YouthProAktiv

Co-funded by the Erasmus+ Programme of the European Union

Policy Briefing

Empowering the Youth through Financial Literacy

Introduction

YouthProAktiv is a coalition of young people promoting a culture of proactivity and entrepreneurship in education and policy. This policy briefing was created to share at the policy level our study on which strategies have proved to be resolutive to empower youth through financial literacy.

Thus, this briefing has been developed as an outcome of the Erasmus+ co-funded project KA220-YOU-D206736A, *Empowering the Youth through Financial Literacy*. This project aims to contribute to the quality and innovation of the youth sector by developing tools and providing training to develop the financial skills of youth workers. More concretely, the Consortium of partners of this project has already developed multiple intellectual outputs which are complementary to this policy briefing: a Financial Literacy Conceptual Guide and a Training Toolkit for youth workers directly working with disadvantaged youngsters. Finally, in parallel to the development of this policy briefing, the Consortium is also developing a Massive Open Online Course covering Youth Financial Literacy with the aim to develop effective methods to help youth workers in reaching out to disadvantaged young people through financial literacy activities while boosting the recognition and quality of their work.

Executive summary

Throughout this policy briefing, we focus on new ways of empowering youth through financial literacy and boosting their entrepreneurial activity. By following a general-to-specific approach, we first present a brief European landscape on financial literacy rates, followed by an overview of the best practices of the countries that stand out in financial literacy standards (e.g. Sweden, Norway, Finland, Denmark, Germany, and the Netherlands). After this geographical and strategic context, we turn to the main section of the policy briefing: “Towards Financial Literacy”. In this section we consider three pathways to achieve financial empowerment for young people: (1) introducing financial literacy in compulsory education, (2) formal synergies and partnerships in post-compulsory education (between private and educational sectors), and (3) non-formal educational initiatives. Finally, we conclude our policy briefing with another essential challenge, “Financial literacy with disadvantaged youngsters”. In this final section, we identify the most vulnerable groups regarding financial empowerment and we close the briefing with initiatives and projects that different countries are developing to tackle their drawbacks.

European landscape on financial literacy

In recent years, financial literacy is more and more frequently on the agenda of governments, organizations, and international actors. However, despite financial literacy being an integral part of research and policy agenda worldwide, financial education among the youngest generations is significantly insufficient.

At the European level, the development of financial education policies for youth empowerment has been influenced by multiple interrelated factors: demographic, sociocultural, economic, and political. Hence, levels of financial literacy across Europe range from 71% in Scandinavian countries to 22% in the southeast of Europe — northern Europe leading in financial literacy[1]. On average, 52% of adults in Europe were financially literate in 2015, but the greatest knowledge of financial concepts corresponded to Denmark, Germany, the Netherlands, and Sweden (with at least 65% of their adults being financially literate)[2]. On the other hand, southern Europe has much lower rates, such as Spain and Greece, with 49% and 45% literacy rates respectively. Finally, the lowest rates are from countries that were the latest to join the EU. In Bulgaria and Cyprus, for instance, 35% of the adults are financially literate, and in Romania, 22%, the lowest rate in the European Union[3].

Apart from the north-south divergence in financial literacy levels, further factors explain the unbalanced rates of financial education between communities. For instance, multiple studies explain the general trend that women are less financially literate than men, and also that women themselves are aware of this shortfall[4]. Following this line, wide research certifies that more educated people are likely to be more financially knowledgeable – in other words, financial literacy increases with more education[5]. Some studies have also shown that older populations believe themselves well-informed, even though they are less financially knowledgeable than average due to the constant evolution of the world of finance. Hence, countries with higher percentages of older people in their population tend to have lower financial literacy rates[6]. Finally, some studies also argue some ethical/racial and regional differences, since a specific social culture can influence and create a particular financial culture of prudence, consumerism, planning, and/or aiming to achieve long-term financial goals. In short, it is important to take into consideration how characteristics such as gender, education level, income, age, and ethnicity (among others) provoke financial literacy rates to differ. These divergences at the personal level are therefore extrapolated to countries and their respective economies and financial education levels. Consequently, when suggesting initiatives and policies such as those mentioned below this policy briefing, it is important to remember that each country is a different case and that each proposed solution should be adapted to the specifics of each country or area.

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[1] Standard & Poor Ratings Services. Global Financial Literacy Survey, 2015. Retrieved from: https://ecdn.eu/wp-content/uploads/2020/02/Money-Matters-Vol.-15-2017.pdf

[2] *Ibíd*.

[3] Insights from the S&P Global Finlit Suvery. 2015. Retrieved from: https://gflec.org/initiatives/sp-global-finlit-survey/

[4] Lusardi and Mitchell, 2017. Financial Literacy around the world: an overview. Retrieved from: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5445931/

[5] Ibid.

[6] Ibíd

Best practices

Denmark, Norway, Sweden, Finland, Germany, and the Netherlands, European pioneers of introducing financial education at an early age (both through compulsory education and/or non-formal educational initiatives), are precisely the countries with the highest financial literacy rates in Europe. Taking Denmark as an example, financial education is a compulsory subject in secondary schools (13 to 16 years old) and an integrated part of the curriculum, taught by teachers as part of Mathematics classes[7]. Moreover, each year Financial Denmark (a business association for banks, mortgage institutions, asset management, securities trading, and investment funds in Denmark) organizes a set of events called "Pengeuge" (Money Week). Through Pengeuge, Finance Denmark and the Danish Mathematics Teachers' Association helps more than 750 classes to get a guest teacher from the financial sector to come into the classroom, also offering financial education teaching material to all school, classes, and teachers. Furthermore, it is important to note that in Denmark, jointly with the Netherlands and Germany, there is a high share of students and apprentices aged 15-29 who are employed while still in education (70% in the Netherlands, 49% in Denmark, 42% in Germany[8]), which translates into personal financial skills directly applicable to their early incomes[9].

Contemplating other countries with high financial literacy levels, such as Sweden, the country shows an exemplary involvement of stakeholders in financial education, where most of the activity revolves around networks. Their synergies and connections are made by the government (Ministry of Finance and the National Agency for Education), NGOs, and the industry[10]. In Norway, inspiring cooperation between the Public and Private sectors can be identified due to their dual education system. Their combination of apprenticeships with vocational schools enables youngsters to acquire experience and practices that are not theoretical but more holistic, thus benefiting their professional futures and daily lives[11]. It is also worth contemplating the case of Finland, where the interests of the Finnish financial sector are represented under the responsible Lobby "Finance Finland (FFI)". With the mission to influence regulation and decision-making, FFI represents banks, life and non-life insurers, employee pension companies, and fund management companies operating in Finland, among others[12]. FFI, for instance, has been actively promoting financial education in the country, benefiting each year about 25,000 Finns with FFI's programs on financial education.

Following these examples of best practices, certain conclusions can be drawn on how to empower the youth through financial literacy. Despite having a national education strategy on finance that can boost youth empowerment (e.g. Sweden[13]), it is not a determinant condition for success. While countries with high literacy rates such as Denmark, Norway, Finland, or Germany have not established (yet) a concrete strategy for financial education by the government; countries with lower financial literacy levels, including Spain and Italy, are following one. In Finland, for instance, although The Bank of Finland presented an inspiring draft for the first national strategy of financial education in 2021, the country has not yet integrated it into its political and legal system. Nevertheless, with financial literacy

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7 https://www.ebf.eu/wp-content/uploads/2020/11/EBF-Financial-Literacy-Playbook-for-Europe.pdf

8 Retrieved from Eurostat: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Participation_of_young_people_in_education_and_the_labour_market

9 European Banking Federation (EBF). 2021. Financial Literacy Playbook for Europe. Retrieved from: https://www.ebf.eu/wp-content/uploads/2021/01/EBF-Financial-Literacy-Playbook-for-Europe.pdf

10 *Ibíd*

11 Ibíd

12 Finance Finland, 2022. Retrieved from: https://www.finanssiala.fi/en/

13 Global Money Week, 2022. Retrieved from: https://globalmoneyweek.org

as compulsory at school and encouraging cooperation between public and private actors, Finland ranked 8/140 at the S&P Global FinLit Survey in 2014[14] and 2/31 at OECD 2016[15]. Therefore, we observe that the common grounds among countries with best practices are not their educational policies and institutional frameworks *per se*, but (1) effective incorporation of financial education in compulsory education's curriculum; (2) formal synergies in post-compulsory education; and (3) non-formal educational initiatives (e.g. Global Money Week[16]).

[14] S&P FinLit Survey means The Standard and Poor's Ratings Services Global Financial Literacy Survey, the largest most comprehensive global measurment of financia literacy. It proves knowledge of four basic financial concepts: risk diversification, inflation, numeracy, and interest compunding. Retrieved from GFLEC website (Global Financial Literacy Excellence Center, 2022).

[15] OECD means Organization for Economic Co-operation and Development, and their ranking measures the levels of financial literacy in the population as a key component of a successful national strategy for financial education. Retrieved from OECD 2016 Report. https://www.oecd.org/daf/fin/financial-education/OECD-INFE-International-Survey-of-Adult-FInancial-Literacy-Competencies.pdf

[16] Participating Countries Global Money Week. All countries mentioned with best practices (Norway, Denmark, Finland, Germany, and the Netherlands) are participating. Retrieved from: https://www.globalmoneyweek.org/countries.html

1. TOWARDS FINANCIAL LITERACY

Financial Literacy in Compulsory Education

This section focuses on the impacts of introducing financial literacy throughout the compulsory education curricula. We conduct a brief overview of the benefits when implementing compulsory literacy education at young ages; jointly with the best practices of countries that have already integrated financial literacy as an independent subject or as a connecting thread for their multidisciplinary curriculums.

Nowadays, despite the lack of research and literature on the effects of financial literacy on compulsory education, different studies confirm that school-based financial education programs can improve children's and teenagers' financial knowledge and attitudes[17]. There is growing literature showing that a well-specific and properly implemented program in financial literacy can positively and significantly influence the financial knowledge of high school students[18]. However, as the Organization for Economic Co-operation and Development stands, it is still not easy to properly measure effects such as "consumer awareness" or "changed behavior" due to: insufficient years of analysis (recent incorporation of financial concepts in schools), a limited amount of countries with compulsory financial education, and the costs of these respective studies[19]. With this in mind, more efforts and resources are needed to strengthen studies on the long-term effects of compulsory financial education.

Going back to the models of the best-performing nations in financial education, (Denmark, Finland, Norway, Sweden, Germany, and the Netherlands) we observe that all of them have financial literacy in schools as an integrated part of the curriculum through other subjects rather than as an independent course. The political spheres of the mentioned countries share the sense of responsibility to educate and enlighten their young people about the challenges that they will face in the future. Hence, their schools take this responsibility seriously by integrating financial literacy into their formal curricula and other non-formal educational arrangements[20].

Focusing on the introduction of financial literacy in compulsory education, in Finland, curricula and study materials are offered by the state to children from early primary school, all the way up to 18 years old. Similarly, in Denmark and Norway, financial literacy is an integrated part of the curriculum, taught by teachers as part of Mathematics and Social Science classes. In Sweden, the school curriculum is decided by the Swedish National Agency for Education, and financial literacy is also a compulsory subject at schools, up to 18 years old, taught in "housecraft" (domestic science, home economics), mathematics, and civic education classes[21].

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[17] Amagir, Groot, Maassen Van Den Brink, and Wilschut. 2017. A review of financial-literacy education programs for children and adolescents. SAGE journals. Volume 17 Issue 1. https://journals.sagepub.com/doi/10.1177/2047173417719555

[18] Walstad, Rebeck, and MacDonald. 2010. The Effects of Financial Education on the Financial Knowledge of High School Students. Wiley Online Library. https://onlinelibrary.wiley.com/doi/full/10.1111/j.1745-6606.2010.01172.x

[19] OECD. Organization for Economic Co-operation and Development. 2022. https://www.oecd.org

[20] Statement by Karsten Lauritzen, Danish Minister of Taxes. Retrieved from: https://www.globalmoneyweek.org/countries/155-denmark.html

[21] European Banking Federation. 2020. Financial Literacy Playbook for Europe. Retrieved from: https://www.ebf.eu/wp-content/uploads/2021/01/EBF-Financial-Literacy-Playbook-for-Europe.pdf

More specifically, as stated in the national Swedish curricula, teaching in "*home and consumer studies*" contributes to pupils developing knowledge of legal conditions concerning savings, credit, and loans. In this way, pupils should are given the preconditions to make well-grounded choices in terms of personal finances and be able to handle the different problems and situations that young consumers may face[22]. Some of the core content that the curriculum follows, revolves around consumption and personal finance: (1) finance, saving, and consumption for young people; (2) the difference between advertising and objective information for consumers; (3) price comparisons on ordinary goods; (4) buying over the internet, borrowing money, buying on credit or hire purchase and subscriptions; (5) household finances and calculating costs; and (6) rights and obligations of consumers, among other areas.

Keeping this in mind, we relate the educational curricula of these countries and their levels of financial literacy with the positive impacts that different studies have identified when introducing financial education in schools. As researchers from multiple universities in the Netherlands argue in the literature review "*A review of financial literacy education programs*"[23], financial literacy in schools can enhance youngsters' capabilities as economic citizens[24]. Further interesting conclusions from this study are that financial education programs may also be effective in reducing the gender gap, and students seem to better experience the impact of their financial decisions by actively participating in the learning process — thus promoting "experimental learning" and "learning by doing".

In conclusion, the integration of financial education into school curricula has the potential of preparing students for the financial challenges they will face in adulthood. Moreover, the benefits of financial literacy in compulsory education could extend beyond personal finance. As we have previously seen, financially literate individuals are better equipped to make informed decisions about investments, entrepreneurship, and other economic activities that drive the growth of economies. Therefore, financial literacy education not only benefits individuals but also contributes to the development of their respective countries' economies.

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[22] Skolverket. 2022. Curriculum for the compulsory school, preschool class, and school-age educare. Retrieved from: https://www.skolverket.se/download/18.31c292d516e7445866a218f/1576654682907/pdf3984.pdf

[23] Amagir, Groot, Maassen Van Den Brink, and Wilschut. 2017. A review of financial-literacy education programs for children and adolescents. SAGE journals. Volume 17 Issue 1. https://journals.sagepub.com/doi/10.1177/2047173417719555

[24] Ibíd

Formal Synergies in post-compulsory education

Formal synergies in post-compulsory education are partnerships between the educational sector (universities, colleges, vocational schools, and training centers) and the private/public sector, institutions, or organizations (banks, corporations, small and medium businesses, public authorities, NGOs, IOs, etc). The increased involvement of both the private and public sectors with formal learning opportunities – allowing work experience as an integral part of the formal training package – is seen to improve the workplace relevance of education and training provision[25].

Focusing on the private sector, the idea of post-compulsory education centers and businesses coming together through cooperative education programs is neither new nor limited to most European countries. Nowadays, multiple studies are visualizing the growing concern about the future of work and the effectiveness of undergraduate academic programs due to constant changes in the workplace[26]. Therefore, there is important literature focusing on the gap between the acquired university curriculum and the requirements of the job market. In parallel, these same studies explore how compulsory internships and apprenticeships during post-compulsory education could be an attractive strategy to reduce this gap and reinforce young graduates' professional prospects[27].

As an example, the Eramus+ fund in traineeships abroad for students[28] would be a further promotion for enhancing formal synergies in post-compulsory education. As the European Commission argues, traineeships abroad can greatly improve youngsters' knowledge, skills, and competencies that employers are looking for. The Commission points out benefits for both students and recent graduates, and companies. On one hand, youngsters can develop entrepreneurial and creative skills highly valued by future employers — thus implying financial self-management—; as well as improve foreign language skills, interpersonal and intercultural teamwork skills, and gain a deeper understanding of another country and culture. On the other, for companies, trainees can provide new international perspectives, innovative ideas, and active support; new insights into their home culture enhancing new opportunities and networks; and employees also learn from an international trainee through interaction[29]. In short, the enrichment that cooperative education can offer to both youngsters and the private sector has the potential to prove the importance of promoting formal synergies in post-compulsory education for the financial empowerment of young people.

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[25] UNESCO. 2006. *Synergies between formal and non-formal education. An overview of good practices.* Section for literacy and non-formal education. UNESCO. Retrieved from: https://unesdoc.unesco.org/ark:/48223/pf0000146092
[26] Kapareliotis, I., Voutsina, K. and Patsiotis, A. (2019), "Internship and employability prospects: assessing student's work readiness", *Higher Education, Skills and Work-Based Learning*, Vol. 9 No. 4, pp. 538-549. https://doi.org/10.1108/HESWBL-08-2018-0086
[27] Aljohani, Aslam, Khadidos, Hassan. 2022. Bridging the skill gap between the acquired university curriculum and the requirements of the job market: A data-driven analysis of scientific literature. Retrieved from: https://www.sciencedirect.com/science/article/pii/S2444569X22000300
[28] European Commission. Traineeships abroad for students. Eramsmus+. Retrieved from: https://erasmus-plus.ec.europa.eu/opportunities/opportunities-for-individuals/students/traineeships-abroad-for-students
[29] *Ibíd*.

The public sector is another branch that can greatly benefit from these synergies with post-compulsory educational institutions is the public sector. When students do their internships at public agencies, they are in touch with financial literacy topics. Their tasks and projects go from data analysis and research to public outreach and community engagement, and regardless of the department, all assignments are in direct or indirect contact with financial literacy concepts. Consequently, students who engage with these synergies with public institutions gain valuable and recognized experience working in a public service environment, while at the same time learning and increasing their knowledge and skills about money management, budgeting, saving, investing, and borrowing. Furthermore, youngsters have the opportunity to network with professionals in the field and gain a better understanding of the financial role that the public sector has in our society. In short, by the educational sector and the public sector working together, they can create a pipeline of well-prepared, motivated, skilled, and financially literate young professionals who are really to tackle the challenges of the future.

Specifying how internships in post-compulsory education can empower the financial literacy of youngsters, a variety of positive impacts can be highlighted. Internships enable students to acquire skills that cannot be stimulated in the classroom environment through practical experience[30]. Hence, internship programs during university, for instance, by offering undergraduates an introduction to a workforce experience, can provide an understanding of financial concepts, and self-awareness related to personal finances, and enable them with the confidence to apply as well as share financial literacy information[31]. Findings in empirical research indicate that cooperative education can be used as a vehicle for linking theoretical knowledge and practice and enhancing student employability upon graduation[32]. For instance, when discussing the positive correlation between vocational education and the quality of a national economy and financial literacy, the performance of the German economy is often conceived as a reference starting point. In the face of recessionary forces across all of Europe, the German economy has maintained a very even keel, and unemployment has not been an overwhelming concern[33]. Apart from Germany, other countries such as Austria, Switzerland, and Denmark, also count with dual educational systems and, in parallel, low unemployment rates[34]. In general, vocational education is designed to ensure that workers have job-related skills that make them immediately useful to firms. Hence, under dual-training/educational systems, youngsters combine on-the-job training with formal learning methodologies at vocational schools[35] – thus being a perfect example of formal partnerships between the private and the educational sector in post-compulsory education.

[30] Ismail, Z. 2018. Benefits of Internships for Interns and Host Organizations. Knowledge, evidence, and learning for development. Retrieved from: https://assets.publishing.service.gov.uk/media/5b3b5de3ed915d33c7d58e52/Internships.pdf

[31] *Ibíd.*

[32] Mihail, D.M. (2006), "Internships at Greek universities: an exploratory study", *Journal of Workplace Learning*, Vol. 18 No. 1, pp. 28-41. https://doi.org/10.1108/13665620610641292

[33] Hanushek, Eric A. (2012) : Dual Education: Europe's Secret Recipe?, CESifo Forum, ISSN 2190-717X, ifo Institut - Leibniz-Institut für Wirtschaftsforschung an der Universität München, München, Vol. 13, Iss. 3, pp. 29-34

[34] Eurostat, 2011. Retrieved from: https://ec.europa.eu/eurostat/documents/3217494/5728777/KS-HA-11-001-EN.PDF

[35] European Comission. Vocational education and training initiatives. Retrieved from: https://education.ec.europa.eu/education-levels/vocational-education-and-training/about-vocational-education-and-training

In conclusion, debates on dual educational systems and formal partnerships between the private sector and educational institutions demonstrate the need for viable mechanisms ensuring constant financial education and learning-by-doing strategies throughout both post-compulsory education and professional careers[36]. Through so-called life-long learning and a transfer of knowledge into experience, previous theoretical and financial educational expertise could be efficiently adapted later in life. Multiple studies suggest that professional internships provided by High education institutions and firm partnerships play a crucial role in the exchange of knowledge, and innovation, as well as in students' entry into a labor market characterized by strong competition and relational aggressiveness[37]. Moreover, these findings also share the idea that formal curricula internships are important not only for career readiness but also for life readiness. Following this line, and to wrap up with a broader overview of the spill-over benefits of formal educational internships, UNESCO also argued that synergies in the form of partnerships play an important bridging role in generating community acceptance as well as cooperation, coordination, and interaction across development streams and between different civil society partners[38].

[36] *Ibíd*.

[37] Franco, M., Silva, R., Rodrigues, M. 2019. "Partnerships between higher education institutions and firms: The role of students' curricular internships". SAGE Journals. Retrived from: https://journals.sagepub.com/doi/abs/10.1177/0950422218819638

[38] UNESCO. 2006. Synergies between formal and non-formal education. An overview of good practices. Section for literacy and non-formal education. UNESCO. Retrieved from: https://unesdoc.unesco.org/ark:/48223/pf0000146092

Non-Formal Educational Initiatives

Non-formal educational initiatives are synergies, projects, and intersectional collaborations outside of the formal curricula, between private or non-profit sectors and individuals or other educative organizations/institutions. Nowadays, there is a growing number of extracurricular and out-of-school programs that support an environment conducive to effective financial education for children and young people. As we have seen in previous sections of this policy briefing, countries with high literacy levels, apart from formally introducing financial education at school, also have a wide recognition of non-formal financial educational activities. Hence, in this section, we focus on the benefits that non-formal initiatives can have with financial literacy rates among youth and some examples that are already in place.

As the OECD/INFE argues in many of their technical assistance projects for financial literacy, the mindful use of financial education, digital and visual media, and interactive delivery channels are best placed to offer engaging learning experiences for youth[39]. Observing OECD's general perspectives on non-formal learning, they emphasize multiple benefits from its recognition: economic (reducing the direct and opportunity costs of formal learning and allowing human capital to be used more productively), educational (allowing people to complete formal education more quickly), social (improving equity and strengthening access to both further education and the labor market for disadvantaged groups), and psychological (making individuals aware of their capabilities and validating their worth)[40]. Following this line of argument, in the study by the researcher M.E. Paduraru from the Bucharest University of Economic Studies in Romania, she argues that non-formal economic education brings a number of direct benefits to students: opportunities for capitalizing life experiences, skills, and abilities necessary for life, but also access to a better-paid job. However, at the same time, the disadvantages of non-formal initiatives would be that these types of programs are sometimes too flexible, that they focus on short-term goals, and the lack of organized structure in teaching strategies[41]. In the same way, research by the European Youth Forum on the impact of non-formal education also recognizes that recognition of non-formal and informal learning is still marginal and its procedures require improvement[42].

Within these non-formal initiatives, multiple actors can be identified: youth organizations, youth associations, banking associations, NGOs, public authorities, enterprises, and educational institutions, among others. And the synergies between these actors and individuals result in many innovative activities that have the potential to foster financial literacy among other essential life skills. Hence, after researching the countries with the best levels of financial literacy and their respective non-formal financial education networks, we observe certain common patterns.

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[39] OECD. Boosting Financial Literacy in CIS. Retrieved from: https://www.oecd.org/financial/education/globalpartnerships/cis/Boosting-Financial-Literacy-in-CIS-Overview-and-Lessons-Learned.pdf

[40] OECD. Recognizing non-formal and informal learning: outcomes, policies, and practices.

[41] M.E. Paduraru. Managing Formal, Non-Formal, and Informal Economic Education. Bucharest University of Economic Studies, Romania. Review of International Comparative Managmement. Retrieved from: https://www.rmci.ase.ro/no14vol4/11.pdf

[42] European Youth Forum and Bath University/GHK Consulting. Study on the impact of non-formal education in youth organizations on young people's employability. Retrieved from: https://www.ambitia.eu/wp-content/uploads/2019/02/1%20Impact%20od%20NFE%20in%20employability%20-%20study.pdf

All Finland, Denmark, Norway, and Sweden have a main banking association in the country (Finance Finland[43], Finance Denmark[44], Finance Norway[45], and Swedish Bankers' Association[46]). Among the priorities of all these associations, they all highlight financial literacy. Finance Finland (FFI), for instance, considers that it is important for every Finn to be capable of managing his or her personal finances. Consequently, FFI supports the nationwide improvement of financial skills in cooperation with other Finnish organizations and associations[47]. On the same path, Finance Denmark also works towards ensuring that every part of society, but especially children and young people, gains a good understanding of money and financial affairs early on in life[48].

These banking associations represent banks, life, and non-life insurers, fund management companies, finance houses, employee pension companies, and securities dealers, among others[49]. Their mission is to influence the regulation and decision-making that affects the financial sector. In parallel, they also have their channels for direct action through initiatives, projects, funding, or synergies such as the ones we will see below[50]. Despite, indeed, that the ability of the private sector to contribute to and make financial information available is limited since the teaching curricula are strictly regulated and provided via institutional channels[51], they can still reach out to youngsters through non-formal synergies and networks such as these banking associations, as well as through scholarships or internship programs. For instance, as we have seen at the beginning of this policy briefing, Finance Denmark is actively contributing to youth financial empowerment in the country through the Danish Money Week "Pengeuge", the organization of a national quiz about money, the supply of updated teaching materials sent to schools each year, etc. Concluding, the existence of banking associations can push the interest of different stakeholders in reaching out to all different communities with financial education. In this way, associations give opportunities to benefit from the actions and initiatives that are taken by the industry, national authorities, and other stakeholders such as NGOs[52]

Apart from these banking associations, we can also observe another cross-sectoral and non-formal synergy, shared among diverse European countries: Junior Achievement (JA). Founded in 1919, JA is a global non-profit association committed to inspiring and preparing youngsters through the delivery of experiential learning programs in the areas of work readiness, financial literacy, and entrepreneurship to youngsters from ages 5 to 25. JA has initiated many programs and partnerships around Europe: "Fit for Life" (Luxembourg), "Economics for Success" and "Run Your Own Life" (Finland), "Your Finance, your future" (Spain), "More than Money" (Cyprus), "Banks in Action" (Greece), among others. The common ground of these programs is their hands-on experience methodology. They are designed to teach young people about personal finance, entrepreneurship, and business skills, and they are organized around the world with multiple stakeholders, thus expanding their reach while at the same time making financial literacy as inclusive as possible.

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[43] Finance Finland, 2022. Retrieved from: https://www.finanssiala.fi/e
[44] Finance Denmark, 2022. Retrieved from: https://financedenmark.dk
[45] Finance Norway, 2022. Retrieved from: https://www.finansnorge.no/en/
[46] Swedish Bankers' Association. 2022. Retrieved from: https://www.swedishbankers.se/en-us/
[47] Finance Finland. 2022. Financial Literacy should be learned as a basic skill. Retrieved from: https://www.finanssiala.fi/en/topics/financial-literacy/#/
[48] European Banking Federation (EBF). 2021. Financial Literacy Playbook for Europe. Retrieved from: https://www.ebf.eu/wp-content/uploads/2021/01/EBF-Financial-Literacy-Playbook-for-Europe.pdf
[49] Finance Finland, 2022. Retrieved from: https://www.finanssiala.fi/e
[50] *Ibíd*.
[51] *Ibíd*.
[52] European Banking Federation (EBF). 2021. Financial Literacy Playbook for Europe. Retrieved from: https://www.ebf.eu/wp-content/uploads/2021/01/EBF-Financial-Literacy-Playbook-for-Europe.pdf

Apart from the non-formal initiatives offered by banking and youth associations, there are other actors promoting innovative strategies for youth financial empowerment. For instance, we have multiple NGOs and educational organizations organizing financial education workshops and trainings for young people or educators, covering topics such as budgeting, savings, and investments. Some concrete examples can be found in the Erasmus+ project results of the EU website[53], the database that presents the details and outcomes of projects funded under the Erasmus+ program, and SaltoYouth Toolbox[54], the online catalog where anyone can find and share training tools for increasing the quality of educational methods.

Jointly with the financial education trainings and workshops, we can also identify financial literacy games, podcasts, newsletters, tv-series… Taking Germany as a pioneer model, the banking association *Bundesverband deutscher Banken, BdB* uses a digital newsletter to provide the youth sector with information on financial education opportunities and pedagogic resources. Moreover, BdB also promotes interactive financial games such as (1) the role game "All around money" in which youngsters find out which type of money-person theta re and playfully familiarise themselves with finance, and (2) "Get Ready", a program for youngsters to see what they might wish to do professionally in the future. In short, these examples are the tip of the iceberg of an extensive variety of non-formal and informal activities around Europe that target youngsters and their financial empowerment out-of-school.

Finishing with this section, an OECD report on financial education points out that it is important to start financial education early, following structural approaches and taking into account learners' age and cognitive, social, and psychological development. It also stresses the idea that experiential learning has greater chances to support positive financial behavior and empowerment. Consequently, since non-formal education is defined for its interactive, dynamic, and learning-by-doing methodologies compared to formal compulsory education, out-of-school initiatives are shared to have an added value when financially empowering youth. As an important non-formal research community argues and non-formal organizations/associations report, out-of-school educational projects, and initiatives can have the potential of (1) reaching a wide diversity of youngsters, (2) better engaging youngsters due to their non-formal methodology, and (3) increase youngster's retention of financial concepts, knowledge, and skills due to its practical approach and hands-on experience.

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[53] EU. Erasmus+ project results. Retrieved from: https://erasmus-plus.ec.europa.eu/projects
[54] SaltoYouth. Toolbox. Retrieved from: https://www.salto-youth.net/tools/toolbox/

2. Towards financial literacy for disadvantaged youngsters

In this final section we focus on the double jeopardy that disadvantaged youngsters face for their financial empowerment (lack of a financial education approach among youth at an early age, jointly with their physical/social/cultural/economic limitations), and which initiatives can be implemented to boost it.

Some studies have shown that there are large socioeconomic gaps when it comes to financial literacy among youth. Children from advantaged socio-economic backgrounds, compared to their disadvantaged peers, are much more likely to report that they have been taught skills such as: working out change after going shopping, saving money, and the difference between the things we "need" and the things we "want" to buy[55]. A study by UCL researchers that measured the financial capabilities and behavior of British youngsters between 7-17 year-olds through a series of questions relating to finance, concluded that the financial skills of 15-year-olds from socio-economically disadvantaged backgrounds are similar to 11-year-olds from the most advantaged backgrounds. Hence, the leading researcher of the study, Professor John Jerrim, argued that given young people from disadvantaged backgrounds are most likely to struggle financially during adulthood and become trapped in a cycle of poverty and debt, much more needs to be done to reduce the financial knowledge gap.

Keeping this in mind, non-formal initiatives are offered as an alternative path for the empowerment of disadvantaged youngsters. According to the Council of Europe, non-formal education, together with youth work, has proved to be a way of helping young people from disadvantaged neighborhoods to overcome the disadvantages they experience and to become active contributors to the development of their communities and society[56]. Hence, by providing practical financial skills, resources, and support, informal educational activities can help them to achieve financial stability, create economic opportunities and improve their overall well-being. Despite many studies sharing that financial literacy is essential for everyone's daily lives, there is a special focus on its need for disadvantaged youngsters, since it can make all the difference in breaking the cycle of poverty, difficulties, exclusion, or discrimination and achieving financial stability[57].

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[55] Jerrim, 2022. Financial literacy part 4: Do disadvantaged children receive enough financial education in school? Retrieved from: https://blogs.ucl.ac.uk/ioe/2022/02/11/financial-literacy-part-4-do-disadvantaged-children-receive-enough-financial-education-in-school/

[56] Council of Europe. Supporting non-formal education and youth work. Retrieved from:https://www.coe.int/en/web/enter/non-formal-education-youth-work

[57] Jerrim, 2022. Financial literacy part 4: Do disadvantaged children receive enough financial education in school? Retrieved from: https://blogs.ucl.ac.uk/ioe/2022/02/11/financial-literacy-part-4-do-disadvantaged-children-receive-enough-financial-education-in-school/

A general problem that has been identified is the lack of recognition and resources that non-formal education and youth work receive[58]: (1) non-formal education and youth work do not get enough social and political recognition, (2) competencies acquired through non-formal education are not recognized, and (3) youth workers are often considered as "low-status" professionals. Hence, if these methodologies do not receive enough support, neither will young people from disadvantaged backgrounds, since they are the population that has been proven to be mainly benefiting from them.

A more precise example of the non-formal initiatives for disadvantaged youngsters would be the "More Than Money" program, from JA Europe. As was mentioned previously in the policy briefing, JA Europe is a non-profit organization that offers educational programs to young people across Europe. Their "More Than Money" program aims to foster financial education and entrepreneurship skills in disadvantaged youth, and they have differentiated programs according to the age and the youngsters' characteristics they are targeting. The program includes interactive activities and games, as well as mentorship and coaching opportunities, and participants are expected to identify the role of money in everyday life, think like entrepreneurs and identify small businesses they can start, learn the basic steps of starting a business, and explore the opportunities of global markets, among other skills. Among other programs from JA, there is the Start-Up program, in which young people between 19-30 years old are given the opportunity to experience running their own company, giving them an insight into how their talents could be used to set up in business for themselves.

Further examples of non-formal synergies, apart from the ones mentioned in the section "Non-formal educational initiatives" would be Erasmus+ programs such as "Erasmus for Young Entrepreneurs", "European Youth Together", "Learning Mobility of Individuals", and "Cooperation among Organizations and institutions", among other programs. Through these programs, the Commission is sharpening its focus on vulnerable groups such as youth of racial and ethnic minorities or young people with disabilities. In fact, through the new European Youth Strategy, a triple budget has been allocated for the 2021-2027 period, with a special focus on people with fewer opportunities[59]. nd employment programs. Following this line, other inspiring initiatives increasing their popularity are mobility plans for comprehensive qualification and employment programs (e.g. PICE Mobility Plan provided by the Spanish Chamber of Commerce). These programs, inspired and based on the Youth Entrepreneurship and Employment Strategy, have the objective of providing opportunities for personal and professional development to young people through three or six-month internships. Young people who participate in these programs receive financial assistance for subsistence and mobility[60]. Thus, this allows equal conditions for young people, regardless of their background, to gain experience and financial skills, knowledge, and behaviors.

[58] Council of Europe. Supporting non-formal education and youth work. Retrieved from:https://www.coe.int/en/web/enter/non-formal-education-youth-work

[59] European Parliament. New Erasmus: more opportunities for disadvantaged youth. Retrieved from: https://www.europarl.europa.eu/news/en/press-room/20190218IPR26760/new-erasmus-more-opportunities-for-disadvantaged-youth

[60] Spanish Chamber of Commerce. PICE. Retrieved from: https://empleoygarantiajuvenil.camara.es/es

Finally, another good practice shared among multiple countries that can powerfully benefit disadvantaged youngsters is European Money Week. It is an annual initiative, and it celebrates financial education and raises awareness about money and finances. Throughout the week, many financial education events are organized across Europe by national banking associations and the European Banking Federation. It is aligned with OECD's Global Money Week, involving young people from multiple countries with activities ranging from teaching sessions, seminars, conferences, and the European Money Quiz[61]. This quiz could also be considered a model for a non-formal financial activity. It is the biggest European-wide competition that aims at improving financial literacy among 13-15-year-old students[62]. Concluding, thanks to the non-formal structure of European Money Week, it can promote financial education among disadvantaged youth through social media campaigns, competitions, and challenges, gaming and stimulations, mentorship programs, webinars, and workshops… Through these informal initiatives, disadvantaged youth will be able to better connect with dedicated youth workers or financial professionals who can offer guidance and support, increase interest in financial literacy through content and resources share online, the practical development of their financial skills… Hence, these positive dynamics that can be identified in the European Money Week can be extrapolated to other activities that will potentially share an informal nature, and that are sufficiently diverse to ensure the inclusion of disadvantaged youth[63].

Therefore, all this being said, there is proof of the important role of youth work and non-formal initiatives for the financial empowerment of disadvantaged youth. By providing access to financial education resources through non-formal activities and training, youth work programs can help to ensure that disadvantaged youth have the skills and knowledge they need to succeed financially[64]. By transferring to disadvantaged youth good financial habits, youth workers can set a path toward financial stability. Simultaneously, youth workers can promote entrepreneurship and a proactive mindset, since with adequate financial knowledge, skills, and attitudes, they are also introducing youth to their capacities of self-employability[65]. Moreover, by building networks and connections with successful entrepreneurs, financial mentors, and other coaches, youth work is providing guidance and support, thus building disadvantaged youth's confidence and self-esteem, with a direct positive impact on their overall well-being[66]. Consequently, and in conclusion, the mentioned benefits of youth work and non-formal initiatives can be extrapolated for the empowerment of disadvantaged youth to take control of their finances and make informed decisions about their financial futures, thus ensuring the skills and support they need to succeed in the modern economy.

[61] EBF. What is European money week? Retrieved from: https://www.ebf.eu/europeanmoneyweek/
[62] EBF. The Europaen money quiz 2023 is coming on 15 & 16 May 2023. Retrieved from: https://www.ebf.eu/priorities/financial-education/european-money-quiz/
[63] Ibíd.
[64]Based on: Council of Europe. Supporting non-formal education and youth work. Retrieved from:https://www.coe.int/en/web/enter/non-formal-education-youth-work
[65] Cyril Awogbenle and Chijioke Iwamadi. Youth unemployment: entrepreneurship development programme as an intervention mechanism. Retrieved from: Youth unemployment: Entrepreneurship development program
[66] Based on: OECD. Expanding the networks of disadvantaged entrepreneurs. Retrieved from: https://www.oecd.org/cfe/leed/Expanding%20the%20networks%20of%20disadvantaged%20entrepreneurs.pdf