



# How to advance the National Financial Literacy Strategy

## Use behavioural design to simplify financial decisions

The aim of this priority is to encourage ecosystem stakeholders to design and present information in ways that facilitate and motivate consumer financial decisions and practices that are beneficial for the consumer.



### What FCAC will do

- Lead by example to implement evidence-based behavioural experiments and pilot projects designed to drive sound financial decisions.
- Study the impact of behavioural design initiatives from other jurisdictions in driving positive consumer outcomes to assess their adaptability for a Canadian context.
- Support non-profits and community service providers in integrating behavioural insights, design research, and experimentation into the delivery of their financial education services.
- Continue to collaborate with a wide variety of stakeholders to develop pilot experiments, interventions, and tools incorporating behavioural science.

### If you are in the financial services industry<sup>1</sup>

- Implement user-testing and behavioural design approaches to ensure that product information highlights what consumers need to know, when they need to know it, and does not overwhelm or confuse them.
- Ethically design and test products that incorporate “defaults” or “nudges” to increase the likelihood that people will make positive choices. Examples include enabling consumers to set their own predefined spending limits, set their own higher minimum credit payment limits, or automate “roundup” saving strategies.
- Leverage technology to deliver real-time access and important account information, for example, nudging through digital alerts, emails, texts, such as required by the new Financial Consumer Protection Framework.
- Simplify the process of making decisions along the user journey, for instance, by providing just-in-time education or information in ways that allow users to make quick comparisons between options, and facilitating actions, for example, displaying how much progress along a multi-step process a user has made.

### If you are a regulator or government body

- Continue conducting behavioural research and evaluation to help identify innovative best practices for improving the financial health of Canadians.
- Continue working with financial literacy stakeholders and financial service providers to design, test, and implement behavioural design initiatives to drive positive financial behaviours.
- Design programs or interventions that incorporate “defaults” to increase the likelihood that people will make choices that lead to positive outcomes.

### If you are a financial literacy community group

- Offer simplified, just-in-time contextually relevant information to help bridge the gap between knowledge and decision-making.
- Use technology, gamification, hands-on activities, and incentives where possible, to make financial education more appealing to Canadians.
- Augment financial literacy programs and tools through the application of behavioural insights such as text reminders of key takeaways.

<sup>1</sup> Financial services industry includes banks, credit unions, fintech businesses, insurance companies, financial advisors, etc.

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