

François Villeroy de Galhau: Special address on the French National Strategy for Financial Education

Speech by Mr François Villeroy de Galhau, Governor of the Bank of France, at the 4th OECD/GFLEC global policy research symposium to advance financial literacy "Addressing the needs of youth", Paris, 24 May 2017.

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Accompanying [slides](#).

Your Highness (Queen Máxima of the Netherlands), Mr. Secretary General, ladies and gentlemen,

I am delighted to be here with you today for this symposium on financial literacy. Indeed, French citizens have high expectations about financial education: [slide 2] 78% believe that financial literacy should be taught at school and 65% believe that access to it would **reduce over-indebtedness and financial vulnerability**.¹ Academic research by Annamaria Lusardi and Olivia Mitchell² confirms its importance, as does our own research in France³ [slide 3]. If we consider the three "standard" questions used to assess awareness of interest rates, inflation and risk diversification, only 30% of those surveyed answered all three questions correctly, which is lower than in other European countries. Furthermore, in France some of the worst results were obtained by the youngest age group, as well as the oldest. However, there is more at stake: this represents **a challenge for democracy**. Providing our fellow citizens with the keys to understanding complex economic debates is a matter of respect. There's no use in complaining about "populism", which incidentally is a label that is too easily used, if we can't provide the "people" with the ability to ask the right questions and then evaluate the answers.

France has therefore made a firm commitment to implement a strategy for financial education based on the principles set out by the OECD and endorsed by the G20 leaders. Work on the strategy began in 2013 and on 20 December of last year, the Minister of the Economy called the first meeting of the National Committee for Financial Education. This Committee brings together relevant administrations and institutions, consumer associations and finance sector professionals, and gives the political impetus at the very highest level. The Minister also reaffirmed the role entrusted to the Banque de France of conducting the national strategy. Before continuing with a presentation of our first collective achievements, I would like to focus on the role of the Banque de France.

1. The Banque de France, the conductor of the national strategy

[slide 4] The Banque de France has concrete, everyday experience of our fellow citizens' needs in terms of information and explanations through its three core tasks of monetary strategy, financial stability and services to the economy. For example, as part of the over-indebtedness procedure managed by the Banque de France, each year we provide solutions to more than 200,000 households experiencing financial difficulties. And for several years now, the Banque de France has been striving to improve the financial literacy of the general public, and particularly that of our younger generations. This has involved ongoing vocational teacher training in the framework of the 21 academic partnership agreements signed with the Ministry of Education thanks to our nationwide presence, as well as [slide 5] ambitious projects such as "Citéco", the *Cité de l'économie et de la monnaie*. Citéco is an innovative and recreational museum dedicated to economics, money and finance, that will open its doors to the public at the end of 2018 in the newly renovated Hôtel Gaillard in the 17th arrondissement of Paris.

Therefore, the Banque de France plays the role of conductor of the French national strategy for financial education [slide 6], in order to mobilise and coordinate the activities of all stakeholders, be they associations, institutions or finance sector representatives. Through these partnerships, we can thus ensure that efforts are stepped up to raise awareness and train as many people as possible. There are three aspects of our collective goal [slide 7]: first, we aim to reach **all members of the public**, young people of course, teachers, students and financially vulnerable people, as well as all our fellow citizens over their entire lifetimes; second, we will **deal with all subjects**, from budgetary to financial and economic questions, in order to provide the basic knowledge required in all these fields to better understand and therefore make informed decisions; and lastly, we will use **all relevant means** to pass on this financial knowledge as widely as possible, including websites, efforts on the ground and partnerships.

2. The strategy is being quickly and effectively implemented

[slide 8] On 24 January 2017, the dedicated financial education internet portal, "mes questions d'argent.fr", went on line. This portal is intended to become the primary information source for all our fellow citizens looking for answers to their day-to-day banking, budgetary, economic and financial questions, and a first milestone of 200,000 consulted pages has already been reached.

Access through the portal is simple and quick; in three clicks users can access free content carefully chosen for its educational qualities, neutrality and freshness. We have opted for a similar approach to the Dutch "Money Wise" platform, in that it is both practical, with a limited amount of entries and materials, as well as cooperative, offering a variety of sources from all of our partners.

In order to ensure that the national strategy is rapidly implemented, we rely on the Operational Committee, which I chair, and which is responsible for management and coordination. Our roadmap for 2017 is clear: during the first half of the year, operational objectives will be defined and available resources will be identified; and during the second half, a robust and effective assessment methodology will be developed.

We are already actively working on introducing specific mechanisms for **people in financial difficulty** and **students**.

To help those experiencing financial difficulties, we are working closely with social service providers to produce practical educational materials covering seven concrete subjects: budgeting, relationships with banks, credit, bank payment incidents, banking inclusion, over-indebtedness and complaints. From June 2017, these materials will be made available to social workers and associations so that they can be used with people in financial difficulty. By the end of the year, the Banque de France's teams have planned to hold nearly 900 meetings to present in detail these educational materials, as well as the "mes questions d'argent" portal, to 14,000 social service providers.

For **students**, in December 2016 the Ministry of Education set up a group of experts in which the Banque de France and the French Institute for Public Financial Education actively participate. The group's objective is to develop appropriate educational materials that help teachers to introduce primary school pupils to the concepts of money, budgeting, credit and savings, and then to build on that knowledge in secondary schools and, if possible, up to the age of 18. The first information kits approved by the group of experts will be supplied to teachers for the beginning of the new school year in September 2017. The Banque de France will promote their use to teachers in academies in accordance with its brief defined by the Ministry of Education.

Allow me to conclude by quoting the American musician, Pete Seeger, who had these wise words: "Do you know the difference between education and experience? Education is when you read the fine print; experience is what you get when you don't."⁴ And I would add that it is financial education that should make all the fine print understandable.

Thank you for your attention.

¹ "Éducation financière : connaissances et pratiques des Français". Survey on the financial literacy of French people carried out by the French public opinion institute, IFOP, for the Ministry of the Economy and Finance in September 2016.

² Lusardi A and Mitchell O. S. (2014), "The Economic Importance of financial literacy: theory and evidence", *Journal of Economic Literature*, 52(1), pp. 5-44.

³ L. Arrondel, M. Debbich and F. Savignac (2013), "Financial Literacy and Financial Planning in France", *Numeracy*, Vol. 6, Iss. 2, Article 8. L. Arrondel, M. Debbich and F. Savignac (2015), "Stockholding in France: the role of financial literacy and information", *Applied Economic Letters*, Vol. 22, Iss. 16, pp. 1315–1319. L. Arrondel, M. Debbich and F. Savignac (2015), "Does financial literacy influence financial decisions?", Banque de France, *Rue de la banque* No 2. www.banque-france.fr/uploads/tx_bdfgrandesdates/RDB_02.pdf.

⁴ Pete Seeger in "Loose Talk", ed. by Linda Botts, 1980.