

# Financial education... matters!

Mirela Roman  
Director, Communication Department

***„Fundamentally, we need to change  
what people learn, how people learn,  
when people learn, and even why people learn.”***

Christine Lagarde

## WHY FINANCIAL EDUCATION ?

The international financial crisis has highlighted the importance of **solid** and **accurate** financial knowledge for the public at large

- Credit exposure – high household leverage before 2008, especially FX loans, due to lack of basic economic knowledge

*“Never owe more than half of what you can easily pay”*

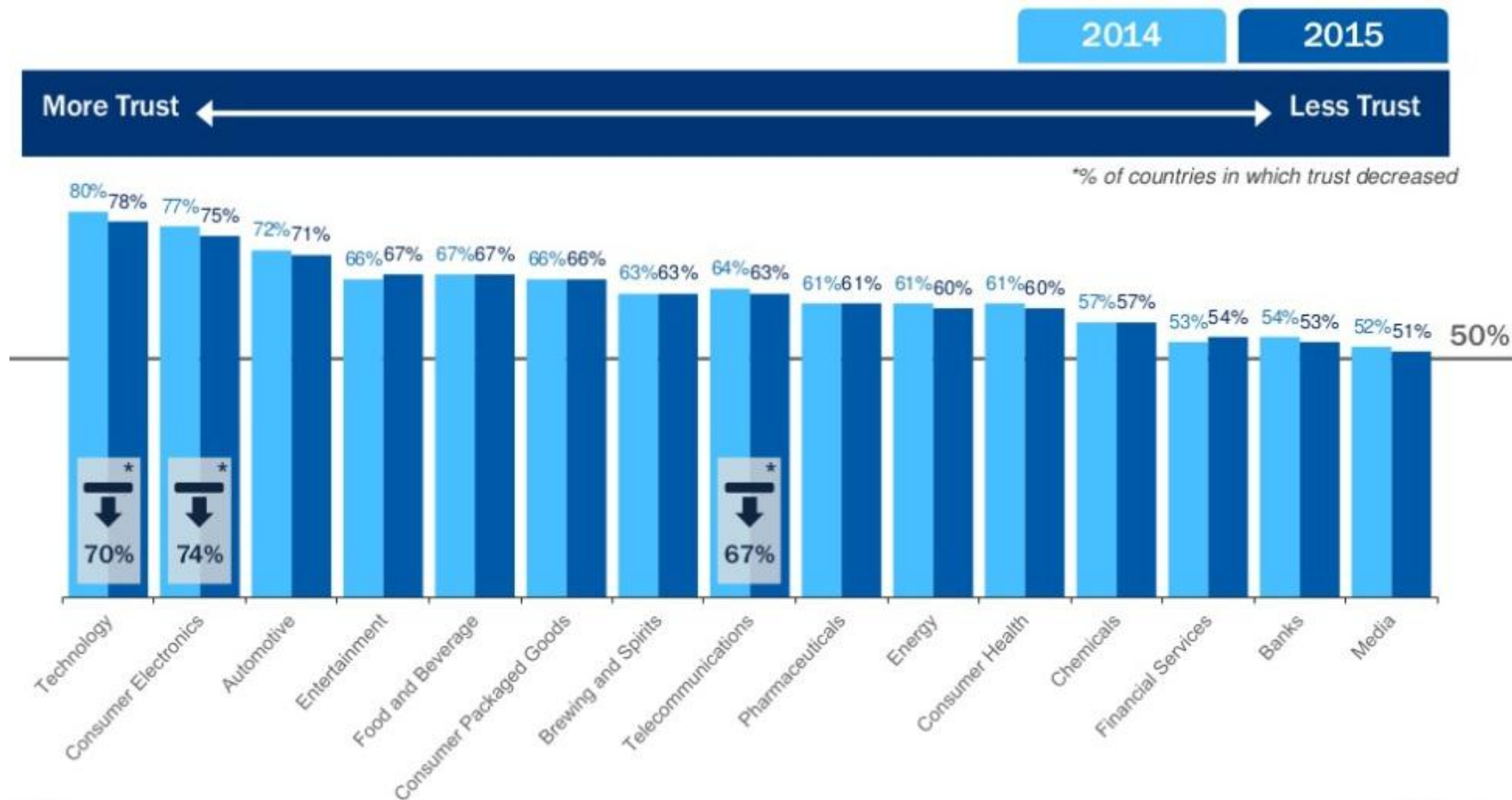
Eugeniu Carada, NBR founder

- CHF exposure – misunderstanding the exchange rate risks

*“In the past decade, the NBR has constantly issued public warnings regarding the risks related to foreign currency loans, including CHF denominated loans, taken by individuals earning incomes in currencies other than the loan currency.”* Mugur Isărescu, NBR Governor



# CONTEXT



**2008 Trust in Banks: 56%**

**2012 Trust in Banks: 47%**

Source: Edelman Trust Barometer, 2015

*“Faith is a state of openness or trust” Alan Watts, philosopher and writer*

# INDEPENDENCE – ACCOUNTABILITY - TRANSPARENCY

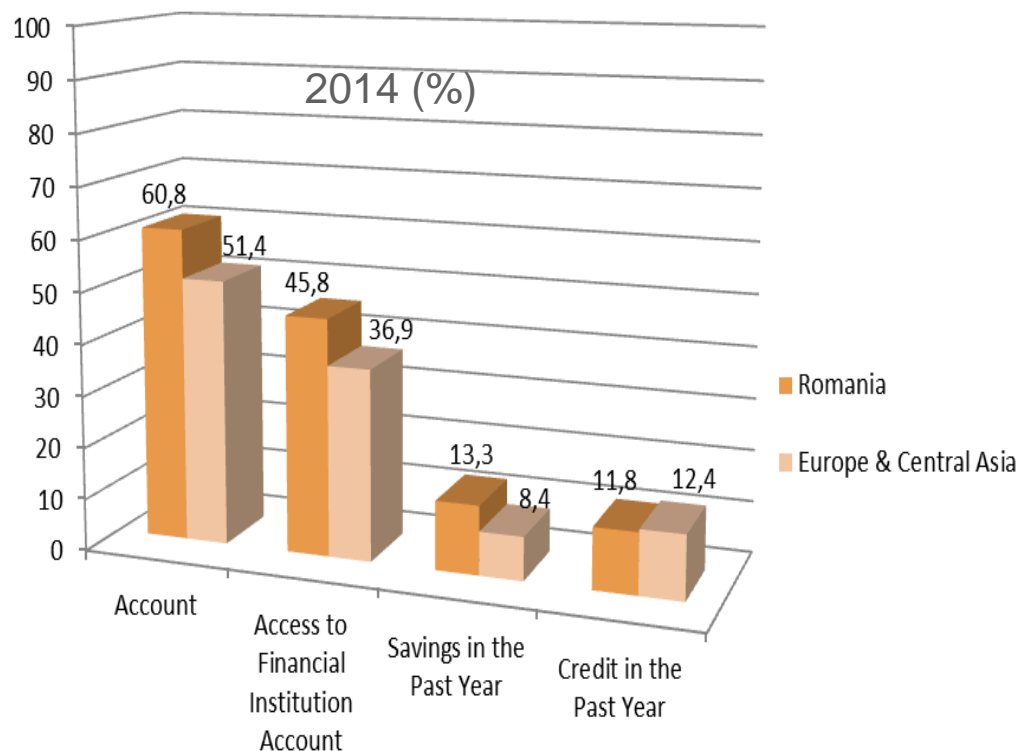
Financial education is part of the efforts to increase transparency



*“Independence requires accountability and accountability requires transparency”*

Mario Draghi, ECB President

# Financial inclusion in Romania



## FACTS

- **Population:** 20 million (2013 census)
- **Rural population:** 47%
- **GDP:** 150 billion EUR, 2015 estimated growth 3%
- **Average inflation rate:** 1,1%
- **Average unemployment rate:** 6,97%
- **Financial intermediation** (non-government loans % GDP): 32% vs. 40% peak in 2011
- **Romanians working abroad:** some 3,5 million
- **Remittances:** 5,2 billion EUR (2014)
- **Banking network:** 30 per 100.000 adults
- **Internet penetration:** 68%

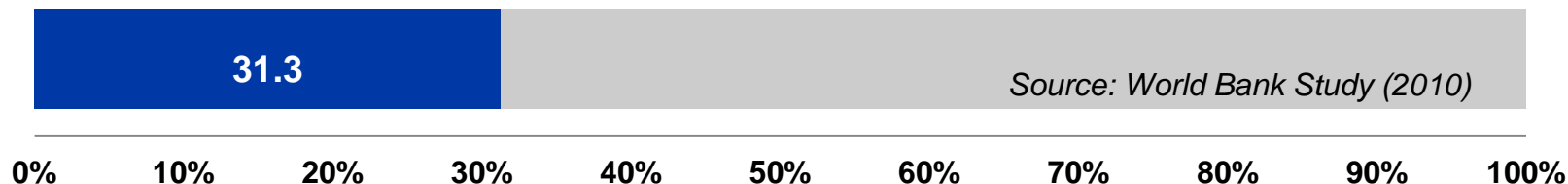
Source: "The Little Date Book on Financial Inclusion", World Bank Group, 2015

**"Financial inclusion can be a powerful agent for strong and inclusive growth"**

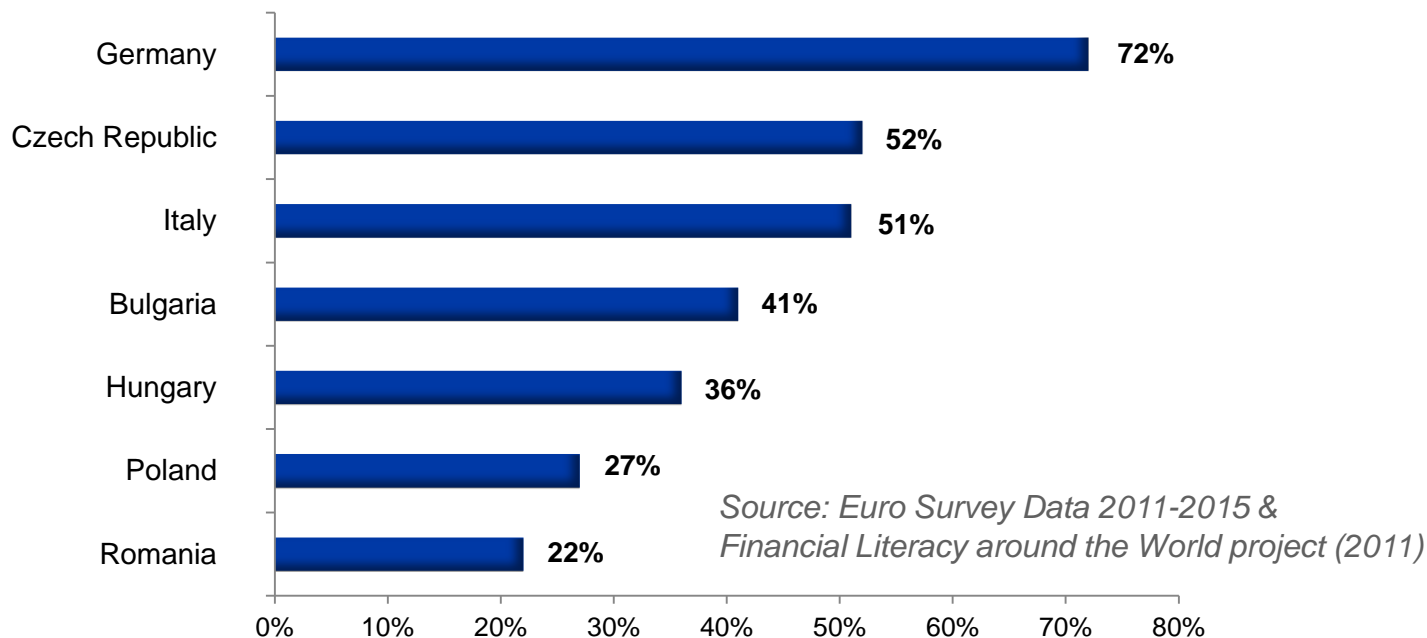
Christine Lagarde, IMF Managing Director



## Financial Literacy in Romania

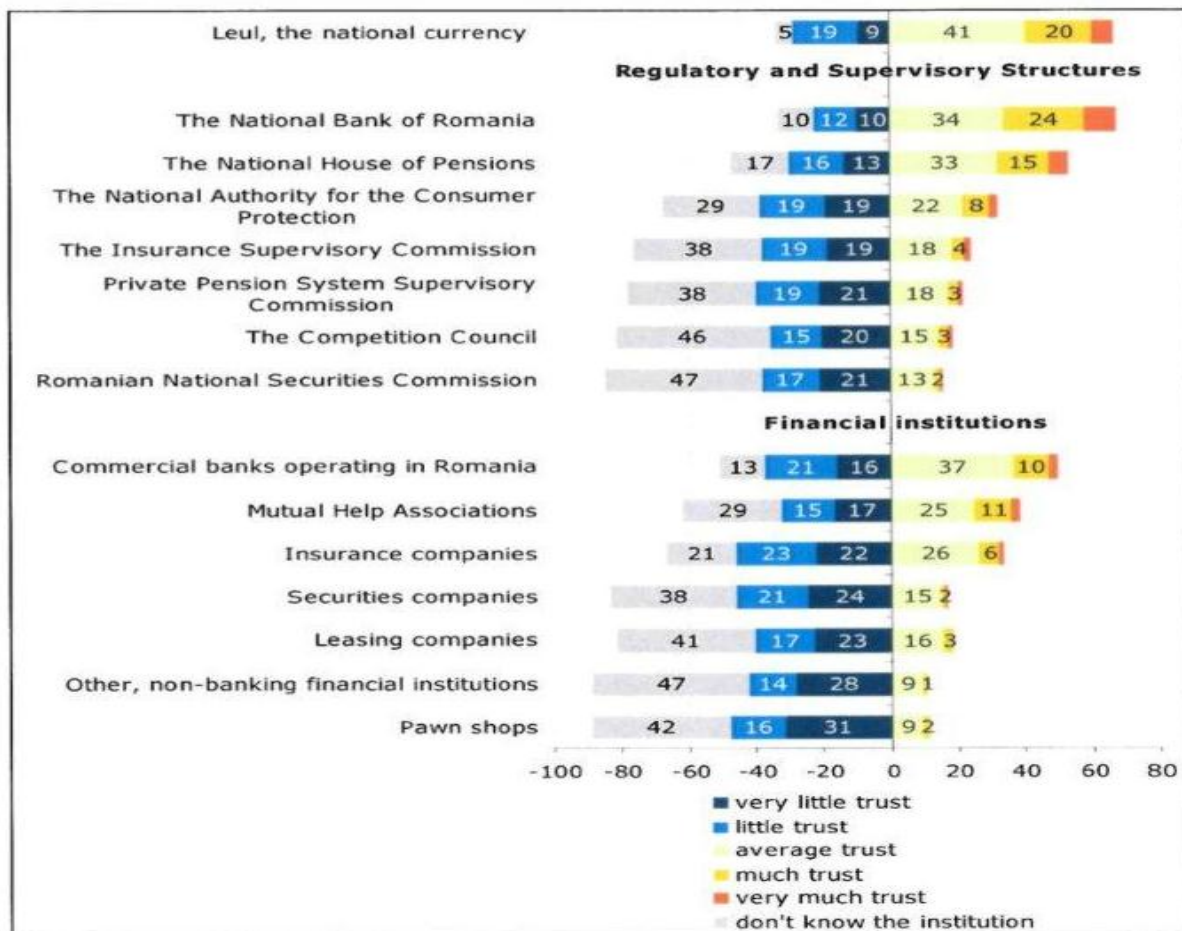


## Interest and Inflation Literacy





# Surveys shows ...



## Most trusted institutions:

- Romanian Army 65,8%
- Orthodox Church 62%
- Central Bank of Romania 50,7%
- Romanian Police 47,7%
- Universities 47,5%

Data: Financial Literacy Survey in Romania (May 2010).

Source: INSCOP Research, 2014

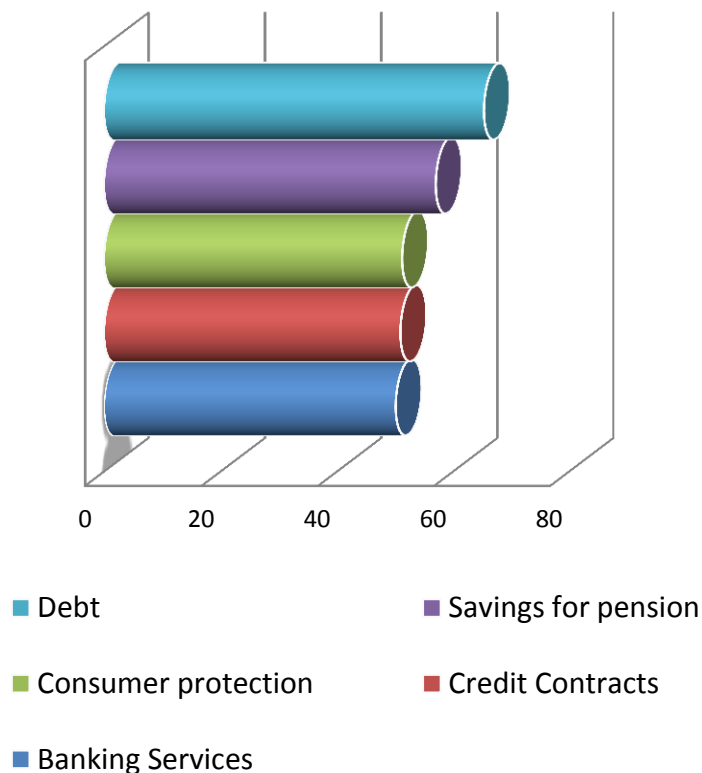
**“Communication – no matter how clear – only works if the communicator is credible”**

Peter Praet, Member of the ECB's Executive Board



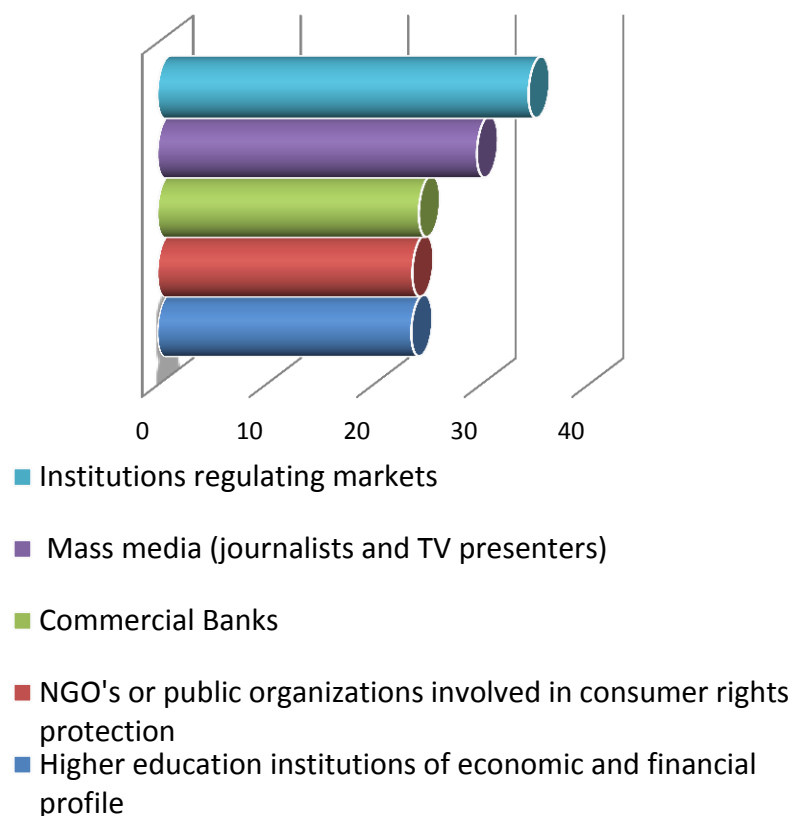
## Looking for...

Top five interests in financial issues



## Getting knowledge from...

Top five sources for knowledge



Source: *Financial Literacy Survey in Romania (May 2010)*

***“Financial education tends to become more a basic need than an optional set of skills”***

Fiona Wilkinson, Chief Communications Officer, Visa Europe

# Financial education framework in Romania

- Romania does not have a national strategy for financial education
- Projects are implemented independently by various organizations:
  - Central bank in partnership with the Ministry of Education
  - Commercial Banks
  - Bank Deposit Guarantee Fund
  - Romanian Banking Association
  - National Authority for Consumer Protection
  - NGO's



# National Bank of Romania

- Established in 1880, the NBR is the 16th central bank in the world, according to the most widely accepted chronology;
- NBR primary objective is ensuring price stability under an inflation targeting strategy; its functions include currency issuance, payments system and supervision, but NBR does not have a mandate for consumer protection;
- Member of the European System of Central Banks since 2007.



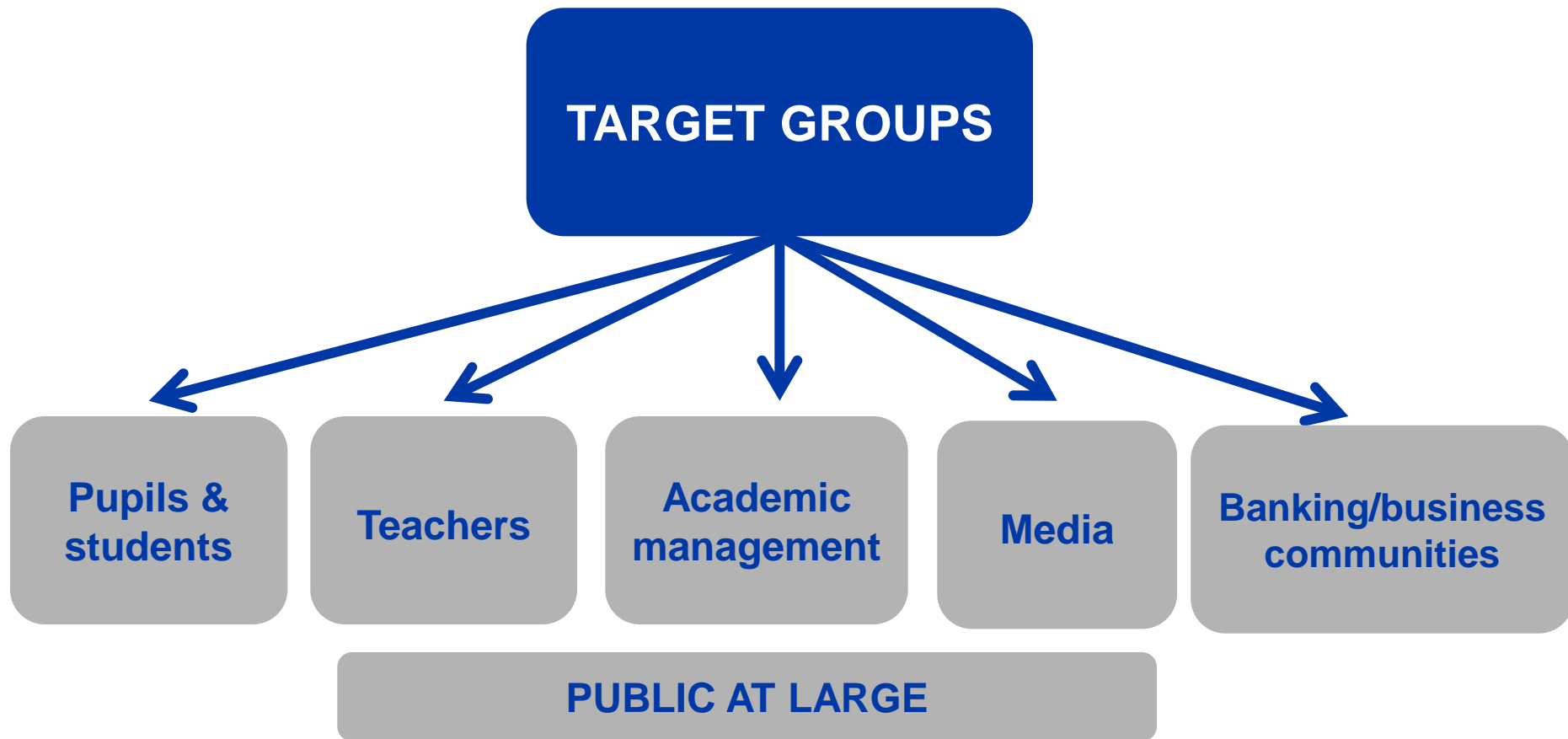
*“In 135 years, the NBR has accumulated an invaluable patrimony of historical values that we are committed to protect”* Mugur Isărescu



## Financial education by NBR

- Romanian central bank does not have a formal mandate for financial education
- The central bank a mission to offer to the general public a clear image of the policies and the measures adopted in fulfilling its tasks (The National Bank of Romania Act, No.312/June 2004)
- Financial education is integrated in NBR's external communication
- NBR's financial education projects/products aim at improving the level of knowledge and understanding of the central bank's activities, its role and functions in the economy; contributing to a **better and correct understanding of economic and financial issues.**

# NBR Financial Education



**Seminars**

**Public  
conferences**

**Group visits**

**TOOLS**

**Digital tools**  
(video, web based)

**Written materials**  
(leaflets, brochures)



# Financial education projects (I)

## A. Partnership with universities across Romania

### *“Open Doors for Economics Students”*



- **Launched** in 2009
- **Partners:** 32 universities vs. four initially
- **Target group:** students and teachers
- **Format:**
  - One day seminar by NBR lecturers, mostly held at university headquarters
  - Public conferences by NBR Board members on key economic topics such as banking and real economy developments, EU Convergence, etc
  - Students` essay contest

*“I think it is very important to participate in discussions with prominent economists, to be better equipped for upcoming challenges.” Gruia Lucian, student, Targu Jiu*

# Financial education projects (II)

## B. Partnership with the Ministry of National Education

### *“Let’s Talk About Money and Banks”*



- **Launched** in 2011
- **Partners:** school inspectorates
- **Target group:** mainly high and secondary school students; primary school pupils since 2013
- **Format:**
  - seminars and interactive sessions by NBR lecturers on key topics such as savings, credit, interest rates; NBR and currency history
  - Implemented via NBR’s 20 territorial units
  - guided tours of the NBR headquarters in Bucharest and four regional NBR branches, the Governor’s Gallery, the NBR Museum, State Mint

*“I consider the NBR project interesting and its focus on high-school students is very useful.” Budică Adrian-Florin, pupil from Craiova*



## Financial education projects (III)



- **Local projects: "To Know More, to Be Better"**
- Partners: Ministry of National Education
- Over 13.000 children and teachers



Ministerul  
Educatiei  
Nationale



- **International Projects: "Global Money Week"**
- Partners: Child and Youth Finance International
- Over 11.500 children and teachers participated
- GMW Award for Europe in 2014 thanks to the creativeness and broad-based participation



*GMW Award is a recognition for the efforts undertaken by the NBR and its partners over the past five years since the initiatives to back financial education in Romania were put in motion.*



## Financial education projects (IV)

### C. Partnership with Romanian Academy, Ministry of National Education & Universities

#### “Academica BNR”



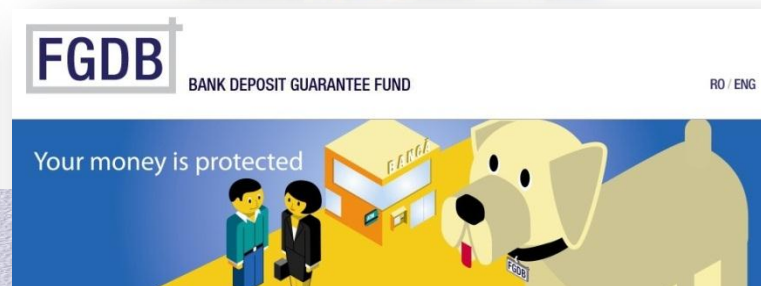
- **Launched** in 2011
- **Partners:** Romanian Academy, Ministry of National Education, 30 universities across the country
- **Target group:** university teachers/managers
- **Format:**
  - Twice a year meetings
  - One week of seminars for teachers
  - Two days of workshops for academic management
  - Public conferences by NBR Board
  - Online forum via NBR website

*“The central bank’s initiative to support financial education is a good tool for consolidating economic knowledge in Romania.” Călin Enăchescu, university manager*

# Financial education projects (V)

## II. COOPERATION

- **Euro Exhibition** – ECB project hosted by NBR in 2011
- **ZooMonetar** – temporary exhibition in 2014 by the Museum of the National Bank of Romania and the “Grigore Antipa” National Museum of Natural History
- Bank Deposit Guarantee Fund - information campaigns
- Romanian Banking Association - conferences
- Romanian Banking Institute - seminars
- Media training for journalists





# Financial education tools (I)



## ▪ WRITTEN MATERIALS

*Leaflets, brochures, specialised books*

## ▪ VIDEO

**Educational DVDs** – bilingual short films on currency history, the life cycle and the security features of banknotes, targeting elementary and secondary school pupils; top 3 views on NBR's YouTube account

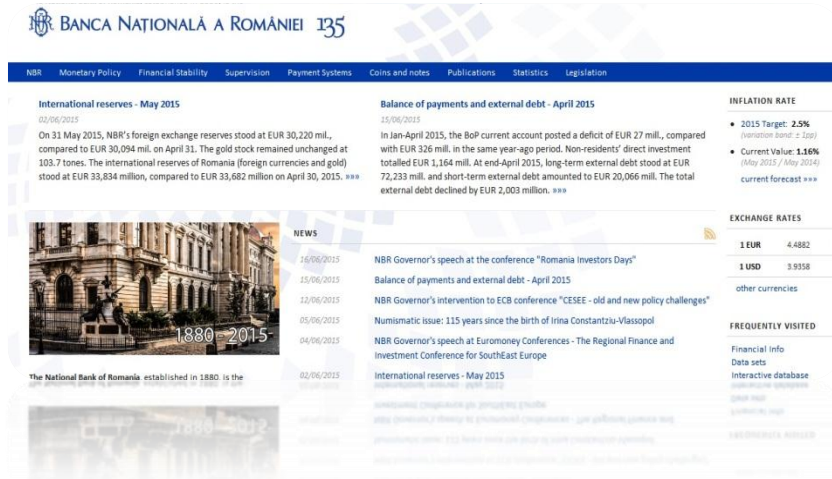
**Virtual tour** of NBR's Old Palace and Museum [www.bnr.ro](http://www.bnr.ro)



*"I've realized how important it is to work as central banker and I'm considering following this path in my professional life"* Cristea Radu, pupil from Bucharest



# Financial education tools (II)



## ■ DIGITAL

***NBR's website*** - database and economics glossary, an educative tool for students and researchers



***MONETA***- interactive monetary policy game

- public gets accustomed with the central bank's monetary policy strategy through a simplified macroeconomic model
- more than 3,000 views and 625 users in the first week after its launch

“NBR’s monetary policy game it’s a very useful tool for all the students because it offer us a clear view of how monetary policy impacts the economy under inflation targeting” Stefan Andreea, student, Craiova

# Financial education tools (III)

## Online Forum for academics

### Criza și provocările ei în relansarea economiei românești

Nicolae Danila

Data publicare : 31.05.2012 10:01 UTC+2

Vizibil | Mesaj aprobat

Înregistrat la 30.05.2012

Număr mesaje 5

Utilizator

Trimite mesaj privat

Dragi colegi,

Mă bucur să ne reîntâlnim și să vă salut, de această dată, în acest mediu, virtual, al Forumului BNR. Rememorez și acum clipele minunate petrecute împreună în luna martie la București, în cadrul primei sesiuni a proiectului Academia BNR.

Și pentru ca această lansare de astăzi să fie cu adevărat productivă, vă provoc la o dezbateră având ca subiect "Criza și provocările ei în relansarea economiei românești".

Nu vă ascund faptul că această tematică mă preocupă tot mai mult în ultima perioadă. De altfel, acesta a fost și titlul conferinței mele recente de la Universitatea Aurel Vlaicu Arad, în cadrul proiectului Zilele porților deschise pentru studenții economiști.

În speranța de a primi feedback la tema lansată pentru discuție și a rămâne

Nicolae Dănilă

Gheorghita Dinca

Data publicare : 31.05.2012 10:24 UTC+2

## NBR Blog

### OpiniiBNR.ro

MACROECONOMIE

PIAȚA FINANCIARĂ

ENGLISH

BREVIAIR

LINK-URI

## Băncile comerciale: Inamicul public nr. 1?

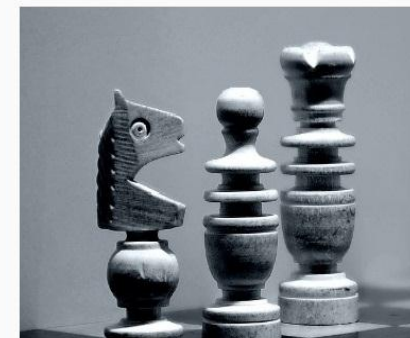
Valentin Lazea Piața Financiară 17 iun 2015



Principiul rol al băncilor este de a face legătura între entitățile

## A 'New Age' of uncertainty

Daniel Dăianu English 15 iun 2015



și indicii

- Block's Reconstruction Of Freedom
- A 'New Age' of uncertainty
- Capitalismul este în codul genetic

### Autori

Alege un autor

### Etichete

euroizare PIB real

zona euro euroaria

rating economie

capitalism deponent PIB

Keynes banking sector

credit neguvernamental





## NBR Financial education - outcomes

- Contribute to the wider dissemination of information and knowledge about the institution's role, tasks and main functions, key economic principles and development of entrepreneurial skills, especially among the youth
- Favorable impact on central bank's image; growing media coverage (more than 250 articles/year) and online statistics retrieval
- Consolidate the central bank's reputation and secure an efficient multiplication of the central bank's messages



1880 2015

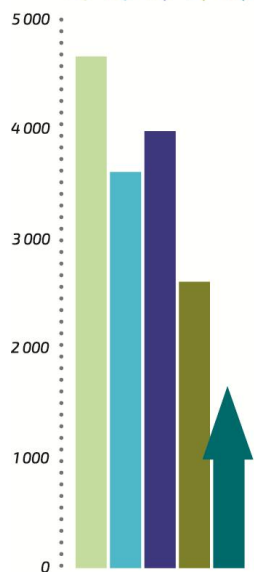


BANCA NAȚIONALĂ A ROMÂNIEI

# Financial education projects - results



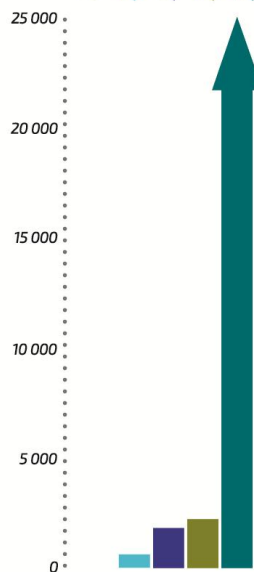
2010 2011 2012 2013 2014



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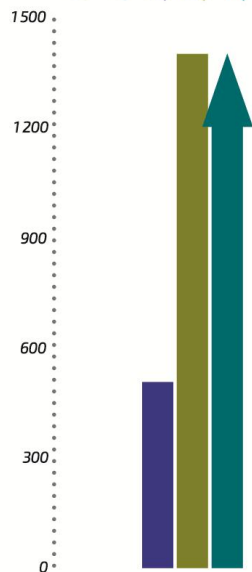
2010 2011 2012 2013 2014



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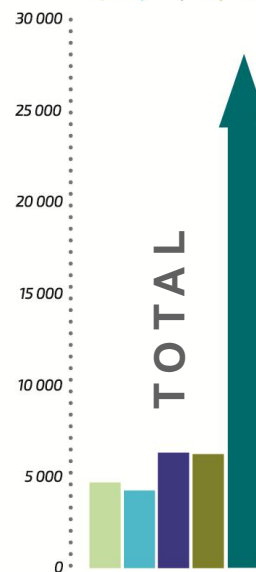


2010 2011 2012 2013 2014



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2010 2011 2012 2013 2014



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*This award is a true incentive to go ahead in the drive towards better financial knowledge and skills, together with our strong partners*

## Perspectives

- NBR aims to contribute to designing a nation-wide strategy under a Financial Education White Paper
- Develop more digital tools and enhance its social media presence with projects in the area of financial education
- Continue to empower the NBR territorial network to develop and implement the projects locally
- Enhance cooperation with financial education providers

***“Financial issues may seem easy,  
but it is for sure an effort to succeed  
in understanding the essence  
and not what each and every one of us  
would like them to be.”***

**Mugur Isărescu, NBR Governor**



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Romanian Ministry of National Education website [www.edu.ro](http://www.edu.ro)

Global Money Week website <http://www.globalmoneyweek.org/>

National Institute of Statistics [www.insse.ro](http://www.insse.ro)

# Thank you!

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