



Financial Consumer  
Agency of Canada

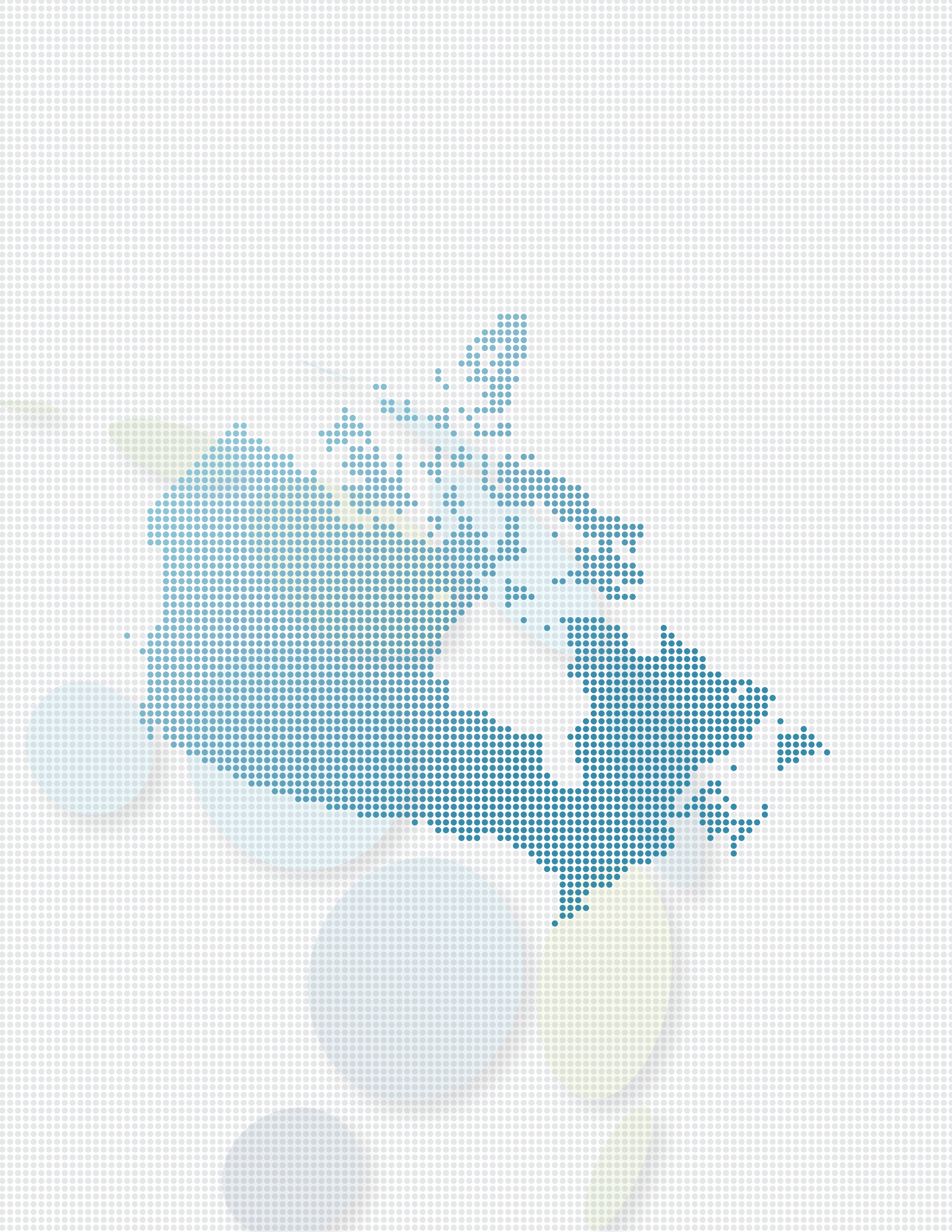
Agence de la consommation  
en matière financière du Canada

# National Strategy for Financial Literacy

Count me in, Canada



Canada 



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## Message from Minister Sorenson

As Minister of State for Finance, I am pleased that the *National Strategy for Financial Literacy – Count me in, Canada* supports our government’s top priority of creating jobs, growth and long-term prosperity by ensuring that all Canadians have the knowledge, skills and confidence to make responsible financial decisions. More importantly, it fulfills the commitment we made to Canadians to help them improve their financial well-being. When hard-working Canadians have the tools to make informed financial choices, their personal economic circumstances will benefit, and the economy as a whole will benefit as well.

Financial literacy is a priority for our government. The expert Task Force on Financial Literacy, appointed in 2009, started us off in the right direction. After conducting extensive research and holding cross-country consultations, the Task Force presented us with 30 recommendations. A Private Member’s bill by James Rajotte, Member of Parliament (Edmonton–Leduc), in March 2012 took us a step further, designating November as “Financial Literacy Month.” Then, the 2013 *Financial Literacy Leader Act* allowed for the appointment of a Financial Literacy Leader to exercise leadership at the national level to strengthen the financial literacy of Canadians.

I had the honour of announcing Jane Rooney as Canada’s first Financial Literacy Leader in April of 2014, and together we announced the members of the National Steering Committee on Financial Literacy last July. I participated in consultations hosted by the Financial Literacy Leader with Canadians across the country. During these consultations, I was struck by the energy, passion and commitment voiced by so many participants as they shared their ideas on ways to help Canadians reach their financial goals.

An early milestone was the launch of a seniors’ strategy called *Strengthening Seniors’ Financial Literacy*. It was published in October 2014, fulfilling a Government commitment to develop a financial literacy strategy that addresses seniors’ unique needs. This national strategy builds on the momentum of the national consultations and I look forward to seeing it implemented and learning more about the new initiatives that grow from it.

I encourage all Canadians to seek out the resources in their communities and take this opportunity to build their financial literacy so that we can work together to build an even more prosperous country.

### **The Honourable Kevin Sorenson**

Minister of State (Finance)



## Foreword

Over the past year I have crossed the country to talk with Canadians about the importance of financial literacy and to seek their views on how to help people enhance their financial knowledge and skills and increase confidence in dealing with money matters. Based on research conducted and what I learned during these consultations, I am bringing forward a financial literacy strategy as a call to action for all Canadians, and to raise awareness of the value of financial literacy and the positive impact it can have in people's lives.

The *National Strategy for Financial Literacy – Count me in, Canada* will help Canadians gain the knowledge, skills and confidence they need to make good financial decisions and improve their financial well-being. Canadians have different financial needs, and this strategy is meant to be accessible, inclusive and relevant for all, while also recognizing their diverse experiences and circumstances.

While this strategy looks forward, it is important to recognize current efforts to strengthen the financial literacy of Canadians. Along with the Financial Consumer Agency of Canada (FCAC) where I work, numerous organizations in the public, private and non-profit sectors are already providing financial education and support to those wanting to learn more about managing their personal and family finances. Nowhere is this more evident than during Financial Literacy Month each November, when hundreds of organizations get involved, helping Canadians to improve their money savvy and habits. Many children are learning about money basics in school, and resources are available to help prepare adults for the financial issues and decisions that occur throughout their lives. Numerous organizations offer programs to people challenged by debt, helping them get their financial lives back on track.

This strategy will consolidate and build on existing efforts, by focusing on goals and priorities that will help Canadians be better prepared to manage their finances and make appropriate decisions as their needs and circumstances evolve. The strategy will rally organizations involved in this space to join efforts to help Canadians take action.

Implementing this financial literacy strategy will be the focus of my work in the coming months and years. But I will not be doing it alone. Members of the National Steering Committee have contributed their extensive expertise to create this strategy and will also champion its implementation. Many other organizations are already committed to supporting this strategy, and some have shared planned initiatives to help us reach our goals: manage money and debt wisely, plan and save for the future, and prevent and protect against fraud and financial abuse. I welcome more collaborators to join in.

I continue to be inspired by the people in communities throughout the country who are working hard to improve their own financial literacy, and those who are helping and supporting others. In my role as Financial Literacy Leader, I encourage all Canadians to count themselves in and contribute to the momentum that's building and to make financial literacy a life-long journey.

### Jane Rooney

Canada's Financial Literacy Leader



# National Strategy for Financial Literacy – Count me in, Canada

## Introduction

Saving for your education. Buying your first house. Managing your credit. Planning your retirement. When you think about it, these are all life skills that empower you as a consumer. They make up your financial literacy toolbox. Just as being able to read opens a world of possibilities, financial literacy enables you to better understand financial matters on both a personal and large scale. It enables you to apply that knowledge and assume responsibility for financial decisions now and in the future.

That's what this strategy is about. It's an ambitious plan that will empower Canadians to meet their financial challenges head on. It is about enhancing existing programs and developing new ones, improving their delivery and building greater awareness of available resources. The strategy will support the development of an action plan of targeted deliverables and steps to measure progress and assess best practices here and abroad. By bringing together all of Canada's resources in a new way, we can make a difference in improving the long-term financial literacy of Canadians.

What is driving this urgency around financial literacy? Today, there are a lot of challenges in managing personal finances in the face of continuing innovation. Financial products and services are more complex than ever. There are more options available to choose from and making decisions can be difficult. Canadians tell us "this isn't easy," and this is echoed in countries around the world.

At the same time, basic skills identified by the latest Canadian Financial Capability Survey can be strengthened, such as better budgeting, using credit more wisely and paying bills on time to reduce unnecessary penalties and interest. Having strong financial plans for retirement and other life events is also important. While there are many programs in place to improve Canadians' financial literacy, their impact would be so much greater if these initiatives were mobilized in a coordinated and collaborative way. Imagine the impact if many more of us were working together to mobilize and enable Canadians to build their confidence on financial matters.

The Government of Canada has made financial literacy a priority. It has committed annual resources to the Financial Consumer Agency of Canada (FCAC) to enable it to undertake initiatives, conduct research and develop consumer-friendly programs and tools. The Government also appointed a Financial Literacy Leader whose role is to provide guidance and expertise to implement the strategy through mobilizing and collaborating with stakeholders across the country.

The Government continues to take action to enhance consumer protection. *Economic Action Plan 2015* proposes to strengthen and modernize Canada's financial consumer protection framework for banks to respond to the diverse needs of Canadians. The new financial consumer framework will enhance access to basic banking services, broaden the use of clear and simple disclosure of information and expand prohibitions on certain business practices that may not be in the best interest of consumers. These measures will benefit all Canadians, including the most vulnerable consumers.

We are strengthening the foundation. Now we want to raise the financial literacy bar much higher with a well-considered plan of action, one that is relevant and accessible to all Canadians and that recognizes their diverse experiences and circumstances. One that speaks to individuals and families, the public and private sectors, large, small and medium-sized businesses. This is a call to action for everyone to count themselves in!

# VISION

Strengthen the financial well-being  
of Canadians  
and their families

by empowering them to...

**Goal 1**  
Manage money  
and debt wisely



**Goal 2**  
Plan and  
save for the future



**Goal 3**  
Prevent and protect  
against fraud  
and financial abuse



to accomplish that we will...

# STRATEGY

Mobilize and engage public, private and non-profit sectors  
to strengthen the financial literacy of Canadians and  
empower them to achieve these goals

applying our key priorities of...

Collaborating  
and  
sharing

Tailoring  
programs/  
Applying  
plain language  
principles

Reaching  
and  
engaging



# What's the strategy?

## The vision

To strengthen the financial well-being of Canadians and their families.

## The strategy

The *National Strategy for Financial Literacy – Count me in, Canada* will mobilize and engage public, private, and non-profit sectors to *strengthen* the financial literacy of Canadians and *empower* them to achieve the following goals:

- manage money and debt wisely;
- plan and save for the future; and
- prevent and protect against fraud and financial abuse.

The strategy will evolve over time, prioritizing actions to effectively develop and deliver specific initiatives. Stakeholders across the country will be mobilized to work towards common goals and progress will be evaluated and reported. An action plan is envisioned setting out timely, targeted deliverables to focus efforts in key areas. Initiatives will be highlighted in a public central database. Coordinated communication campaigns will engage Canadians directly.

Together, we will make a difference in strengthening the financial literacy of Canadians throughout their lives.

## The goals

These goals were developed through research and consultations across Canada with organizations active in delivering financial literacy programs and education.

### 1. Manage money and debt wisely

Managing money is part of daily life. All Canadians need a solid foundation of financial knowledge and skills to make the most of their income, pay their bills, meet other financial commitments and make wise spending decisions based on their needs and priorities. Knowing how to track expenses and budget effectively is essential for people to live within their means and feel in control of their financial lives. An early foundation helps establish positive habits and attitudes to influence the way people manage money throughout their lives. Opportunities for lifelong learning help people build on this foundation so that they can adapt their knowledge and skills as needs and circumstances change.

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### Resources for learning about financial products and services

FCAC's website offers free, objective resources to help people learn about a wide range of financial products and services. They include selector tools to help people identify the bank accounts and credit cards that best meet their needs and plain-language information on their rights and responsibilities in financial matters. The Canadian Financial Literacy Database is a one-stop shop to find out about resources available across the country.

## **2. Plan and save for the future**

An essential part of financial literacy is setting financial objectives and identifying the paths to achieve them. These can be short-term, such as buying a computer, or address major life events such as planning for education or retirement. Initiatives under this goal will focus Canadians' attention on setting objectives, making plans for major life events and taking concrete steps to achieve them. They will help consumers develop a solid understanding of financial products and services and the ability to assess their features and benefits, including associated costs and risks. These initiatives will also boost Canadians' awareness and understanding of existing government and workplace benefits, such as workplace savings programs for which they may be eligible. The goal here includes reducing barriers to participation in these programs, of particular concern for people living on low incomes.

## **3. Prevent and protect against fraud and financial abuse**

Anyone can fall victim to financial fraud. New scams emerge constantly, aiming to trick people into taking actions that result in losing their money to fraudsters. Canadians need to be aware of the signs to watch for and how to minimize the risks. If they think they're a victim of fraud, they should know where they can go to seek help, such as the Canadian Anti-Fraud Centre. Older Canadians, in particular, are frequently targeted for certain types of fraud and may also be vulnerable to financial abuse. Education and prevention initiatives can help protect Canadians from such abuse or fraud. Advancing this goal will rely heavily on strong networks for the prevention of fraud and financial abuse that are active in many regions of the country.

# **The priorities**

The Financial Literacy Leader's consultations highlighted three priorities to achieve concrete actions and effectively implement the strategy to achieve its goals:

- collaborating and sharing;
- tailoring programs and applying plain language principles; and
- reaching and engaging Canadians.

## **1. Collaborating and sharing**

Improving Canadians' financial literacy will require concerted and sustained effort by all sectors, including governments, educators, financial service providers, employers and non-profit organizations, as well as individuals and families. Achieving success will require commitment and action from all of these parties. The Financial Literacy Leader, through the national strategy, can play a key role in helping to facilitate innovative partnerships between public, private and non-profit sectors. The Financial Literacy Leader, in partnership with stakeholders, will also develop criteria to evaluate existing financial literacy programs, so private sector funders can make informed decisions about initiatives to support.

## 2. Tailoring programs and applying plain language principles

People learn in different ways, so various approaches will be necessary to engage people and encourage them to take action. Developing and promoting resources that use appealing and interactive formats that are dynamic and fun, including video and web-based platforms and applications, is essential to address diverse information needs and interests. Simplifying materials and using plain language make information easier for Canadians to absorb. All participants in the strategy's implementation will be encouraged to ensure that the language and presentation of materials are easily accessible to a broad range of Canadians. More research is needed to help organizations better understand how to help people make decisions that best suit their needs. Research, including in the area of behavioural economics, will be shared and will help to tailor programs to have the greatest impact and influence effective financial decision making.

## 3. Reaching and engaging Canadians

Building financial learning into activities that are already part of people's lives will help reach more people. The workplace, community and health care locations, schools, social services and social media can all be important channels for building financial literacy. Working with organizations and leveraging their networks will help the strategy's financial literacy initiatives reach more Canadians at key moments in their lives. The Financial Literacy Leader will list initiatives developed by public, private and non-profit organizations that support the national strategy. These initiatives will be available to Canadians at [www.fcac.gc.ca/CountMeInCA](http://www.fcac.gc.ca/CountMeInCA).

### Life Events

*Moving out on your own, Having children, Owning a home, and Living in retirement* are examples from the "life events" section on FCAC's website that help Canadians learn about financial matters relevant to them at different points in their lives.



# Who's responsible?

## Roles and accountabilities

The *National Strategy for Financial Literacy – Count me in, Canada* presents intriguing opportunities for all levels of public, private and non-profit sectors, educators and the education system and individual Canadians to work creatively together toward an overarching and compelling vision. For instance, the Government of Canada has recently secured a commitment from Canada's banks to establish a five-year Financial Literacy Partnership Fund of \$10 million to provide grants to eligible community organizations for projects that work to improve the financial literacy capabilities of Canadians. Momentum is building; you can see it in the networks growing across the country and the increasing number of organizations that are developing and delivering financial literacy programs.



Together, a number of groups will work to implement the goals of the strategy:

1. The **Financial Literacy Leader** will implement the strategy by working with public, private and non-profit sectors, as well as directly with Canadians. The Financial Literacy Leader will guide the development of evaluation and accountability frameworks, a research agenda and an action plan of deliverables. The Financial Literacy Leader's role will include coordinating the efforts of federal departments and collaborating to raise awareness and promote programs and services available to Canadians. The Financial Literacy Leader will also work with provinces and territories to encourage them to support these initiatives. In addition, the Financial Literacy Leader will report annually on progress in implementing this strategy.
2. The **National Steering Committee on Financial Literacy** is composed of representatives from specific sectors that have expertise in financial literacy across the country. Supporting the Financial Literacy Leader, Committee members will commit to act as champions of the strategy and help create and implement activities within their networks. They will identify opportunities to build new partnerships with the private and non-profit sectors to broaden and expand the reach of activities delivered in communities across Canada to various audiences and age groups and those in most need. They will also help identify access points within their sectors that can make financial literacy tools and resources widely available to Canadians.
3. **Public sector, non-profit and private sector organizations** with a role to play in financial literacy across the country will be counted on to deliver services to strengthen financial literacy in their communities. Many have already established networks to identify opportunities to share expertise and resources.
4. **Canadians** also have a key role to play in achieving the goals of this strategy. After all, they are in the best position to identify the areas in which they are struggling and to take steps to improve in those areas. And they will be richly rewarded by building on their existing financial knowledge and skills.

Visit [www.fcac.gc.ca/CountMeInCA](http://www.fcac.gc.ca/CountMeInCA) for a list of organizations and their initiatives that support the *National Strategy for Financial Literacy – Count me in, Canada*.



# What we're doing

We welcome initiatives that address the strategy's goals. Governments, private sector and non-profit organizations, as well as the financial services sector, should all consider how they can intensify efforts to contribute in the following ways:

## Initiatives by goal

### 1. Manage money and debt wisely

- Provide free and objective resources to help Canadians budget and manage finances.
- Incorporate effective money management resources and training in programs and services offered to Canadians.

### 2. Plan and save for the future

- Provide free and objective information about financial products and services to help Canadians better plan and save.
- Develop innovative ways to inform and engage Canadians about savings vehicles and how to plan for their financial future.
- Make it easier for people to find out if they are eligible for government benefits and, if so, how to access them to help people plan and save.

### 3. Prevent and protect against fraud and financial abuse

- Share tools and resources that engage various groups of Canadians to learn about the risks of fraud and financial abuse and how to minimize them.
- Identify areas of vulnerability for financial abuse and proactively share existing tools and resources. We will seek innovative ways to reach more Canadians with these materials.
- Encourage Canadians to seek help if they feel they are victims of fraud. FCAC has information on its website related to fraud and what to do if you're a victim.
- Leverage Fraud Prevention Month and World Elder Abuse Awareness Day to heighten awareness of how Canadians can protect themselves against these risks and leverage these efforts to reach Canadians year-round.





## How we're measuring success

Improving financial literacy and the financial well-being of Canadians will take time. It will require a focused and sustained effort by organizations in the public, private and non-profit sectors. We are seeking long-term change, but the effort will be worth it.

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### Other key forms of measuring success will include:

- Growth in financial training and education in the workplace, education system and other communities;
- Increases in collaborative partnerships;
- Number of contributors and users of the Canadian Financial Literacy Database on FCAC's website; and
- Number of workshops and seminars given and the number of participants attending.

What will success look like? In qualitative terms, a growing number of Canadians will be better informed and more confident in dealing with financial matters and making decisions that improve their financial well-being and keep our economy strong.

Progress on the strategy will be measured using a range of evaluation tools supported by research, for example, on effective methods of delivering initiatives to Canadians. The Canadian Financial Capability Survey, conducted every five years (next in 2019), has helped to identify goals and will be a key reference point for measuring change in Canadians' financial literacy over

time. Tracking, measurement and reporting mechanisms will be established to ensure individual programs are consistently evaluated and, if necessary, improved upon. Best practices will be shared.

The Financial Literacy Leader and the National Steering Committee will assess progress and get feedback by consulting with stakeholders and partners who provide tools and services, and from Canadians directly through surveys and feedback on the programs, tools and resources that they use. The Financial Literacy Leader will report on progress through FCAC's Annual Report.

Canada will benchmark itself internationally. Canada will participate in the OECD's 2015 international survey that will allow us to assess financial literacy levels among adults and compare results with those of participating countries. The level of financial literacy among Canada's young people will also be measured through the OECD's Programme for International Student Assessment, which surveys 15-year-olds and provides a basis for measuring progress and identifying new areas of focus.

## Can we count YOU in?

Financial literacy can be a powerful and positive force in your life and in the lives of your loved ones. We believe this strategy will not only help you identify where to go if you need help but also strengthen your financial knowledge, skills and confidence to help you make sound financial decisions.

As an organization, you are invited to collaborate and to create new and inspired ways to deliver financial literacy resources to Canadians at crucial points throughout their lives. Visit the supporters' page and tell us what you're doing to strengthen financial literacy of Canadians at [www.fcac.gc.ca/CountMeInCA](http://www.fcac.gc.ca/CountMeInCA).

As an individual Canadian, you are invited to make financial learning a lifelong endeavour. We encourage you to join the conversation on social media. Visit the Financial Consumer Agency of Canada's website to take the self-assessment quiz, search the FCAC financial literacy database, seek resources in your community and start building your financial future today.

With your help, the *National Strategy for Financial Literacy – Count me in, Canada* will continue to evolve. **Can we count YOU in?**

### Join the Conversation

#### #CountMeInCA



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[fcac.gc.ca/CountMeInCA](http://fcac.gc.ca/CountMeInCA)

# Appendix

## Background: How we arrived at the *National Strategy for Financial Literacy – Count me in, Canada*

To get a better understanding of the financial literacy of Canadians and the challenges they face, the Government of Canada in 2009 assembled a Task Force on Financial Literacy. After studying the issues and consulting widely, the Task Force prepared a report with 30 recommendations. Many have already been implemented, including the appointment of Canada's first Financial Literacy Leader and the establishment of the National Steering Committee on Financial Literacy, both in 2014.

The Government also conducted a national survey to gather information on how people are doing with regards to financial capability and where they faced financial challenges. Results of the 2009 Canadian Financial Capability Survey were analyzed under five themes: making ends meet, keeping track, planning ahead, choosing products and staying informed. The results were sobering: only one-quarter of Canadians scored high in all five areas. A second Canadian Financial Capability Survey was conducted in 2014 and the data is now being analyzed. Early results show similar challenges still exist for many Canadians.

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*Since 2009, the Government of Canada has:*

- Established a Task Force on Financial Literacy.
- Developed and fielded the Canadian Financial Capability Survey in 2009 and 2014 (conducted in five-year increments.)
- Declared November Financial Literacy Month, with a growing number of events and initiatives each year.
- Appointed Canada's first Financial Literacy Leader.
- Established a National Steering Committee on Financial Literacy.
- Held four national financial literacy conferences engaging in conversations about strengthening financial literacy through collaboration.
- Launched *Strengthening Seniors' Financial Literacy* in October 2014.
- Launched the Canadian Financial Literacy Database and Self-Assessment Quiz, providing Canadians with more financial literacy tools and resources on the FCAC website.
- Proposed a new financial consumer protection framework for banks.

To gather additional insights, the Financial Literacy Leader in 2014 held consultations in various communities across Canada to discuss the needs, challenges and opportunities to be addressed by a financial literacy strategy.

Canada is part of a larger movement to make financial literacy a priority and is considered a world leader in this area:

- G20 countries, including Canada, endorsed high-level principles on national strategies for financial education developed by the OECD's International Network on Financial Education.
- APEC Finance Ministers consider financial literacy to be “an essential skill for everyone in the 21st century and an important component of any economy's effort that will effectively support economic and financial stability, inclusive development and individuals' and families' well-being.”
- More than 50 countries have implemented financial literacy strategies, including Australia, New Zealand, the United Kingdom and the United States.

