longer lasting effects compared to "one off" optional interventions. Assessing these courses through formal examinations may also further increase incentive for their implementation by teachers and retention by students.
- Support teachers and educators through teacher training and financial education courses tailored to teachers themselves, to build their confidence and motivation. Given the varying and tailored approaches taken by the countries in SEE on teacher training, knowledge sharing would be beneficial for further enhancement of existing programmes.
- Leverage technology to promote financial and digital literacy of young people and pay special attention to particularly vulnerable youth with lower financial literacy levels (such as belonging to disadvantaged families or from rural areas).

Testing, measuring and evaluating impact

- Regularly measure the financial literacy of young people through dedicated data collection exercises or by participating in international measurement exercises, such as the PISA financial literacy assessment or the OECD/INFE surveys of financial literacy and financial inclusion.
- Dedicate necessary resources for monitoring and evaluating financial education programmes to assess effectiveness and their impact before scale up.

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