

Agenda Item 4 b vii

November 14/23 EOC Meeting

FCAC's Launch of the Financial Literacy Month – SUMMARY

On November 1/2023, the Financial Consumer Agency of Canada (FCAC) launched their 13th annual Financial Literacy Month. The launch took place in Ottawa at the Bank of Canada's Museum. CAFII's Research Analyst, Robyn Jennings, was able to attend in person, but virtual attendance was available to all CAFII members.

The launch began with a brief speech from the Bank of Canada's (BoC) governor, Tiff Macklem. He expressed that it is the Bank of Canada's job to promote the economic and financial wealth of Canadians, but this cannot be done alone; collaboration is key to achieving financial literacy in Canada. It is for this reason that this month's theme is *Managing Your Money in a Changing World*. Canadians are facing great economic changes, the housing crisis, to name one. Thus, now is a crucial time for Canadians to learn how to manage their money. T. Macklem concluded his speech by explaining that the goal of this month is to empower Canadians to save, manage debt, and learn more about finance so that they can be empowered in the future.

Before the next presenter spoke, the FCAC's moderator noted that a crucial aspect of this month's theme is the importance of financial literacy. Yet are Canadians in agreement? From on-the-ground research and interactions with Canadians in the Country's capital, the BoC found that: Yes, Canadians agree that financial literacy is very important and are eager to learn more. In fact, many of the people interviewed indicated that their financial education had been poor, inadequate, or incomplete, with many learning about money management from a family member, briefly in school, or through personal research.

While learning about finance and money management is daunting as is, it can be especially difficult as a first-generation Canadian. Where should you begin your financial literacy journey? What is a reliable source for financial information? What resources are available, and what languages are they in? Can online information and/or sources even be trusted? These are the kinds of questions that dissuade the average Canadian from learning more about finances. It is for this reason that financial literacy in Canada must be a collaborative commitment between all financial institutions to help Canadians from all walks of life.

After the Governor concluded his speech, FCAC's Commissioner Judith Robertson spoke next. She began her speech by noting how struck she had been by the common theme amongst Canadians that they wished they had begun learning about finances earlier. She summarized what she felt were the key factors of this year's theme - financial literacy education, managing debt, and saving money in a changing world – and echoed that this is, in fact, a collaborative

theme. J. Robertson stressed the need for organizations to work together through the national financial literacy strategy to help Canadians. Consumer protection mandate, regulatory attention, and research are, therefore, deeply important.

J. Robertson went on to talk about FCAC's monthly survey of Canadian financial well-being. She said that these surveys and their findings greatly influence the feedback and guidance FCAC gives to banks. They also influence the next rounds of research, including helping to determine an area and/or topic of interest. J. Robertson concluded her speech by stating that, thanks to the feedback from Canadians, FCAC will be taking steps to ensure Canadians have access to basic banking services.

The next presenter was Marianne Spear, a certified Trainee in Personal insurance. M. Spear's speech was succinct and to-the-point; she immediately stated that, at the moment, the most pressing issue plaguing Canadians is debt. Debt impacts the quality of life, from stress to employment opportunities to lifestyle. Therefore, knowledge of debt and debt management are crucial when it comes to the conversation on financial literacy. M. Spears shared three stories, all of which, while poignant, emphasized the importance and necessity of financial knowledge for Canadians. Each story highlighted that, with proper information and knowledge, Canadians are better equipped to handle the rapidly changing economy to protect themselves and their families. This is also why, as M. Spears notes, access to education cannot be limited because of language or accessibility; institutions must do better to cater to *all* Canadians.

M. Spears stressed exactly why the strategy for financial literacy must be a national responsibility and not solely an individual one; financial literacy (money management, debt, retirement, savings, etc.) impacts all of us individually, which in turn impacts us communally. A financially literate Canada is possible. It is possible if the ecosystem and the individual, as well as the financial institutions, work together to achieve financial literacy.

The next speaker was Rubina Ahmed-Haq. R. Ahmed-Haq is a journalist and has spent 15 years covering personal finance. During this time as a personal finance journalist, R. Ahmed-Haq would ask herself: why should Canadians care about this news? And what is the relevance to or impact on personal finance? She has, therefore, learned alongside Canadians about financial literacy and can speak to the on-the-ground ecosystem that has been previously mentioned. Because, while largely discussed in a theoretical context, this ecosystem exists, and it affects the lives of real Canadians.

Over the last few years, particularly since the beginning of the COVID-19 Pandemic, R. Ahmed-Haq has found that Canadians' top concerns are, in no particular order:

- Housing affordability,
- Mounting debt,
- Inability to save,

- low income regardless of education,
- Increased family costs, and
- Consistent feelings of despair caused by finances limiting lifestyle.

She went on to say that, in order to help mitigate the aforementioned concerns, financial institutions need to focus on the following:

- The current state of financial literacy in Canada and how it can be improved;
- Who needs financial literacy the most and how they can help; and,
- How financial institutions can improve their financial literacy communications in general.

There is good news R. Ahmed-Haq notes; more Canadians now than ever are interested in personal finance and financial literacy. In fact, the last three years have been the most revolutionary as can be seen with the growing importance of digitizing education since things have gone increasingly online. Money lessons, therefore, must go digital.

R. Ahmed-Haq went on to talk about how Canada's ecosystem is changing; more people are curious and engaged. In particular, she has found that young people are hungry for financial information. The caveat, however, is that they want information *quickly*; instead of detailed breakdowns, young people are looking for tips and tricks. While this is wonderful, there are a few major concerns that follow: online misinformation, lecherous digital practices, and unqualified people giving out info. These concerns are not reserved to one group of Canadians, all Canadians, at any age, can fall victim to these.

R. Ahmed-Haq, therefore, asked the crowd: how can we, the financial institutions, help reach people who need financial literacy the most? Echoing M. Spears, R. Ahmed-Haq concluded that we must be able to contact Canadians where they are and in the language they speak. Institutions need to understand that people's backgrounds are fundamentally influential to their financial knowledge and that this is not, in fact, a roadblock to better knowledge; rather, it is merely a part of their journey. Because of this, financial advisors need to know how to give impartial advice. R. Ahmed-Haq recommended financial advisors advise Canadians toward their actual realistic goals. This should also be paired with timing; advisors should be providing consumers with all the information *before* they decide to take on debt. This way, advice will be proactive rather than reactive.

Finally, R. Ahmed-Haq concluded her speech by noting a few things institutions can begin working on immediately:

- Provide info on how to negotiate a higher wage or promotion,
- How to set realistic financial goals,
- The dangers of shopping apps or spending habits,
- Provide more resources for first-time home buyers,

- Talk about the prioritization of parents vs children and how parents can take care of themselves while taking care of their kids, and
- Managing expectations without having to sacrifice individual enjoyment of life.

The final presenter of the launch was Supriya Syal, the deputy commissioner of research, policy and education at the FCAC. S. Syal began by commenting on the overwhelming amount of financial information available online that muddy Canada's financial ecosystem. Because of this, she explained that it is the responsibility of the financial institutions to help Canadians live better, financially literate lives and create an ecosystem that is built around the protection and education of consumers. Institutions must identify and then remove barriers impeding or halting Canadians from living better financial lives. This is what the 2021 national financial literacy strategy called to do.

S. Syal made an important observation that echoes some of the messages previously articulated; institutions must acknowledge gender, racial, economic status, and status gaps when it comes to financial literacy. It is well-established that environment influences individual resilience and mental fortitude. Therefore, increasing financial literacy and education across Canada cannot be simply pushed off onto the individual but falls onto the financial institutions and associations to support Canadians.

The FCAC's Launch of Financial Literacy Month concluded with an acknowledgement that great progress has been made, with incredible support through the adoption and implementation of the national financial literacy measurement plan. The continuation of these collaborative efforts is the goal for the next two and a half years.

Click [here](#) to watch the recording of FCAC's launch of Financial Literacy Month.