

Charter of essential skills for financial well-being

BACKGROUND

In 2016, as part of the work related to the Québec Financial Education Strategy, key stakeholders in financial education pooled efforts to establish a common description of the essential financial skills Quebecers needed to acquire. The resulting document, called the Charter of essential skills for financial well-being, provides an inventory of skills and behaviours conducive to informed personal finance decision making. Associations, organizations and people working in financial education can refer to it when developing training programs or educational tools. The AMF, supported by the Commission des normes, de l'équité, de la santé et de la sécurité du travail, the Office de la protection du consommateur, Retraite Québec and Revenu Québec, updated the document in November 2023.

This is an evolving, not a static, tool. As such, new skills are added over time and other skills are removed as needed.

Certain essential skills may seem difficult to learn. However, Quebecers are not alone managing their finances. There are many neutral professionals and organizations that can give them the help they need. There are also multiple sources of information available, which they can benefit from by learning the very first skill: how to identify and consult them.

The Charter of essential skills for financial well-being was originally drafted in 2016 by a group of representatives from several organizations as part of a collaborative effort to develop the Québec Financial Education Strategy 2019-2022 Action Plan.

Updated December 2023

CHARTER OF ESSENTIAL SKILLS FOR FINANCIAL WELL-BEING

Basic skill 1	Components
Identifying useful sources of information and knowing how to consult them so as to make informed decisions	1.1 Identify and consult various sources of information while demonstrating a critical mindset.
	1.2 Recognize one’s limits, know which professionals or agencies to consult and work collaboratively with them, understand the cost of such collaboration and know which organizations oversee those professionals or agencies.
Basic skill 2	Components
Making financial decisions while taking other people, laws, regulations, contracts and the economy into account	2.1 Acquire a basic understanding of how laws, regulations and legal documents affect financial decisions.
	2.2 Know the main recourses that are available if needed and be able to identify the agencies offering them.
	2.3 Understand and be able to take steps to cope with the impacts of the economy on your personal financial situation (e.g., interest rates, exchange rates and inflation).
	2.4 Remain rational amid external pressures, including pressures from relatives or influencers, or when faced with large fluctuations in the value of certain assets.
	2.5 Understand how political decisions, such as the termination or creation of social programs, affects your personal financial situation.
	2.6 Consider the contribution of technologies and techological developments to everyday life in terms of financial products and services and be able to use them if necessary.

Basic skill 3	Components
Managing assets and income	3.1 Know and apply basic principles to manage assets and income. For example, know the state of one's finances, plan ahead and set aside money for ongoing expenses, and understand certain tax products that make it easier to save.
	3.2 Develop. Implement and monitor a savings and investment strategy tailored to your personal situation, investment goals, investment horizon and investor profile.
Basic skill 4	Components
Managing expenses and debt	4.1 Apply basic principles to make informed consumer choices suited to one's needs and assess the financial impacts of those choices. For example, learn the differences between the various methods of payment before using them, regularly record personal or household expenses, plan ahead for major expenditures, be financially resilient.
	4.2 Manage one's debts.
Basic skill 5	Components
Recognizing risks, measuring the impacts of those risks and making choices in order to manage them	5.1 Identify and measure risks. Know and apply basic principles to cope with such risks (e.g., maintaining an emergency fund, purchasing insurance, or planning ahead to ensure your affairs are managed by someone else in the event of cognitive decline).
	5.2 Be able to recognize and avoid fraud.