

Arguments and positions

Financial literacy for all – the enduring, dependable role of Savings Banks

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- **Financial literacy strengthens people's financial well-being, enables them to participate in social and economic life and makes an important contribution to financial market stability.**
 - **The Savings Banks Finance Group assumes social responsibility by providing a wide range of education services to strengthen people's financial skills. Focusing on the public good in local communities has been enshrined in the mission of the public-sector banks ever since their foundation more than 200 years ago.**
 - **The Savings Banks Finance Group works together with national and international initiatives to improve financial literacy. That includes knowledge transfer to the global South with the aid of the German Sparkassenstiftung for International Cooperation.**
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Responsible citizenship at the core

In a free, democratic society like ours, consumers are seen as well-informed, responsible people who are in control of their own affairs. Savings Banks, which are incorporated under public law and rooted in their local communities, have been guided by that principle ever since their foundation. For us, promoting financial literacy is tantamount to strengthening consumer sovereignty, an essential pillar of our social order.

If people are to govern their financial affairs with sovereignty, they need to acquire the necessary skills. After all, the decisions they take will sometimes have far-reaching consequences. That means understanding the risks and opportunities associated with investing in the capital market – or with borrowing money. Financial literacy is a preventive resource: it shields against excessive risk-taking and non-viable debt, but also against fraud and cyber risks. In this respect, financial literacy builds personal resilience as well as the stability of the financial system and of society as a whole.

OECD: Financial literacy for financial well-being

*“Financial literacy is a combination of awareness, knowledge, skills, attitudes and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being.”**

To take a specific example, by promoting financial literacy the Savings Banks Finance Group is helping to allay current concerns about rising prices. Faced with inflation, many people are worried about whether their income will cover their bills and about how to preserve the value of funds put aside for the future. A broad, digital-savvy community of users is supplied across all the customary digital channels with tips for saving money, input and explanatory articles about financial matters, economic issues, recent political developments and policy decisions.

In addition, the Savings Banks Finance Group launched a financial literacy campaign in 2022 that seeks to build greater financial knowledge and financial skills among the general public and to guide people towards autonomous decision-making by providing advice, practical tips and digital services.

* OECD (2020): OECD/INFE 2020 International Survey of Adult Financial Literacy

Whole-hearted support for a National Strategy

The “National Strategy” for financial and economic literacy proposed by the German government meets with the whole-hearted support of the Savings Banks Finance Group. Many EU countries have already implemented such strategies in response to the Capital Markets Union action plan adopted by the European Commission in September 2020. Together with the OECD/INFE, the Commission has published a financial competence framework for adults in the European Union (2022) and a financial competence framework for youth is due to appear in 2023. As a dependable partner, the Savings Banks Finance Group is ready to put this strategy into practice with impartial, easily accessible and transparent services.

Embedding financial literacy – enduring impact, pivotal function, practical roots

The financial literacy campaign by the Savings Banks Finance Group caters for three areas of engagement – schools, civil society and, via the German Sparkassenstiftung for International Cooperation, a global community.

• Financial literacy in schools

Including financial topics in the regular school curriculum is designed to provide young people with a solid foundation of basic knowledge about how the economy works. The Savings Banks Finance Group has been supporting financial literacy in education for more than 40 years through its Savings Banks School Service. The contents are geared to the world of young people and impart financial skills for everyday life. Teachers have free access to an education platform with classroom material about money and financial matters. These multi-media teaching aids contain no advertising and are continuously monitored by education experts.

With its stock exchange simulation game Stock Market Learning, the Savings Banks Finance Group has organised Europe’s biggest online competition for simulated trading in securities. The participants hold fictional capital, test their strategies and learn the basics of sustainable investment. Working with partners, the Savings Banks Finance Group also encourages entrepreneurial thinking in school students by awarding a prize (DGPS) for young start-ups in Germany.

• Advice services for households, people in debt and consumer associations

More than 60 years ago, the German Savings Bank Association set up its Consumer Consulting Service (Beratungsdienst Geld und Haushalt) to support private households. Consumer Consulting Service provides a wide range of advisory and educational content on the subject of money and financial management in the spirit of life-long learning and free of charge. Every year, 1.2 million consumers draw on its digital planning tools and knowledge formats, printed advice booklets and housekeeping ledgers, not to mention more than 800 talks organised in partnership with advice centres, associations and other organisations. At least 1,250 advice centres, associations and public agencies make use of this material when counselling their users.

• Global partnerships for financial literacy

The German Sparkassenstiftung for International Cooperation (DSIK) is a foundation created by the Savings Banks Finance Group to implement its development policies. It is spreading the successful savings banks model – including its commitment to financial literacy – around the world. Since it was founded 30 years ago, the German Sparkassenstiftung has worked in more than 100 countries, and the trend is upwards.

For example, DSIK is helping microfinance associations in Ghana to set up their own academy. The projects in Zambia, Uzbekistan, Cuba, El Salvador, Columbia and Bolivia focus on drawing up national strategies for basic financial literacy. In Mozambique, an educational radio play has been produced that is estimated to have reached 230,000 listeners via local radio stations.

One of DSIK’s most powerful instruments are its Business Games. These interactive board games and computer-assisted simulations promote financial literacy and financial inclusion. They can be translated into any language and have already reached more than 150,000 participants worldwide.