

QUÉBEC FINANCIAL
EDUCATION STRATEGY



Members of the *Comité consultatif en éducation financière* (Financial Education Advisory Committee)

- Autorité des marchés financiers
- Ministère de l'Éducation, du Loisir et du Sport
- Ministère des Finances
- Office de la protection du consommateur
- Régie des rentes du Québec
- Chambre de la sécurité financière
- Ordre des comptables professionnels agréés du Québec
- Chambre de l'assurance de dommages
- Investment Industry Regulatory Organization of Canada
- Desjardins Group
- National Bank
- Montréal Exchange
- Finance Montréal
- Institut québécois de planification financière
- Conseil des fonds d'investissement du Québec
- Canadian Bankers Association
- Insurance Bureau of Canada
- Union des consommateurs
- Option consommateurs
- Coalition des associations de consommateurs du Québec

TABLE OF CONTENTS

Building the first Québec financial education strategy 4

Expected timeline 9

PHASE 1 **10**

Working together to advance financial education in Québec and improve Quebecers' financial well-being 10

PHASE 2 **11**

By adopting knowledgeable behaviours and acquiring skills, Quebecers will improve their financial well-being 11

Preliminary action plan 2015-2018 13

BUILDING THE FIRST QUÉBEC FINANCIAL EDUCATION STRATEGY

“By supporting consumers who are becoming increasingly responsible in managing their personal finances, our numerous financial education initiatives, in conjunction with those of our partners, are bearing fruit. However, it is important to maintain sustained and concerted awareness efforts because financial education, like many other pursuits, is a long-term process. The AMF has made this a priority.”

Louis Morisset, President and CEO
Autorité des marchés financiers, April 2014

Under the consumer protection and assistance mandate conferred on it by the Québec Government, the *Autorité des marchés financiers* (AMF) places great importance on the financial education of Quebeckers. Since its establishment in 2004, the AMF has consolidated a team dedicated exclusively to financial education, has initiated or financially supported numerous partnerships, in particular through its Education and Good Governance Fund, has fostered networking within a growing number of organizations and specialists engaged in financial education, and has developed an index to measure Quebeckers' financial awareness.

As a member of several national and international associations, the AMF can share its initiatives as well as draw on best practices from around the world.

In order to optimize its financial education efforts and resources, the AMF has gained inspiration from international leaders and has laid the groundwork for a Québec financial education strategy.

The first stage has been to create a forum that brings together key players of the Québec economy, including from the financial markets oversight sector, the financial industry, related government departments and agencies, and the leading consumer associations. The **Comité consultatif en éducation financière** (financial education advisory committee) (the “Committee”) is composed of 20 organizations that have agreed to work together to develop and implement a financial education strategy for Québec.

The second stage sets out the orientations of the strategy, further to consultation with Committee members about the vision and broad areas of intervention proposed by the AMF. This document therefore presents the orientations chosen in addition to an initial three-year action plan for implementing the strategy in spring 2015.

NATIONAL FINANCIAL EDUCATION STRATEGIES: A GLOBAL TREND

The Organisation for Economic Co-operation and Development (OECD) is currently surveying more than 50 governments that are developing national financial education strategies. It is in this context that Canada mandated a Financial Literacy Leader and a National Steering Committee to establish a national strategy for 2015.

While financial literacy will not solve all financial problems, it is an important complement to market oversight and consumer protection. It cannot replace fair and effective regulation, but it can help foster greater participation by consumers in the financial markets through socioeconomic inclusion and financial enrichment.

The development of a national strategy will, in particular, identify available resources and assess financial education needs and the related challenges. This strategy also brings together organizations active in this area, and helps them identify common objectives and measure the effectiveness of initiatives taken by the greatest number of partners possible.

This joint planning is intended to optimize efforts to increase the spinoffs across a country, jurisdiction or economy.

Definition of a national financial education strategy

The set of co-ordinated proposals and actions adopted by several organizations to improve consumers' personal financial knowledge and behaviours.

A financial education strategy goes beyond the delivery of information. It also aims to instill or influence behaviours so that consumers adopt healthy, lifelong financial habits.

According to the OECD, the success of a national financial education program is often tied to the following:

- a neutral, objective leader who plays a key role, such as a regulator;
- a survey of existing tools and programs;
- a tool to measure the level of financial literacy of the target population;
- a solid network of partners.

All these elements are present in Québec.

In several cases surveyed around the world, governments formally mandate a leader to successfully conduct the financial education strategy.

In Québec, the presence on the Committee of representatives from the *Ministère des Finances and the Ministère de l'Éducation, du Loisir et du Sport* is a sign of interest that could eventually take a more official form.

FINANCIAL ISSUES FOR QUEBECKERS

Based on analyses conducted by the AMF,¹ Québec household debt continued to rise in 2014, and now hovers near 150% of personal disposable income.

The growth in indebtedness has slowed over the past few years. However, it continues to outpace disposable income. The full impact of this level of household debt has yet to be seen, but the negative consequence is easily predictable in the event of a rise in the cost of borrowing.

Higher debt may also reduce savings. In fact, Québec households' rate of savings is only 1.5% of household disposable income and one of the lowest in Canada.

Quebeckers also are affected by other issues observed elsewhere in the world. For example, the increased complexity and variety of financial products available to consumers is problematic in terms not only of their ability to manage the risk of investment losses, but also the suitability of products offered or sought. Enhancing the level of financial knowledge may foster informed decision-making.

Another example, highly mediatized in the past few months, concerns pension plan sustainability and the shifting of responsibilities to workers, and even retirees. Now more than ever, retirement planning requires involvement by financial education specialists, as Quebeckers are forced to assume greater responsibilities in this regard. This phenomenon can be a financial education opportunity to encourage more Quebeckers to take an interest in managing their personal finances.

In light of these financial issues and further to exchanges and monitoring initiatives, the most promising joint approach calls for the implementation of a Québec financial education strategy.

QUÉBEC CONTEXT

It has been claimed that Québec society and its francophone majority still hold certain values that regard money with skepticism, specifically, Judeo-Christian values that have shaped several generations. One of the most recent thoughtful exercises on this subject was the TV series *Les grands moyens*.² This four-part multiplatform documentary invites viewers to take part in a collective discussion on the role of money. Accounts from business and entertainment personalities highlight some of the clichés about how Quebeckers are still uncomfortable talking about money. In many respects, their relationship with money sets them apart from consumers in other provinces in Canada.

1 Analyses conducted by the AMF Chief Economist using various official Québec and Canadian sources.

2 [Les Grands moyens](#), series aired on Télé-Québec and hosted by Bernard Derome.

Québec is also characterized by the unique nature of its financial education organizations. The AMF, for example, provides an integrated framework for the Québec financial sector, notably in the areas of insurance, securities, deposit institutions – other than banks – and the distribution of financial products and services. The AMF is specifically mandated to inform, raise awareness and assist consumers in all areas relating to personal finances.

The *Office de la protection du consommateur* is another distinctive component of the regulatory landscape, and positions Québec at the forefront of protection of consumer rights.

Also noteworthy is the contribution of financial services cooperatives, which have been involved in financial education for more than a century, and community organizations such as ACEFs and budget assistance agencies, active in virtually all regions of Québec for half a century.

Against this backdrop, it seems advisable to develop a strategy and an action plan specifically for Québec, in order to maximize the chances of success of future financial education campaigns and initiatives.

AMF FINANCIAL AWARENESS INDEX A TANGIBLE MEASURE

The AMF Financial Awareness Index assesses the perceived usefulness of 40 “knowledgeable” financial behaviours and their rate of adoption by a sampling of 1,500 individuals in charge of managing their household finances. The data collected in 2014 compared with those collected in 2012 show an improvement, but reveal several issues confirming the importance of consolidating efforts to increase Quebecers’ financial awareness.

- Very few Quebecers have taken concrete steps to plan for their retirement. Less than one Quebecer in two (46%) has determined whether they have enough savings to retire; only about half (55%) have taken into account key financial concepts such as inflation and longer-than-average life expectancy (54%).
- 27% of Quebecers who do business with a financial advisor have asked how he was compensated; 39% never asked about his fees.
- The AMF Financial Awareness Index also reveals that 47% of Québec investors check whether their financial advisor is authorized to sell the product being offered, something that is simple to do by consulting the AMF’s register.
- Moreover, Quebecers who do not do business with a financial advisor are less knowledgeable about financial matters (52.9%) than those who benefit from the expertise of a professional (62%).

CONTRIBUTING TO A CULTURAL SHIFT ABOUT MONEY

Several specialists admit that financial education is not the miracle solution for the weaknesses observed in Québec society. A consumer, even one who is highly knowledgeable about finances, is bombarded by offerings for credit as well as financial products and services, and can be irrational in his choices and behaviours.

However, working together to strengthen consumers' knowledge and make them aware of the importance of adopting good financial behaviours could have measurable beneficial effects in the medium to long term.

Heightened interest in topics such as the economy, personal finances, investment and retirement planning may make it easier to acquire knowledge, seek out help and adopt good financial behaviours. The spinoffs may also contribute to boosting financial market competitiveness and consumer confidence in these markets. In all, a greater interest in money matters may lead to improved individual and collective financial well-being.

The Québec financial education strategy may thus help modernize the province's financial culture.



EXPECTED TIMELINE

Québec financial education strategy

MARCH 2014

- Creation of the *Comité consultatif en éducation financière* (financial education advisory committee)
- Survey of personal financial educational tools available in Québec
- Consensus of Committee members on the financial education strategy for Québec

01

APRIL 2014

- Integration of Québec financial education strategy initiative in the AMF 2014-2015 activity plan
- Deployment of the 2nd edition of the AMF Financial Awareness Index

02

OCTOBER 2014

Consultation with Committee members about proposed broad areas of intervention of the Québec financial education strategy

03

MARCH 2015

Consultation broadened to network of Québec financial education partners

04

SPRING 2015

Consensus of Committee members on the Québec financial education strategy and 2015-2016 action plan

05

SPRING 2015

Start of implementation of Québec financial education strategy

06

FALL 2015

Start of periodic follow-up on implementation of Québec financial education strategy

07



Phase 1

WORKING TOGETHER TO ADVANCE FINANCIAL EDUCATION IN QUÉBEC AND IMPROVE QUEBECKERS' FINANCIAL WELL-BEING

BACKGROUND

In Québec, the high number of educational programs and financial education stakeholders highlights the need for concerted efforts. A survey conducted in December 2014 identified more than 150 programs and tools available to Québec consumers. In addition, numerous organizations help Quebecers to improve their financial well-being.

New partnerships and up-to-date ways of sharing resources and expertise will help to remedy weaknesses and offer programs designed without business development objectives in mind.

Recognizing the potential of each organization by considering its area of expertise, track record and experience with clients, will enable us to identify partnerships that will create effective programs or build on existing successful programs.

In Phase 1 of this strategy, two broad areas of intervention are chosen to achieve the proposed vision:

| Recognize | Act |
|---|---|
| Recognize the success of existing programs and organizations. | Co-ordinate our financial education actions to maximize spinoffs. |

The objectives of these broad areas of intervention are:

| | |
|--|---|
| The list of available financial education resources is up-to-date and accessible. Each educational tool and program is known to the target audience and is part of a planned promotional campaign. Organizations recognize their mutual expertise, mission and target audiences. | Organizations consider existing tools before generating new ones. Organizations share best practices in financial education. Organizations recognize the added value of partnerships. |
|--|---|



Phase 2

BY ADOPTING KNOWLEDGEABLE BEHAVIOURS AND ACQUIRING SKILLS, QUEBECKERS WILL IMPROVE THEIR FINANCIAL WELL-BEING

BACKGROUND

Although it urges organizations to work together more closely, the Québec financial education strategy focuses on consumers, more specifically, the improvement of their financial knowledge.

The orientations adopted reflect the monitoring, research and surveys conducted by AMF *Direction de l'éducation financière* since 2004. They are also developed from discussions with members of the network of [Québec financial education specialists](#) and findings by Committee members.

Based on the work and exchanges, it is important to prioritize the following actions:

- Encourage Quebecers to talk more about money, finances and economic issues.
- Prompt consumers to take charge of managing their personal finances.
- Facilitate access to financial education training programs.
- Raise consumers' awareness of the pitfalls of indebtedness and financial fraud.
- Boost confidence in the financial markets.
- Make Quebecers aware of their rights and responsibilities as regards personal finances.
- Acknowledge the role of financial sector representatives and inform them of existing tools.
- Favour socioeconomic inclusion of the most underprivileged members of society.

In view of these actions and findings, three broad areas of intervention are being adopted to achieve the proposed vision:

| Discuss | Learn | Act |
|---|---|--|
| <p>Contribute to a shift in financial culture to encourage Quebeckers to talk more about money, finances and economic issues.</p> | <p>Offer learning opportunities at all key life events in the most accessible formats and networks.</p> | <p>Encourage Quebeckers to take steps to better manage their finances.</p> |

The objectives of these broad areas of intervention are:

| | | |
|---|---|---|
| <p>Quebeckers discuss personal finances in order to improve their knowledge and obtain the help they need.</p> <p>Quebeckers are comfortable speaking about money matters with an advisor and asking questions, and they understand the choices they are offered.</p> <p>Personal finances have a more predominant place in Québec media.</p> | <p>Quebeckers have numerous opportunities to improve their financial knowledge.</p> <p>Quebeckers use the resources at their disposal to pursue their financial learning throughout their lives.</p> <p>Young people are targeted at each level of education: primary, secondary, CEGEP and university. Educational content is written in plain language.</p> | <p>Quebeckers take steps to improve their personal finances by using a budget tool, saving, purchasing adequate insurance or investing.</p> <p>Quebeckers plan their retirement more proactively.</p> <p>Quebeckers use credit wisely and responsibly and take a critical consumer approach.</p> <p>Quebeckers recognize, avoid and report financial fraud.</p> |
|---|---|---|



PRELIMINARY ACTION PLAN 2015-2018

The 2015-2018 Action Plan was developed based on recommendations by members of the Comité consultatif en éducation financière (financial education advisory committee) (the “Committee”) and the Québec network of financial education specialists.

It outlines the strategy and proposed actions considered a priority for 2015-2018 in two broad areas of intervention: collaboration and financial well-being.

COLLABORATION

Efforts will be made to acknowledge successful partnerships and joint projects in financial education.

The AMF and its main partners will be closely involved in the steps taken to recognize expertise and financial education partnerships.

RECOGNIZE

Recognize the success of existing programs and organizations.

| | | |
|--|--|---|
| The directory of available financial education resources is up-to-date and accessible. | Each educational tool and program is known to the target audience and is part of a planned promotional campaign. | Organizations recognize their mutual expertise, mission and target audiences. |
|--|--|---|

| Action | Objectives | Measurement |
|---|---|---|
| The AMF will contact partners twice a year to update the activities and description of financial education organizations. | The AMF's directory is accessible, consulted, user-friendly and up to date. | Feedback from Québec network of financial education specialists |
| The AMF will promote the directory of financial education tools and programs on a regular basis. | | |

ACT

Co-ordinate our financial education actions to maximize spinoffs.

| | | |
|---|--|--|
| Organizations consider existing tools before generating new ones. | Organizations share best practices in financial education. | Organizations recognize the added value of partnerships. |
|---|--|--|

| Action | Objectives | Measurement |
|---|---|--|
| Through an annual prize, the AMF will acknowledge the best partnership projects during Financial Education Day. | Education projects carried out as a partnership will be more widely recognized and visible. | Quality of chosen projects Survey of members of the Québec network of financial education specialists |

FINANCIAL WELL-BEING

The three broad areas of intervention in this phase will be monitored by three working committees created at the 2015 Financial Education Day to implement the strategy and the action plan.

Comité Connaissances et compétences financières (financial knowledge and skills committee)

This committee will draw up a list of skills and knowledge necessary for lifelong financial well-being in a form accessible to both financial education specialists and consumers.

Comité Programmes éducatifs (educational programs committee)

This committee will identify gaps in financial knowledge according to pre-determined target audiences and the strategy objectives. Its role will be to create innovative partnerships which will lead to effective programs designed without business development objectives in mind.

Comité Pour un changement de culture financière au Québec (committee for a shift in financial culture in Québec)

The role of this committee will be to propose a joint campaign to encourage Quebecers to talk more about money, finances and economic issues.³

DISCUSS

Awareness initiatives will be an important part of the Action Plan to encourage Quebecers to talk more about money, finances and economic issues. Tools will also be developed to make it easier to do business with a professional.

Contribute to a shift in financial culture to encourage Quebecers to talk more about money, finances and economic issues.

| | | |
|---|---|--|
| Quebeckers discuss personal finances in order to improve their knowledge and obtain the help they need. | Quebeckers are comfortable speaking about money matters with an advisor and asking questions, and they understand the choices they are offered. | Personal finances are more widely covered in Québec media. |
|---|---|--|

| Action | Résultats visés | Mesure |
|--|--|---|
| Pursue initiatives encouraging Quebecers to talk more about money. | Quebeckers are encouraged to talk more about money. | Establish an annual measurement through a survey. |
| Provide Quebecers with and promote the tools they need to become comfortable speaking about money matters with an advisor or a budget assistance agency. | The necessary tools have been made available so Quebecers can ask for advice or help with their personal finances. | Statistics on use of the tools. |
| Develop and implement a public relations plan associated with the action plan with targeted reporters. | A public relations plan has been drawn up and its impact determined. | Plan implemented, media coverage analyzed. |

³ As part of this strategy, money, finances and economic issues cover a range of topics, from solving personal financial problems to the sharing of investment experiences, social economics and the development of Québec's financial markets.

LEARN

The importance of more financial education training in schools, at the workplace and in the community will be emphasized. The development of a curriculum for financial knowledge and skills based on life events will help Quebecers focus on the knowledge and skills they need.

Offer learning opportunities at all key life events in the most accessible formats and networks.

| | | | |
|--|---|---|---|
| Quebeckers have numerous opportunities to improve their financial knowledge. | Quebeckers use the resources at their disposal to pursue financial learning throughout their lives. | Young people are targeted at each level of education: primary, secondary, CEGEP and university. | Educational content is written in plain language. |
|--|---|---|---|

| Action | Objectives | Measurement |
|---|---|--|
| Develop a curriculum for financial knowledge and skills based on key life events. | Offer a simple, user-friendly tool to develop crucial skills for key life events. | Validation of curriculum by financial education specialists. |
| Promote initiatives targeting young people at various levels of education: primary, secondary and CEGEP. | Increased number of financial education activities in teaching establishments. | Survey of activities by partners. |
| Increase the number of financial education activities while offering existing programs at the workplace and in the community. | Increased number of financial education activities at the workplace and in the community. | Survey of activities by partners. |

ACT

Awareness efforts should be increased to help Quebeckers understand the advantages of planning and become informed consumers.

Encourage Quebeckers to take steps to better manage their finances.

| | | | |
|--|--|---|---|
| Quebeckers take steps to improve their personal finances by using a budget tool, saving, purchasing adequate insurance or investing. | Quebeckers plan their retirement more proactively. | Quebeckers use credit wisely and responsibly and take a critical consumer approach. | Quebeckers recognize, avoid and report financial fraud. |
|--|--|---|---|

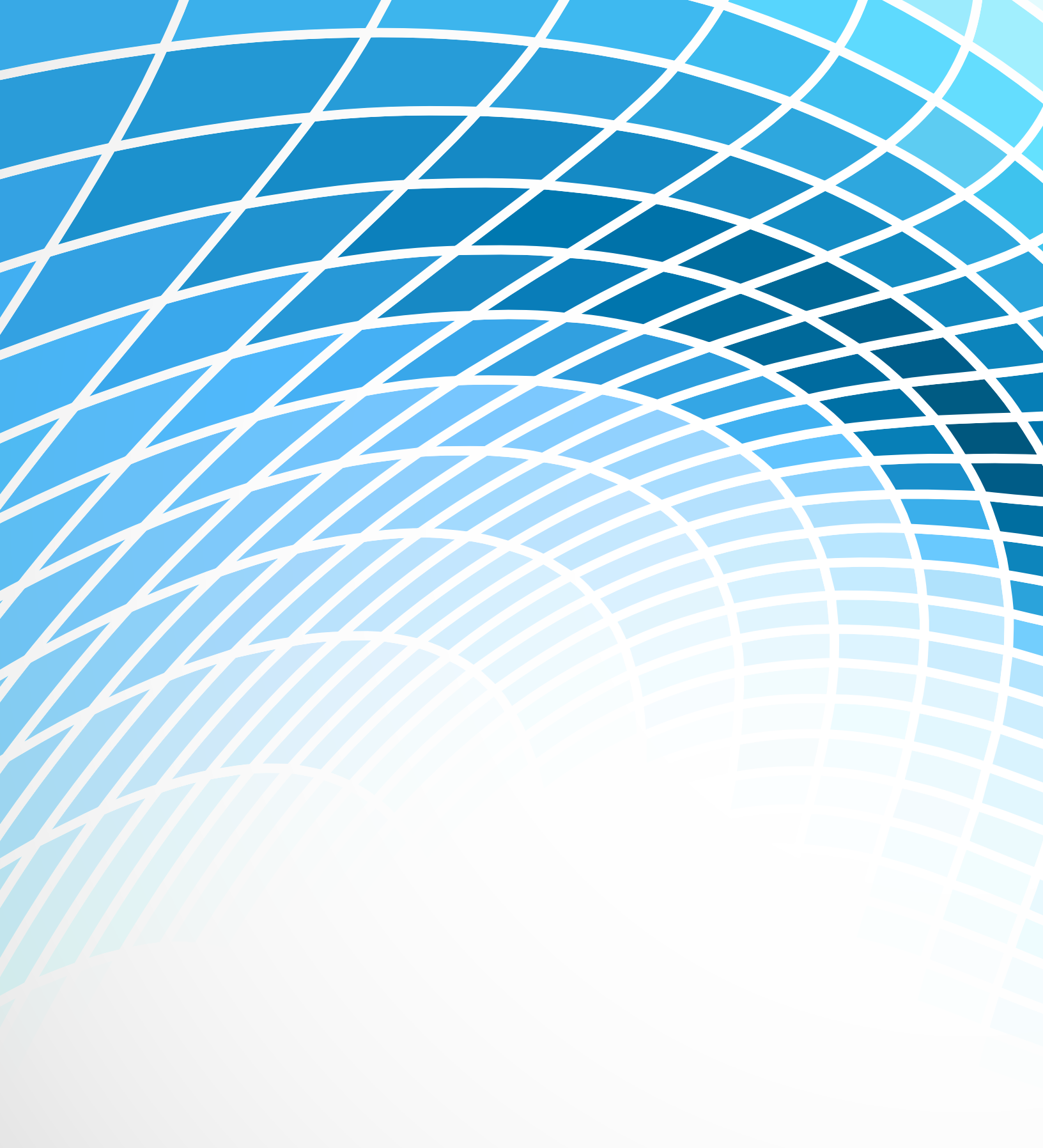
| Action | Objectives | Measurement |
|---|--|---|
| Increase awareness of the advantages of saving and financial planning. | Improvement of the main indicators, including the AMF Index. | AMF Index and other statistical indicators. |
| Increased promotion of the advantages of planning for retirement. | Whether they deal with a representative or use a calculator, increase the number of Quebeckers who check whether they have enough savings to retire. | Statistics on the use of planning tools AMF Index. |
| Continue to educate Quebeckers so they develop the reflex to comparison shop and make inquiries before buying products/ services (for investment or consumption) or using credit. | Quebeckers buy the products and services they need, at the lowest possible cost. | AMF Index and other surveys. |
| Pursue financial fraud awareness efforts and partnerships. | Increased financial awareness among Quebeckers. | AMF Index. |

RESOURCES

[OCDE](#)

[AMF INDEX](#)

[Financial education experts' section](#)



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