

FSC TO WORK ON IMPROVEMENTS TO FINANCIAL EDUCATION PROGRAMS

Vice Chairman Sohn Byungdoo presided over the first financial education council meeting on April 29, in which the council decided on the plans for improving financial education.

BACKGROUND

A new legislation on financial consumer protection, which will take effect from March 25, 2021, establishes a legal foundation to provide financial education to consumers. Over the years, financial education has become more widely available in Korea in response to structural changes in the economy, such as households' increasing dependence on debts and the growing importance of personal asset management amid aging society and prolonged low interest rates.

Against this backdrop, the FSC carried out surveys and focus group interviews last year to assess current situations, and the results revealed that despite wide availability of financial education, the quality of educational contents, delivery channels and instructors has been lagging. Thus, the council on financial education plans to work on improving the organization and effectiveness of financial education through an enhanced level of cooperation between the public and private sectors.

PLANS FOR IMPROVING FINANCIAL EDUCATION

- ▶ **CONTENTS:** a) Design a set of financial literacy indicators to help develop and manage educational contents in a more systematic way, b) Draw up plans for contents development every year to maintain the timeliness of the contents, c) Ensure credibility through a contents certification system
- ▶ **CONTENTS DELIVERY CHANNELS:** a) Make sufficient class spaces available for financial education throughout the country, b) Set up an online one-stop contents site which offers answers to the finance-related questions in everyday life, c) Make educational contents available through different platforms based on the different needs of consumers
- ▶ **INSTRUCTORS:** a) Work on establishing a more systematic management of professional instructors, b) Make training programs more widely available for school teachers

- ▶ **EDUCATIONAL METHODS:** Promote diverse educational programs based on the needs of different consumer groups (e.g. youth, elderly, financially vulnerable individuals, etc.)
- ▶ **SCHOOL PROGRAMS:** a) Develop financial educational programs that can be delivered at middle school classes, b) Provide opportunities for at least two hours of financial education from outside private-sector channels for middle school and high school students
- ▶ **IMPLEMENTATION FRAMEWORK:** a) Draw up annual plans for financial education through working groups centered around the council, b) Establish a financial education center tasked with overseeing the contents certification system and maintaining the one-stop online contents site, c) Promote the development of regional financial education networks

FURTHER PLANS

The FSC will continue to seek ways to improve the financial education system based on the key plans introduced today.

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