

International Experience of Financial Knowledge Popularization Education and Its Inspiration for China

Yuqi Liu

Nanjing Foreign Language School Xianlin Campus, Nanjing, Jiangsu, 210023, China

Keywords: Popularization and education of financial knowledge; International experience; international comparison

Abstract: The popularization and education of financial knowledge is of great strategic significance for promoting the improvement of the overall financial literacy of the people. The article first introduces that China's financial knowledge education started late and the foundation is relatively weak. It is precisely because of the lack of financial knowledge that many financial chaos has occurred in the whole society, affecting the stability of the financial market and social harmony. Secondly, we drew on the typical experiences of major countries and relevant international organizations in promoting financial knowledge popularization and education, and analyzed their typical practices. Finally, based on the reference of international experience, suggestions are proposed to promote the popularization and education of financial knowledge in China according to the national conditions. It is hoped that financial knowledge will be incorporated into the education system and a series of measures will be taken to promote the improvement of the comprehensive financial literacy of the entire population.

1. Introduction

In recent years, with the close relationship between finance and our daily work, study and life, and the emergence of new businesses and models such as Internet finance, convenient financial services are gradually changing the consumer behavior and payment methods of the whole people. The financial industry has strong professionalism, but due to the general lack of professional knowledge related to financial consumption and insufficient awareness of financial risk prevention among residents, problems such as financial investment damage and financial fraud are common, directly affecting social security and stability. At present, major countries in the world have clearly listed financial knowledge popularization education as their national strategy and have implemented various types of financial knowledge popularization education; At the same time, relevant international organizations are also vigorously promoting financial knowledge popularization and education. In this context, China is also continuously learning from successful international experiences and making the popularization of financial knowledge a long-term project, in order to achieve the healthy development of China's financial industry.

2. Experience in Popularizing Financial Knowledge and Education Abroad

With the continuous expansion of the global financial consumer market, financial goods and services are also continuously upgrading. In this context, developed countries such as Europe and America have begun to attach importance to the popularization and education of consumer financial knowledge as a protective measure for financial consumption. Among them, the UK and the US are at the forefront of financial education in the world; Australia and Japan followed closely behind and successively popularized financial education domestically; India also attaches great importance to the popularization and education of financial knowledge, and promotes the learning of financial knowledge for all.

2.1 Popularization experience in the United States

Since the establishment of the Federal Reserve in the 1930s, it has advocated the implementation of strategies to improve national financial literacy and education. In 2003, Congress promulgated the Financial Education and Education Promotion Act, officially incorporating financial education into national legislation. The United States Department of the Treasury, together with 20 federal government agencies including the Federal Reserve, the Financial Consumer Protection Agency, and the Department of Education, has formed the Financial Literacy and Education Commission (FLEC). The committee is responsible for promoting financial knowledge, timely teaching necessary financial knowledge to students and young people, and helping them engage in financial management; Due to their continuous access to financial education, teenagers often demonstrate an increasing sense of responsibility towards financial behavior.^[1] As of now, nearly ten states in the United States have passed legislation to make financial literacy education a mandatory course at all stages of education, and have designated April as Financial Knowledge Popularization Month each year.

2.2 The Popularization Experience in the UK

The UK is one of the earliest countries to implement financial literacy education. And a specialized agency, the Financial Authority of the United Kingdom, was established, which established the Financial Competency Guidance Committee to collaborate on promoting financial knowledge education and regularly guide the implementation of financial literacy courses in schools. The introduction of the National Strategy for Financial Education (2006-2011) further requires schools at all levels to increase investment in financial education. At the same time, the national strategy also clarifies "seven key work plans", such as: (1) popularizing financial knowledge for primary and secondary school students, (2) establishing correct personal financial concepts for young people, (3) promoting financial knowledge in various public places, (4) promoting financial knowledge to consumers, (5) introducing the use of financial online tools, (6) conducting family financial education for newlyweds, and (7) providing consulting services for financial affairs. With the introduction of the National Education Curriculum, the UK has made financial knowledge education a compulsory course, cultivating young people to strengthen their understanding and management of money, consumption, and budgeting. In 2010, the Consumer Finance Education Board (CFEB) was officially established, which took on the responsibility of the FSA for promoting financial knowledge education. In 2022, the Bank of England released a report titled "Financial Consumer Challenges in the Digital Age", which explores the integration of finance and education in the new era.

2.3 Australia's Popularization Experience

In March 2011, the Australian government introduced a national strategy for financial education, which aims to popularize financial knowledge to primary and secondary schools, universities, and various educational institutions across the country, laying the foundation for students at all levels to master the necessary financial knowledge. The education authorities also organically integrate financial knowledge into mathematics, English, natural sciences, and economics and business subjects as compulsory courses for primary and secondary school students. Since 2021, the Australian government has been implementing the "Consumer and Financial Literacy Framework" program, which includes guidance on the learning process of teaching financial knowledge in Australian schools from first grade to high school. This approach has played a very important role in promoting financial knowledge to young people.^[2]

2.4 Japan's Popularization Experience

In the 1950s, the Department of Finance and the National Committee for Financial Services Information were jointly responsible for promoting financial knowledge and education. The "Children's Bank" model is a savings product specifically designed for school students. Students can purchase this product and learn about financial savings through practical training, cultivating their savings habits. In 2005, the Department of Finance released the "Agenda for Financial and Economic Education", which mainly aimed to develop plans for the popularization of financial education, clarify specific implementation plans and safeguard measures, and effectively regulate financial education behavior. The Ministry of Education and Culture is responsible for vigorously promoting the popularization and education of financial knowledge in schools at all levels, incorporating financial knowledge courses into the curriculum and teaching syllabus of various schools at all levels. The syllabus provides a detailed introduction to the teaching content, teaching methods, teaching objectives, etc. of financial knowledge, and also publishes teaching operation manuals and standardized teaching methods.^[3] The national curriculum and teaching outline of the Ministry of Education of the country also integrates financial knowledge popularization education into relevant primary and secondary school subjects. In April 2022, financial education was officially included in the "learning guidance essentials" and became a compulsory course for high school students to stimulate their interest in economic concepts such as "investment", "assets", and "prices".

2.5 India's Popularization Experience

The Indian Financial Inclusion and Financial Education Technology Group developed the first national strategy for financial education in 2013. A technical group led by the Deputy Governor of the Central Bank of India convened representatives from various financial regulatory departments to closely link India's financial education with the government's efforts to promote inclusive finance. In response to the current situation where the majority of adults in the country have not received formal financial services, the content of financial education mainly includes knowledge of financial products, financial behavior, and protection of financial consumer rights. In 2015, the central bank collaborated with the Ministry of Education to promote the establishment of financial knowledge popularization courses for schools at all levels nationwide. The official website of the central bank also regularly releases financial knowledge, providing a good public platform for the public to learn finance.^[4] The Securities and Exchange Commission of India has established the Securities Market Association, which is open to students in grades 8 to 9 to absorb savings. Among them, the "pocket money program" is a model, which helps students learn practical financial knowledge through

savings; In addition, the association is also promoting financial consumer qualification certification in schools. Students need to complete all financial knowledge courses online or offline and pass the knowledge test organized by the association. Those who pass the test will receive the corresponding qualification certificate. At present, the Securities Market Association has conducted qualification certification work in more than 700 schools.

3. Experience of International Organizations in Promoting Financial Knowledge Education

The international community also attaches great importance to the popularization and education of financial knowledge as a basic life skill. International organizations such as the OECD, the World Bank, and the G20 have all adopted different approaches to promote the popularization and education of financial knowledge within a certain range.^[5]

3.1 Educational experience of the Organization for Economic Cooperation and Development

Among numerous international organizations, the Organization for Economic Cooperation and Development (OECD) was the earliest to promote the popularization of financial knowledge and education. In 2002, the OECD launched a financial education program for its member countries aimed at enhancing the professional skills of financial consumers, thereby increasing their understanding of financial products and their ability to identify and protect against financial risks. In 2008, the OECD established the International Financial Education Network (INFE), which is a specialized organization set up by the OECD, responsible for promoting financial knowledge popularization and education. The organization mainly cooperates with various schools in member countries to integrate financial knowledge into school curriculum education, focusing on helping students transfer knowledge related to borrowing, savings, pension and other aspects based on their own life plans. In 2012, INFE launched financial knowledge popularization education and released the School Financial Education Guidelines.^[6] In 2015, INFE developed the "Core Competence Framework for Youth Financial Education", which selected young people from some countries around the world as research samples to analyze their behavioral characteristics in the field of financial consumption. Through normative research, corresponding conclusions were drawn, which served as guidance for schools to carry out financial education. In 2020, the OECD released "The Use of Personal Data in Financial Services and the Role of Financial Education - A Consumer Centered Analysis", which reviewed the development, risks, and benefits brought by technological innovation in the financial field, and proposed a package of measures to protect consumers, strongly combining financial and personal data protection with raising consumer awareness and promoting financial knowledge education.

3.2 Education Experience of the World Bank

In 2012, the World Bank began promoting education on financial knowledge and inclusive finance. A promotional campaign on "Good Experience in Financial Consumer Protection" was released, summarizing and sorting out the successful experiences and specific measures related to the protection of financial consumer rights in typical countries and regions around the world. In addition, the World Bank has proposed three countermeasures and suggestions based on the practices of major countries in promoting financial knowledge education: firstly, based on the fact that government education departments should consider differences in consumer age, income, education, and culture, and develop comprehensive financial education plans and adopt different educational methods for different groups of people to ensure the targeted implementation of educational activities. Secondly, relevant government agencies of various countries should

cooperate to develop financial education programs, form a joint effort among departments, and orderly promote the sustainable development of this cause. The third is to adopt diversified financial knowledge popularization and education measures, not limited to the form of learning, focus on training consumers on knowledge that is generally lacking, and at the same time, pay attention to researching the common problems that consumers encounter in the financial consumption process, and carry out targeted financial training.

3.3 Education Experience of the G20

G20 member countries have formulated the G20 High Level Principles for Digital Inclusive Finance, which serve as a universally recognized principle and provide direction for the development of digital inclusive finance among countries. This principle attaches great importance to the mastery of consumer digital technology basic knowledge, and also proposes a clear action plan for the popularization of financial knowledge. In the popularization of education, special attention should be paid to the application of digital tools. The main job of education popularization is to meet the needs, further explore the service needs of financial consumers, and provide the financial knowledge that consumers need from the perspective of needs, so as to facilitate consumer practice. In recent years, major countries around the world have advocated the concept of green development, and the Earth is a big family initiative. In combination with the development of the financial sector, we should vigorously promote green finance and green credit, allowing finance to plug in new engines and gain new momentum.^[7]

4. Suggestions for Promoting the Popularization and Education of Financial Knowledge in China

4.1 Establishing a multi-party cooperative financial knowledge education organization

Financial knowledge has many characteristics such as professionalism and complexity, and there are certain difficulties in the process of popularizing education. For example, education outlines, teaching staff, tutorials, funding guarantees, and so on need to be prepared in advance. This requires the country to coordinate relevant departments such as education, finance, and finance, form a mechanism for joint work, and set up the executing department in the Ministry of Education, so as to ensure the institutional protection of the education organization. The establishment of financial knowledge education organizations will help to further accelerate the promotion of financial knowledge popularization education, and at the same time, it can also promote the practical role of the working mechanism of financial knowledge popularization education in China. On this basis, further research and development will be carried out to develop a national work policy for financial knowledge popularization and education, refine various implementation requirements, and make arrangements for the deployment of educational organizations from the top design, middle implementation, and grassroots implementation. Educational organizations should regularly carry out various educational activities to effectively promote the deepening and implementation of financial knowledge popularization and education.

4.2 Implement the national financial knowledge education system as soon as possible

The experience of developed countries abroad shows that financial knowledge education for young people is the focus of financial knowledge education. The Ministry of Finance and regulatory agencies of the financial sector also collaborated to launch the "2019-2024 National Financial Education Strategy" in December 2019, clarifying the governance mechanism, work path, and

implementation plan for financial education. In October 2023, the Implementation Opinions of the General Office of the State Council on Promoting the High Quality Development of Inclusive Finance clearly required that on the one hand, education departments in various regions should vigorously carry out universal education to enhance the financial literacy and application ability of the general public; On the other hand, local regulatory authorities need to continuously improve the financial consumer rights protection system, maintain the order of the financial market, in order to promote the high-quality development of inclusive finance.

4.3 Scientific design of targeted and distinctive financial education for different groups

To cater to the consumption characteristics and knowledge levels of different age groups, design differentiated financial knowledge popularization education courses and various reading materials. In primary school, emphasis should be placed on how to establish the financial awareness of young people. Through daily life, young people should be made aware of the concepts and basic categories of finance, and have a preliminary understanding of some financial phenomena in life; In the middle school stage, it is necessary to organically combine the characteristics of young people's exposure to social life, guide them to establish correct financial consumption concepts, and supervise their financial behavior through the cooperation of parents; During the university stage, courses should be integrated into the student training system, mainly teaching high-level knowledge such as basic theories, methods, and models of finance, with a particular emphasis on explaining financial risks and enhancing consumer awareness of market prevention. At the same time, we should actively promote the popularization of financial knowledge in communities, factories, and rural areas, and carry out financial knowledge popularization for these specific groups.^[8]

4.4 Establish an evaluation and monitoring mechanism for the effectiveness of financial knowledge popularization education

After promoting a series of activities such as popularizing financial knowledge, various regions across the country should regularly organize third-party institutions to independently evaluate and provide feedback on the effectiveness of financial popularization education. This is an important means to test the implementation effect of financial knowledge popularization education. For example, it is suggested that the education regulatory department, in conjunction with the local people's bank, regularly monitor the effectiveness of school financial knowledge popularization education on campus. Residents from various communities and streets should organize knowledge quizzes on anti fraud, anti fundraising, etc., in order to analyze and judge the actual effectiveness of financial knowledge popularization education. Only in this way can we timely grasp the theme of financial knowledge popularization education, continuously innovate methods of popularization education, improve the effectiveness of popularization education, and achieve the ultimate goal of continuously improving the financial literacy of the whole country.

Acknowledgement

Fund project: 2023 Taizhou Municipal Bureau of Statistics funded project "2023 Taizhou Municipal Government Units and Bank Institutions in Thailand Optimizing Business Environment Satisfaction Survey".

References

[1] Samuel Suku and Kumar John. *Significance of Financial Attitude, Financial Education on Financial Well-Being [M]. Springer Nature Singapore, 2024: 507-513.*

- [2] Song Xiaoling and Li Jiaqi and Wu Xueke. *Financial inclusion, education, and employment: empirical evidence from 101 countries [J]. Humanities and Social Sciences Communications*, 2024, 11(1)
- [3] Sean Hubbard. *Education and Financial Knowledge in Health-Related Financial Decisions [J]. Health education & behavior: the official publication of the Society for Public Health Education*, 2024, 10901981241227168 - 10901981241227168.
- [4] Khan Mohammad Tariqul Islam and Liew Tze Wei and Lee Xue Ying. *Fintech literacy among millennials: The roles of financial literacy and education [J]. Cogent Social Sciences*, 2023, 9(2)
- [5] Yiwon Gao et al. *Analysis and Innovation of Financial Education for College Students under the Background of the 20th National Congress [J]. Accounting, Auditing and Finance*, 2023, 4(3)
- [6] Boyd Chris M. and D éz-Amigo Sandro. *Effectiveness of free financial education provided by for-profit financial institutions: Experimental evidence from rural Peru [J]. Economics of Education Review*, 2023, 97
- [7] Torma Jasena and Barbić Dajana and Ivanov Marijana. *Analyzing the Effects of Financial Education on Financial Literacy and Financial Behaviour: A Randomized Field Experiment in Croatia [J]. South East European Journal of Economics and Business*, 2023, 18(2): 63-86.
- [8] Walstad William B. and Wagner Jamie. *Required or voluntary financial education and saving behaviors[J]. The Journal of Economic Education*, 2023, 54(1): 17-37.