

Four steps to ensure the EU Retail Investment Strategy works for consumers

STEP 4

Increase risk awareness & boost financial literacy



What is the problem?

Risk awareness and financial literacy are key to consumer empowerment and participation in financial markets but remain worryingly low, particularly among those who need them most.

For example, the [2020 OECD International Survey of Adult Financial Literacy](#) revealed that a mere 26% of all adults responded correctly to questions on basic concepts such as simple and compound interest.

Did you know?

Insurance Europe's [2021 Pan-European Pension Survey](#) showed that 39% of respondents were not saving for retirement. This includes more women than men, more younger people, more unemployed people and more people with lower educational qualifications.

Not saving: 39%



Not saving by gender

Female



44%

Male



34%

Not saving by age

18-35 yrs



40%

51+ yrs



39%

What are the solutions?

- ✓ Use the joint European Commission/OECD financial competence framework for adults and the framework that is currently being drafted for children and youth to develop financial and insurance education programmes for all layers of society.
- ✓ Promote tools that help consumers to gain insight into their financial situation and understand the risks they face, such as pension tracking services.
- ✓ Support the development of national financial and insurance education strategies and introduce a European Day of Financial Education.

