



# National Strategy for Financial Literacy in Latvia 2021-2027

2021

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# 1. Description of the current situation

## 1.1. Description of the Financial Literacy Strategy 2014–2020

The National Financial Literacy Strategy in Latvia 2014–2020 (hereinafter – FLS 2014–2020 or the Strategy)<sup>1</sup> was the first strategic document in Latvia describing the desire of the Latvian state and society to create orderly economic relations and financial environment. The document focused on each person's financial knowledge and choice of action as an important factor in achieving sustainable financial stability and prosperity at the individual and society level. It set out a common strategic approach to gradually raise the level of financial literacy of the population over the medium term.

FLS 2014–2020 was addressed to providers and developers of financial and economic educational activities in Latvia. It envisaged that the goal of the Strategy would be achieved through the implementation of activities by partners in the development of public education content, development and promotion of lifelong learning content and knowledge testing tools, as well as in cooperation projects between the involved state and municipal institutions, educational institutions of various levels, non-governmental organisations (NGOs), professional associations in the financial sector and financial and capital market members, including the activities and support of international partners. Thus, the FLS 2014–2020 set a focus on financial literacy and education, addressing it to the groups of society that are included in the educational processes and are accessible to those who provide education.

An important place in the architecture of FLS 2014–2020 was for the vision of how the Strategy developers (stakeholders' experts) saw the ideal status in the selected positions of financial literacy characteristics. According to the vision, the Strategy makers<sup>2</sup> selected and defined its goals, areas of activity and objectives.

The strategy set three goals: **the tradition of financial planning and savings (1), the integrity of the financial services environment (2), and the financial sustainability and development of society (3)**. Directions and corresponding objectives were defined according to the goal. In total, the Strategy defined 17 objectives, their implementers, target groups, source of funding, implementation period. The sources of funding were mostly either the funding of the Strategy development partners or the European Union

(EU) funds, while the resources or funding of the Ministry of Welfare (MoW), the Ministry of Economics (MoE), the Ministry of Finance (MoF) and the Ministry of Education and Science (MES) were for the implementation of three objectives.

Objectives grouped according to their aims as follows:

- **improvement of financial education** at all levels of education, addressing them both to learners (from pre-school age to university) and to teachers involved in the educational process;
- **promotion of informative and awareness-raising activities** (both counselling and specialised portals with informative and educational content) for the general public on aspects related to both individual financial management (for example, choosing the right principles for planning finances at different stages of the life cycle, including critical situations), and the choice of specific financial services and financial management instruments;
- **improvement of the financial services environment** by promoting the establishment of good practice of service provision, information and customer relationship building (development of codes of ethics, customer relationship management strategies, customer rights protection mechanisms against aggressive commercial practice, etc.);
- **development of expert-level knowledge and skills** regarding the financial services environment (financial services development trends, with a special focus on non-bank lending), economic processes (economic news, economic developments and trends), including sustainability, by promoting intensive analytical and research activities in this field;
- **improvement of the regulatory environment** by analysing the possible impact of the laws and regulations on financial behaviour and proposing changes in laws and regulations or the practice of their application.

In general, when evaluating the activities referred to in the Strategy, it can be concluded that they more clearly described the necessary activities related to financial education, especially in the stages of formal education. At the same time, it was emphasised that there were circumstances in the current situation that limit (in the opinion of

<sup>1</sup> Please refer to [https://www.finansupratiba.lv/wp-content/uploads/2018/03/Strategijas\\_makets\\_final.pdf](https://www.finansupratiba.lv/wp-content/uploads/2018/03/Strategijas_makets_final.pdf).

<sup>2</sup> Strategy makers - financial literacy facilitation partners: The Financial and Capital Market Commission (FCMC) in partnership with the Bank of Latvia (BL), Ministry of Education and Science (MES), National Centre for Education (NCE), Consumer Rights Protection Centre (CRPC), BA School of Business and Finance (BA), as well as professional associations of financial service providers - the Association of Latvian Commercial Banks (since 2018 - Finance Latvia Association (FLA)) and the Latvian Insurers Association (LIA).

the Strategy developers) the possibilities to ensure the inclusion of financial and economic content in educational programmes to a sufficient extent. The circle of Strategy makers and implementers was relatively narrow, without significant additional resources for the implementation of goals and objectives. There was no reference in the Strategy to any support of the highest public administration institutions. Finally, this document did not contain strong enough levers to influence the behaviour of target groups

to motivate them to acquire knowledge and skills related to financial planning and the optimal and efficient use of financial services.

An analysis of the indicators chosen in the Strategy and their values shows that in some places there were no clear principles and criteria to justify the likelihood of achieving the intended results, including to clearly defined set of activities that should be carried out to achieve certain measurable results.

## Description of FLS 2014–2020: strategy vision, goals, objectives, addressees and indicators

### Whose needs must be met:

- the legislator;
- policy-makers;
- developers and financial service providers;
- society.

### Goals

#### What is a Strategy:

a document that sets out a common strategic approach to gradually raising the level of financial literacy of the population.

#### How:

by defining the goals to be achieved, the main directions and objectives, as well as the necessary resources and institutions involved in the implementation of these activities.

#### Addressees of the strategy:

providers and developers of financial and economic educational activities in Latvia (**insufficiently addressed to the general public, every individual who makes financial decisions**).

### Vision:

- every citizen knows the basics of financial planning and is able to create a balanced private/household budget;
- the majority of the population consciously makes savings and hedges against possible future risks;
- the majority of the population is financially independent and does not depend on state support, because they plan the material well-being of their old age in time and mainly rely on their own earned and accumulated money;
- the majority of the population is able to create a financially sustainable personal finance concept, being aware of their financial goals and their ability to achieve them;
- every citizen understands and considers the opportunities and risks of the financial sector and the free market economy, as well as is able to use the advantages to increase their level of prosperity;
- a significant part of the population is economically active and has an innovative approach, therefore they are competitive in the labour market both regionally and globally;
- a significant proportion of the population is able to provide advice and counselling to others on private financial matters, follow economic processes and encourage others to increase their wealth through financial literacy.

### Activities

#### Method of achieving the goals:

through the implementation of activities by partners in the development of public education content, development and promotion of lifelong learning content and knowledge testing tools, as well as in cooperation projects between involved state and municipal institutions, educational institutions of various levels, non-governmental organisations (NGOs), professional associations in the financial sector and financial and capital market members, including the activities and support of international partners. **Thus, the focus is on financial literacy and those groups of society that are included in educational processes.**

### Result indicators

Developed by the FCMC in partnership with BL, MES, NCE, CRPC, BA, Riga Technical University, School of Economics and Culture, University of Latvia, as well as professional associations of financial service providers - FLA and LIA.

The FLS 2014-2020 did not adequately reflect the mechanisms (including the leverage of policies and activities of involved parties) that may influence the behaviour of target groups to motivate them to acquire knowledge and

develop skills related to financial planning and the optimal and efficient use of financial services in accordance with their life-cycle goals, as well as for ensuring the sustainability of public finances and economic growth.

## 1.2. Benefits of experience in implementing the Financial Literacy Strategy 2014–2020

It should be noted that in the period of implementation of FLS 2014–2020, valuable experience has been gained both in the management of strategic processes and in the supervision of financial literacy processes. Positive experiences and benefits in terms of strategic process management include:

- a stable group of stakeholders has been formed, regularly participating in financial literacy development activities under the coordinating leadership of the FCMC, also extending and applying them to secondary groups (for example, teachers of social sciences, including economics);

- The FLS 2014–2020 Implementation Working Group has led activities that have ensured further awareness of the goals, objectives and approaches for the increase of financial literacy efficiency in various target groups, including by **creating a financial literacy index**, has ensured the preparation of study and methodological materials for financial education at the level of general education, as well as the development of a standard of financial literacy competencies for adults based on the recommendations of the Organisation for Economic Co-operation and Development (OECD) as guidelines for lifelong learning;

- co-operation with the OECD has been expanded, ensuring the representation of Latvia for co-ordination activities in the field of financial literacy, participating in international research and financial literacy policy-making activities;

- the financial literacy development activities planned and implemented by the involved parties, as well as participation in international financial literacy promotion activities aimed at raising public awareness of financial literacy issues and examining and improving the financial knowledge and skills of certain target groups, have been expanded.

Particular emphasis should be placed on the activity to assess changes in financial literacy status: the development of a financial literacy index (since 2014). It consists of a set of indicators - indices - that directly or indirectly describe financial behaviour. The index consists of the following sub-indices: financial services (1), savings (2), planning/budgeting (3), credit (4), pension (5), information and security (6), objectives (7). The maximum number of po-

ints in the index is 99, which is the sum of the values of all sub-indices. The value of the last financial literacy index (2019) was 21.7 points. This is an increase of 0.5 percentage points compared to the previous survey in 2015. The overall observation of the researchers of the index (2019) for the implementation period of the FLS 2014–2020 until 2019 is that the index shows an increase in sub-indices that characterise the use of a wider range of financial services, including insurance services, and household savings reserves. At the same time, there is a decrease in the planning/budget sub-index. This is interpreted by the index builders as an increase in leverage that encourages less scrupulous planning and freer handling of financial resources, but at the same time may indicate some limitations in the financial planning culture of target segments, which may have an impact on financial sustainability. On the other hand, improvements in the formation of pension savings have been pointed out as a positive accent in terms of sustainability, including a larger share of target groups of young people in this activity.

The overall conclusion about the index has been a good basis for assessing the overall effectiveness of the FLS 2014–2020. Both the index values and the explanations of the index studies provide valuable guidance that draws attention to linking several index or sub-index changes to the quality of financial literacy during the FLS 2014–2020 implementation period, providing an important addition to the Strategy's own goals, objectives and indicators. More extensive and in-depth quantitative and qualitative research is needed to make all-embracing use and interpretation of such sets of measures in terms of improving financial literacy (including in policy-making or planning of activities in the competence of stakeholders).

In the next strategy period, both the study of the financial literacy index and the measurement of household financial stability and sustainability, which is developed by including the household loan-to-deposit ratio, household deposits (as a percentage of gross domestic product (GDP)), and household interest payments (as a percentage of GDP), should be continued in the next strategy period); the average wage of employees compared to the previous period (net) and the unemployment rate, and used to describe the financial literacy situation as a set of precisely comparable macroeconomic indicators, should also be continued.

## 1.3. Linking the Financial Literacy Strategy 2014–2020 with the state planning documents

The FLS 2014–2020 outlines a number of features that should be taken into account in future strategic planning in this area. Important aspects in this context are the link with the national planning documents, the link of the leading implementers of the Strategy with the related policy-makers, the mechanisms, indicators and measurements of implementation of the Strategy.

The FLS 2014–2020 does not indicate a clear and close link with national medium- and long-term planning documents and policy-makers thematically related to the Strategy and support of upper management institutions. Analysing the planning documents such as the Financial Sector Development Plan (FSDP) and the National Deve-

lopment Plan (NDP), it can be seen that the subject of financial literacy is insufficiently emphasised.

The Financial Sector Development Plan 2014-2020 (FSDP 2014-2016)<sup>3</sup> and Financial Sector Development Plan 2017-2019 (FSDP 2017-2019) had been adopted in the implementation period of FLP 2014-2020<sup>4</sup>. The FSDP is a planning document in which, by the Ministry of Finance taking the leading role, the medium-term development directions of the financial sector policy are determined, the evaluation of the financial sector activity is provided, priorities and results to be achieved are determined.

A comparison of the two plans in terms of financial literacy shows that special emphasis is placed on financial literacy in the FSDP 2014-2016, defining financial literacy as a policy priority, by planning supportive activities such as developing financial literacy, with a particular focus on reducing consumer credit burdens and raising awareness of financial services.

On the other hand, in the FSDP 2017-2019 the financial literacy is not particularly emphasised. At the same time, aspects of financial literacy such as the quality of financial literacy and the related financial decision-making are important factors, influencing investment opportunities in the small and medium-sized enterprise (SME) sector. The document emphasises that companies in Latvia often lack a general understanding of the types of financing. Managers of start-ups and micro-enterprises lack general financial education, which makes it difficult for funders to assess these enterprises. The second aspect included in the FSDP 2017-2019 and the resulting objective is consumer knowledge in the field of consumer lending and objectives in education, especially in matters of responsible borrowing and debt management. Expected result is to ensure consumer awareness.

The overall conclusion about the link between FLS

2014-2020 and the financial sector development planning documents is that the cooperation between the authors of planning documents has been insufficiently coordinated and emphasised. In order to improve the situation, the creators and implementers of planning documents must create a substantive link between these planning documents.

The implementation period of FLS 2014-2020 was identical to the implementation period of the National Development Plan 2020 (NDP 2020). The FPS 2014-2020 includes a reference to the NDP 2020, while financial literacy and education issues in the NDP 2020 are only explicitly mentioned in the lines of action "Development of Competencies", emphasising that "to enable people to get and be employed in decent work and take care of themselves, their relatives and to contribute to the development of the country, different competencies (a set of knowledge, skills and attitudes) are needed", and mentioning skills such as financial planning, risk assessment and solutions. It is also emphasised that competencies need to be developed throughout life, as it is not possible to accurately predict future needs.

Some emphasis in the context of the NDP 2020 includes the importance related to financial literacy, such as the statement that it is important for the state to strengthen the resilience or adaptability to changing conditions, emphasising that "a person with sufficient security can find solutions to development and problems, not only to participate fully in the life of society. A person with insufficient security does not see opportunities for growth, feels threatened, does not trust others, does not see his/her connection with the state and does not participate in its life.. [...] We must create conditions for strengthening the security capacity of every Latvia resident, so that the society as a whole would benefit from the growth of the national economy and be ready for future challenges" (NDP 2020).

## 1.4. Processes and events influencing the situation of financial literacy (2014-2020)

Describing the factors influencing the status of financial literacy in Latvia in the FLS 2014-2020 period, the chronologically first event was **Latvia's accession to the euro area (1)** on 1 January 2014. In the case of Latvia, this process was not associated with such a negative effect in the perception of the population as an increase in prices. In turn, in the context of cross-border transactions and mobility, this had a positive effect on the financial balance of the residents and households of Latvia.

The dynamic growth in the number of mobile technology users, the rapid development of non-cash and electronic payments and the growing importance and share of remote financial transactions have contributed to **the digitalisation of financial products and services (2)**. Digitalisation creates new opportunities for financial education and the development of new financial skills, which,

together with access to new financial products and services for an ever-increasing public (one of the directions of financial innovation - to use mobile technologies to create new, intuitive, customisable products, which would also be available to those who have not been serviced by banks so far) increase **financial inclusion**.

At the same time, however, risks must be emphasised at the strategic level, which will also be relevant and significant in the Financial Literacy Strategy 2021-2027. The main risks are related to two factors: increasing criminal activity in the cyberspace versus the skills of ordinary technology users and their ability to identify and protect themselves from their effects (1), and the **risks of financial exclusion** for the elderly with a significant proportion of persons with a lack of knowledge on how to use digital technologies and will not learn to use them (2).

<sup>3</sup> Please refer to <https://likumi.lv/ta/id/265361-par-finansu-sektora-attistibas-planu-2014-2016-gadam>.

<sup>4</sup> Please refer to <https://likumi.lv/ta/id/289590-par-finansu-sektora-attistibas-planu-2017-2019-gadam>.

<sup>5</sup> Please refer to [https://www.pkc.gov.lv/sites/default/files/inline-files/20121220\\_NAP2020%20apstiprinats%20saeima\\_4.pdf](https://www.pkc.gov.lv/sites/default/files/inline-files/20121220_NAP2020%20apstiprinats%20saeima_4.pdf).

The digitalisation of financial services has been accompanied by the **rapid spread of non-bank lending services (3)** since the financial crisis (2008-2011) and especially since 2015. With mobile smart technologies - their channels, customer identification capabilities, applications and platforms - a significantly larger and rapidly growing number of customers was able to obtain a small loan in a very short time and 24 hours a day.

During the implementation of the Strategy, non-bank lending has repeatedly become the focus of Latvian policy-makers. Given that this industry was initially relatively less regulated and largely targeted at lower financial literacy groups, supplier-customer relationships developed with significantly higher supplier power. As a result, a large and growing share of borrowers paid very high loan interest rates and were unable to meet their liabilities in a timely manner, which was further increased by refinancing. Prior to the 13<sup>th</sup> Saeima Elections the legislators, by making changes in the regulation of this industry, have significantly influenced both the environment of service provision and the development vector of the industry itself. For customers, these changes affected both the overall cost of lending products, which overall declined, and their availability.

During the period covered by the FLS, the emphasis on public communication in the non-bank lending industry has changed. The Latvian Association of Non-Bank Lenders (founded in 2010, renamed to Alternative Financial Services Association of Latvia (AFSAL) since 2013) has not only lobbied industry interests in the legislative environment, but has sought to improve the reputation of non-bank lending by promoting responsible borrowing principles<sup>6</sup> and promoting the link between the efficiency of this sector and technological opportunities. **Irrespective of the public assessment of the association's performance, it should be considered as a stakeholder and involved party in terms of strategic management of financial literacy.**

There is a trend of the **low interest rate environment in the Euro and other developed countries' freely convertible currencies (4)** that has been continuing since 2012, but has become even more pronounced since 2015 than before. As a result, the interest burden on loans to individuals and households using bank loans is reduced, but at the same time customers are not motivated to use bank deposit products. This, in turn, can affect the long-term financial stability of households and does not foster a savings culture. In addition, this is especially true for people with a low level of investment knowledge, as this group of people does not understand alternatives to deposit products.

Since 2015, a growing feature of the regulatory environment in Latvia has been the **expansion of the responsibilities of actors (individuals and companies) involved in financial activities (5)**, which covers not only the motives of their economic and financial activities, but also

the choice of partners, customers or suppliers. This trend carries on the processes that began in the late 1990s as part of the OECD's efforts to improve the economic and legal environment, following the terrorist attacks of 11 September 2001 in the United States (US) and the US financial supervisors' response to them.

At the EU level, there are **dominating trends towards improving the regulatory environment (6)**, aiming to increase financial inclusion and protect consumer interests, on the one hand, by promoting a wider range of financial services, speed, easy access and lower costs for customers, and on the other hand, by protecting retail clients against risks, including through complex investment and asset management services.

If the development of the FLS 2014-2020 was influenced by the global financial crisis of 2008-2011, the final phase of its implementation and the launch of FLS 2021-2027 will be affected by the **COVID-19 global pandemic (7)**. The COVID-19 has affected the well-being of individuals and households, the position of financial service providers and the financial stability of countries. The White Paper of the European Consumer Payments Report 2020 sets out the financial impact of COVID-19 on private households in 24 European countries.

Research results show<sup>7</sup> that the COVID-19 crisis will have a lasting impact on the ability of European consumers to manage their household finances. 48% of Europeans say their financial well-being has decreased since the previous six months. Nearly four out of 10 employees have been affected by the COVID-19, but more than half (54%) have seen their household income fall. Due to the direct impact of COVID-19, 20% of consumers have increased their outstanding daily expenditure commitments. For young people, this figure has risen to 24%. In turn, 58% of respondents are dissatisfied with their monthly savings opportunities, compared to 52% in recent years. At the same time - a third of respondents state that COVID-19 has had a positive impact on their spending.

In this position, the data of Latvia also indicates a tendency for expenditures to rather decrease. In this context, the Latvian economy as a whole is affected by the global pandemic, as are the economies of other EU Member States and other countries. This is indicated by the negative GDP dynamics. Although initially (March-September 2020), Latvia was ranked among the countries with lower morbidity rates and, consequently, a more flexible restriction regime and seemingly less impact on most sectors (except cross-border tourism, hotel industry, international passenger transport), the situation deteriorated sharply already in October 2020, affecting a much wider range of sectors (trade, services, culture and entertainment, etc.) and necessitating unprecedented support mechanisms that would reduce both the magnitude and depth of the economic downturn and pave the way for economic recovery and restoring financial stability after the restrictions of the pandemic.

<sup>6</sup> Please refer to the study "Money and Man. Actions of the Population of Latvia with its Money" (2018) initiated by AFSAL and the behavioural patterns typified in it - four different Bruno and the test "My Bruno" (AFSAL (2018)).

<sup>7</sup> Source: European Consumer Payment Report 2020 (2020), please refer to <https://www.intrum.com/publications/european-consumer-payment-report/ecpr-2020-special-edition-whitepaper/>.

## 1.5. Changes and status of financial literacy (2014-2020)

The description of the financial literacy situation in Latvia in the FLS 2014–2020 implementation period is based on data collected by parties involved in financial literacy activities in Latvia, as well as international organisations (OECD, etc.), taking into account changes in the financial environment and targeted stakeholder activities.

The dynamics of the values of the financial literacy index developed by the Strategy Working Group and the data of other surveys and studies form an interpretable set of data that provides insight into some general trends in action choices in aspects relevant to the assessment of the financial literacy situation. The financial literacy index data discussed above indicated a slight increase in indicators, which provides an opportunity to assess whether the behaviour of Latvian individuals and households is more focused on financially secure rather than riskier solutions. At the same time, it cannot be said that it would indicate a culture of financial behaviour geared to long-term financial stability.

The study of the Financial Literacy Index (2019) provides an insight into several important aspects of the financial literacy situation in the period from 2014 to 2020. The index study has identified a number of observations that characterise the status of changes in financial literacy and also the effectiveness of the activities envisaged in the FLS 2014–2020:

- analysing the diversion of income to savings, it can be concluded that, compared to 2015, the share of respondents who answered that part of their income was at this time directed to savings had increased by 2 percentage points (from 25 to 27 percentage points), while in 2019, most of the respondents indicated that these services were used less frequently than before. Thus, in general, there was a tendency to spend rather than look at long-term benefits, and there is no basis for claiming that the improvement in the economic situation has contributed to savings (savings accounts, private pension funds, deposits, etc.);

- the decision-making mechanism for choosing financial services has become more pragmatic and rational – more often the decision to choose a particular service has been influenced by information about the product (information from the service provider or information available on the internet) and best purchase recommendations, evaluating several alternatives that indicate a targeted search for the optimal product or service;

- In 2019, fewer respondents fully agreed with the statement that they had perfectly clear information and understanding of the types of financial services they need, which indicates a free niche for the involvement of a financial adviser;

- In 2019, respondents followed tax policy significantly more often than in 2014 and 2015. However, the authors of the index study do not associate it with a higher level of financial literacy, but with the need to properly fulfil obligations to the state, often changing tax laws;

- in 2019, the population followed less inflation, interest rates, exchange rates (possible effect of the introduction of the Euro);

- The index survey, studying the population's understanding of the need for savings, shows that, in theory, respondents understand the usefulness of saving for achieving long-term financial goals, but this is not reflected in practical activities. It is more often acknowledged that people in Latvia gain more well-being by spending money rather than saving;

- there is no identifiable mistrust of the banking system that could encourage people to choose to use more cash;

- perceptions of the situation regarding income regularity have changed slightly. The proportion of respondents who indicate a lack of confidence in the regularity of income has decreased. For most people, as the difficulty of covering all costs within a month has diminished, the assessment of the situation has changed from predictably uncertain to unpredictable;

- Since 2015, there had been no significant change in the proportion of cases where there was not enough income to cover regular expenses, but people's behaviour in such situations differs. In 2019, 46% of respondents in such a situation reduced their expenses (previously about 35%) and the number of respondents who borrowed money from either family members or friends (from 51% to 41%), as well as the number of respondents who chose to delay the payment of bills, has reduced;

- With the improvement of the overall economic situation, the share of respondents who plan spending has decreased. In 2019, the proportion of respondents who mentioned that they plan finances sometimes and as needed had increased accordingly. The index study explains that the situation for the general public has improved to such an extent that regular and continuous spending planning can be replaced by planning when it is compulsorily necessary;

- In response to the question of how regularly bank account statements or transactions are checked in the Internet bank, in 2019 more respondents than before indicated a very frequent check (every day, almost every day, about once a week). This could be explained by the improvement of the availability of technical possibilities (more customer-friendly mobile banking functionality, transaction notifications);

- individual planning strategies for achieving the financial goal have changed significantly. People are less likely to focus on saving and avoiding spending, but more often emphasise the desire to earn more. The proportion of respondents who admit that their goal is to balance income with expenditure has fallen sharply. A less rapid decrease has affected the goals of saving for a certain product or service, paying off debts and saving money to start or expand a business;



- Assessing the ability to cover expenses in the case of a loss of income in 2019 compared to the situation four years ago, the population admitted that if they lost income, they would be able to survive without borrowing for a longer period of time. The proportion of respondents who could live for less than a month fell from 36% to 31%, while the proportion of those who could live for at least three months rose from 19% to 26%. Regarding the ability to cover unplanned and large expenses without borrowing, if such expenses were to be incurred in the amount of monthly income, in 2015, 29% indicated the possibility to cover them, but in 2019 the share of such respondents increased to 37%;

- The index study shows that there has been no significant change in the perception of pension planning since 2015: the proportion of people who indicated that the financial plan for retirement should start before the age of 20 was about a quarter of the total number of respondents (on average - the older the person, the older the age from which pension savings should be made);

- An index study shows an increase in the proportion of respondents who indicate that documents are always read carefully before signing. Considering the fact that the parties involved in the implementation of FLS 2014–2020 have developed their information platforms in order to create more favourable conditions for financial education, the index study provides an opportunity to gain insight in this area: there is an increase among respondents who admit that they have used the websites of the State Revenue Service or the State Social Insurance Agency for educational purposes, but other sites included in the survey are used either less frequently (commercial bank web-

sites, CRPC website, manapensija.lv), or approximately as often as before (BL reference, analytical and economic education sites and FCMC Client School). 70-71% of respondents, but in 2019 - 63% of respondents had not used any of these sites before. The index study explains this both by the increase in digital skills and by the usefulness of the information on the sites themselves;

- An index study shows that there is an impact of digital skills on financial behaviour choices in some target groups (worse skills for the older generation), which in some cases can lead to additional risks.

Using data from the OECD surveys, including the Survey of Adult Financial Core Competencies (2016)<sup>8</sup>, we can see indications of the financial literacy situation in Latvia (compared to other OECD member countries that participated in the 2015 survey), taking into account the elements of the competency model: knowledge, skills, attitudes. In this context, both the quantitative value of aggregated financial literacy competency by individual elements (knowledge, behaviour, attitudes) and this comparison of total value and individual elements between Member States are relevant. This study shows that the target groups of adults in Latvia have a lower level of financial literacy competencies (13.3), but a higher level of financial literacy (5.2) than the OECD average (13.7 and 4.9, respectively). The lower value of the overall competency level is influenced by the lower level of the behavioural component and the significantly lower level of attitude. According to the situation, the OECD recommendations for Latvia are that, given that action is different from knowledge of how to act, solutions should be sought to change the financial behaviour of the population.

<sup>8</sup> Please refer to OECD/INFE Survey of Adult Financial Core Competencies, OECD, 2016.

## 2.

# Principles, conceptual and methodological aspects of strategic management of financial literacy

## 2.1. Concepts used in FLS 2014–2020 and their explanation

In order to create a more complete picture of the area of meanings, FLS 2021–2027 adds and expands the list of concepts compared to FLS 2014–2020, along with concepts that focus more on financial education, introducing those that describe financial competencies, behaviour and values.

FLS 2014–2020 defines the following key concepts related to financial literacy and the key processes or results of the strategic management context: **financial literacy**, **financial education**, **economic education**, **financial stability and financial sustainability**, **financial capacity**, **financial concept**, **financial integrity environment**.

**Financial literacy** FLS 2014–2020 is defined as follows: **financial literacy** is a set of knowledge and skills that allows a person to understand and successfully organise their financial management and make informed decisions about the choice and use of various financial services, en-

sureing their private financial stability and sustainability. A financially literate person has knowledge of finance and economics and is able to use this knowledge to promote their future well-being and financial growth to achieve their private financial goals. In turn, the **basic definition of financial literacy** for the purposes of the OECD recommendations in one of the latest policy documents is as follows: **financial literacy** can be defined as a **combination of awareness, knowledge, skills, attitudes** and behaviours necessary to make sound **financial decisions** and ultimately achieve individual **financial well-being**.

FLS 2021–2027 and related documents use the definition of financial literacy, which has been recognised within the framework of OECD financial literacy activities since 2015, while continuing to emphasise the importance of financial and economic knowledge quality, maintaining the priority of knowledge development in the models of these areas and at higher levels of education.

## 2.2. Concepts used in FLS 2021–2027 and their explanation

If internationally accepted definitions are provided for the basic concept of **financial literacy**, the explanation of the definitions of the most important related concepts in the academic literature and OECD materials is limited. This can lead to different understandings and risks of different interpretations, so FLS 2021–2027 includes an explanation of the most relevant and commonly used terms prepared by its creators.

**Financial literacy** is the combination of financial awareness, knowledge, skills, attitudes and behaviours needed to make sound financial decisions and ultimately achieve the well-being of individuals. A **financially literate person** has the appropriate competencies, characterised by knowledge of finance and economics, is motivated and able to use this knowledge for their future well-being and financial growth to achieve their private financial goals, as well as the financial goals of households, companies or organisations under their responsibility.

**Financial inclusion** refers to the status of an individual or company, describing the possibilities of using financial products and services. In turn, the concept of **financial inclusion** refers to the process or effort to make financial

products and services available to all individuals and companies, regardless of their personal net worth or the size of the company. **The goal of financial inclusion** is to remove barriers that prevent people from using (or making full use of) the services of the financial sector to improve their financial well-being.

**Digital financial literacy** is the combination of awareness, knowledge, skills, attitudes and behaviours needed to effectively implement any financial activity in a digital environment. The importance of the concept of **digital financial literacy** includes additional dimensions compared to **financial literacy** resulting from the global spread of digital ecosystems and technological innovations, such as knowledge and skills in digital financial products, understanding of digital financial risks and their control, basic knowledge of data governance and protection in the digital environment, knowledge of consumer rights and enforcement procedures.

**Financial knowledge** is information and understanding of definitions, concepts and procedures or activities related to finance or financial aspects of any process that a

person acquires through life experience and learning<sup>9</sup>, as well as the ability to use this information and understanding to address financial issues and problems in a conceptual, procedural or business context.

**Financial behaviour** is the way a person handles or deals with finances in certain circumstances and conditions. It can be both spontaneous and thoughtful, as well as purposeful. It applies to the actual financial decision-making process, taking into account current or typical decision-making practices and precedents.

**Financial attitude** is a declared or contextual orientation of a person towards a particular type of behaviour that is applicable to any financial activity, including the acquisition of financial knowledge or related communication.

**Financial well-being** is a status characterised by both an individual's material security in a supportive environment and a perception of that status which includes satisfaction with material security, as well as a sense of security and trust.

**A culture of financial literacy** is a common (or shared) and holistic structure of a way of thinking and acting (in the context of life, professional activity or interpersonal relationships) for a given social group, which includes ideas, symbols, values, beliefs and practical forms of action, which are relevant to the desired or acceptable type of financial activity, including the acquisition and sharing of financial knowledge and the involvement of financial communication.

**The financial environment** (as the financial environment of individuals, social groups, or business units) is a phenomenon that encompasses a whole set of institutional,

regulatory, informative, technological, socio-cultural, ecological, and economic conditions, which, comprehensively interacting and successively changing, in each specific time unit, create the conditions for the financial activity of individuals and companies, influencing any financial considerations, attitudes, decisions, actions and their outcomes, as well as communication.

**Financial education**<sup>10</sup> is the acquisition and improvement of knowledge and skills on financial issues and their interrelationships.

**Economic education** is the acquisition of the regularities of economics that affect private financial well-being and the general well-being of society, as well as the further development of this knowledge.

**Financial stability** is the level of a household savings (at least three months' income) that allows it to absorb/withstand possible financial shocks over a period of time.

**Financial sustainability** is the individual's ability to maintain the quality of life, while ensuring development and planned growth in the long run.

**Financial capability** is the ability to make rational decisions about private finances that meet one's needs and capabilities.

**Financial concept** is a knowledge and skills-based solution (approach) for achieving individual financial goals.

**Financial integrity** is an adequate availability of financial services, their inclusion and suitability for the needs of consumers, and full integration of consumers into the service environment as active and knowledgeable participants.

## 2.3. Conceptual and methodological aspects

The OECD and EU institutions are increasingly focusing on the need to review existing approaches to financial literacy, often based on simplistic notions that financial literacy has a direct positive impact on individuals' sound financial decisions and that their acquisition will ensure prosperity.

Studies on the effectiveness of financial education programmes have shown mixed results. Traditional financial education programmes, which aim to provide knowledge to individuals, have little effect on consumer behaviour. This can mainly be explained by the fact that, contrary to traditional economic theories, people do not make rational decisions, because they are often driven by a variety of prejudices, emotions and subconscious impulses, reliance on heuristics, which does not allow the making of optimal and rational choices. Non-classical economic theories (including institutional and behavioural economics) draw

attention to empirical cases in the real decision-making process, which show that the motivation for economic choices can be irrational or limitedly rational.

Researchers of economic processes, who represent the direction of behavioural economics, draw attention both to various psychological forms and heuristics (including cognitive ones) (which form the decision-making trends), as well as to the role of the external environment in the financial decision-making process.<sup>11</sup>

One of the questions that is being studied in the context of financial literacy is: does an individual make the best financial decision due to a higher financial literacy rate? It should be emphasised that one of the important components of financial literacy is education/knowledge. For a long enough time, both among policy-makers and in society as a whole, there was a perception that raising the level of financial literacy would increase the financial

<sup>9</sup> An important aspect of financial literacy is financial and economic learning at all stages and levels of formal and non-formal education, taking into account both the content of knowledge, the relevant learning process and the link with knowledge and skills in other subjects and disciplines.

<sup>10</sup> These concepts are taken from FLS 2014-2020: **financial education, economic education, financial stability and financial sustainability, financial capacity, financial concept, financial integrity.**

<sup>11</sup> Please refer to, for example, Altman, M., 2011. Behavioural economics perspectives. Implications for policy and financial literacy. Research paper prepared for the Task Force on Financial Literacy, 9 February 2011.

literacy rate and translate into better financial decisions. However, scientific research shows that there is no direct relationship between the financial literacy ratio and the validity of an individual's financial decision.<sup>12</sup>

Over the last decade, the relationship between financial education and financial behaviour has become increasingly emphasised in academic sources on a global scale, including by reference to knowledge of the economics of behaviour.<sup>13</sup> They analyse the effectiveness of financial education programmes, indicating their most important indicators. The most critical conclusion is that financial education is not a silver bullet. It cannot replace regulation, supervision and tailor-made financial products and services. On the other hand, analysts representing the behavioural economy, taking on practical tasks in support of a modern financial literacy strategy, emphasise the idea that while acknowledging the role of financial education (even optimistic), it is important to confront the effectiveness of external influences. In a well-designed system, a balanced relationship between the financial environment and financial literacy based on high-quality, well-designed financial education can increasingly improve economic decision-making and, consequently, the well-being of individuals and households and the financial stability of society.<sup>14</sup>

The effectiveness of financial literacy initiatives depends on the specific context and the specifics of the tar-

get group. Financial education programmes can be useful when used, taking into account the psychological characteristics of consumers, their personal circumstances and the situation in which they are implemented.

When planning educational activities or changes in the environment of various legal and economic conditions to improve financial decision-making, it is necessary to take into account the typical and specific circumstances in which an individual's understanding of financial behaviour and financial habits develops. In the childhood of each individual, it is first and foremost the family.

An important aspect in the analysis of **financial literacy is the connection between financial literacy and childhood experience in the family**. Several scientific papers have noted that there is a close relationship between an individual's financial literacy and childhood experience (for example, Christiansen et al. (2008)<sup>15</sup>, Klapper et al. (2013)<sup>16</sup>). Therefore, it is necessary to reflect this aspect in FLS 2021–2027:

- supplementing the definition of research subjects and characteristic indicators;
- adjusting the results of FLS 2021-2027 and including this aspect in the measurement of results;
- extending the scope of FLS 2021-2027 developers, implementers and policy-makers accordingly.

## 2.4. Principles of strategic management. OECD recommendations and suggestions: usefulness and perspectives of their implementation in Latvia

In recent years, OECD recommendations<sup>17</sup> also pay great attention to the issues of strategic management of national financial literacy, which is a particularly important aspect in developing an effective financial literacy strategy. In this context, the need to establish a transparent coordination and management mechanism to ensure an effective financial literacy policy, including the following actions, is emphasised:

- identification of the governing body of the governance mechanism that is trusted by the public and all

parties involved in the process, including at the highest political level, and that can ensure the development, implementation and sustainability of the national financial literacy strategy with its own or other resources available to it;

- defining roles and responsibilities between key stakeholders in the management of the financial literacy process, taking into account their competencies, strengths, interests and resources;

<sup>12</sup> For example, sources such as Gustman, A. L., Steinmeier, T. L., and Tabatabai, N., 2012. Financial knowledge and financial literacy at the household level. *American Economic Review*, 102(3), pp. 309–313, and Fernandes, D., Lynch Jr, J. G. and Netemeyer, R. G., 2014. Financial literacy, financial education, and downstream financial behaviours. *Management Science*, 60(8), pp. 1861-1883, indicates that knowledge and education are not enough to expect a better financial decision from a profitability/risk point of view, but this could be ensured by an interest in financial matters and a willingness to take responsibility for long-term financial decisions. The impact of financial literacy on financial behaviour is also very limited. These and other studies indicate that increasing the financial literacy ratio has a positive effect on financial behaviour of less than 1%.

<sup>13</sup> Refer to, for example, Kaiser, T., Menkhoff, L., 2017. Does Financial Education Impact Financial Literacy and Financial Behavior, and If So, When? *The World Bank Economic Review*, Volume 31, Issue 3, October 2017, pp. 611–630.

<sup>14</sup> Refer to Altman, M., 2011. Behavioural economics perspectives. Implications for policy and financial literacy. Research paper prepared for the Task Force on Financial Literacy, 9 February 2011, as well as Fessler, M., Silgoner, M. A., Webber, R. Financial knowledge, attitude and behaviour: evidence from the Austrian Survey of Financial Literacy, Springer, November 2020, *Empirica* 47(2).

<sup>15</sup> Christiansen, C., Joensen, J. S. and Rangvid, J., 2008. Are economists more likely to hold stocks? *Review of Finance*, 12(3), pp. 465–496.

<sup>16</sup> Klapper, L., Lusardi, A. and Panos, G. A., 2013. Financial literacy and its consequences: Evidence from Russia during the financial crisis. *Journal of Banking & Finance*, 37(10), pp. 3904–3923.

<sup>17</sup> Refer to OECD/INFE, 2020, OECD Recommendation on Financial Literacy.

- the involvement of public authorities, including ministries (especially ministries of finance and education field), central banks, financial regulators and supervisors, as well as other national, regional and local authorities;

- Involvement of key stakeholders from the private, academic or non-governmental sector - companies for example, financial service providers, companies providing financial literacy in their business), non-financial organisations (for example, employers or media), financial industry associations, consumer associations, trade unions, research institutions, teachers' associations and parents' associations, as well as other NGOs;

- coordination of all parties involved for ensuring effective measures to avoid the duplication of functions and inefficient use of resources, as well as conflicts of interest;

- providing all target audiences with equal access to financial literacy strategic management resources.

These principles should be taken into account and included in the section on the management and coordination of any future financial literacy strategy. In Latvia, it would be necessary to identify stakeholders as precisely as possible so that the financial literacy strategy, as well as other related documents, which are prepared for certain objectives at a higher level of detail, could identify the optimal forms of their involvement.

The OECD Guidelines for the Development of Financial Literacy Strategies state that it is important to identify relevant financial literacy issues and address them in order of priority. Such issues may include:

- the availability and use of financial products and services, including services in the digital environment;
- short-term financial planning and management;
- savings, avoiding spending and investments;
- risk management;
- pension planning and accumulation;
- risk management;
- insurance.

Following the OECD guidelines, FLS 2021-2027 should pay special attention to investment services and digitisation. In addressing these issues, the implementers of FLS 2021-2027 should carry out a number of tasks in the context of strategic management, including raising awareness and understanding:

- of the characteristics and financial risks of traditional and innovative financial products and services;

- of the rights and obligations of individuals as users of financial products, with an emphasis on awareness of disclosure tools (for example, price comparison websites);

- of prohibited, unfair or discriminatory practices;

- of the possibilities of arbitration and complaints, as well as of the possibilities of receiving compensation.

It would also be necessary to carry out the following tasks:

- encourage changes in the behaviour of individuals so that they are more likely to deliver better results in their financial choices (for example, by promoting conscious and proactive action to build more savings or by avoiding excessive risk-taking);

- promote a paradigm shift in financial savings by informing the public about the next steps after the creation of a safety buffer in the form of savings, by investing free financial resources in financial markets that would ensure the potential for further growth of personal well-being;

- provide support to help individuals use complex systems and make decisions, such as in credit management and pension planning, as well as in situations where consumers lack basic information and skills, and prepare individuals to work in the financial advice industry, including through automated consulting or robo-consulting;

- identify target segments and devote effective initiatives for them, taking into account the various cultural, religious and socio-economic factors that may affect their financial literacy and well-being, and the potential benefits of financial education programmes tailored to their specific strengths and aspirations.

It is necessary to be aware of the importance of starting financial education as early as possible.

To this end, the implementers of FAS 2021-2027 should:

- ensure coordination/synergies between policies and programmes for the specific target segment (for example, financial inclusion, entrepreneurship and gender equality policies) and relevant stakeholders in these areas;

- develop and implement financial literacy programmes in cooperation with stakeholders (who have an expert understanding of the target segment);

- take into account the specific needs of specific sub-segments of target groups (for example, single parents, older people or young entrepreneurs) and take a differentiated approach; consider ways to combine financial literacy programmes for specific target groups and segments with other activities in this group to improve accessibility and effectiveness.

# 3. Vision, goals, objectives and results to be achieved

## 3.1. FLS 2021–2027 architecture

FLS 2021–2027 continues moving towards improving the level of financial literacy of citizens and companies, taking into account the experience gained so far, based on previously established cooperation between stakeholders (including policy-makers, academic institutions, companies, NGOs), cooperation with international institutions (OECD, EU-level organisations) and the set of guidelines and examples of good practice they have developed.

The architecture of FLS 2021–2027 consists of the systematisation of visions, strategic goals, areas of activity, operational tasks, results to be achieved, indicators, target groups, the parties involved in the implementation and sources of the necessary resources, as well as deadlines corresponding to the situation of the next period determined in the stakeholder dialogue and the resulting tasks.

The vision and goals of FLS 2021–2027 are aimed at

giving higher priority to the hierarchy of their implementation in the system of public policies, taking into account the role of financial literacy as an important factor and catalyst in the context of sustainable development of the country and society. Its approach to stakeholder mobilisation and coordination is based on an understanding of the current situation and stakeholder capabilities (assessing the level of interest and support, on the one hand, and the potential for the impact and availability of resources, on the other hand), as well as OECD guidelines. In terms of content, however, its focus is not only on financial literacy and related educational priorities, but also on skills, abilities, behaviours and attitudes, covering not only those groups in society which are involved in formal or non-formal education processes, but also other target groups in various aspects of the target group (financial inclusion, etc.). Both future accents such as digitisation and interdisciplinary coverage in the research dimension play an important role here.

## 3.2. Vision

**1.** A significant part of the Latvian population plans the budget, creates savings, understands and makes investments, is able to assume financial obligations responsibly, including borrowing and managing related risks, as well as skilfully uses digital tools and financial instruments and thus is able to provide maximum sustainable financial stability and well-being of itself, its household, business or community, and develops its entrepreneurship.

**2.** Latvian families and companies have a culture of financial literacy focused on prosperity, long-term financial stability, innovation and dialogue. Most Latvian families discuss monetary, economic and financial technological innovation issues, including with children from as early an age as possible. Such an environment creates favourable conditions for a responsible and open attitude towards the ability of a household or business to manage finances in a changing ecosystem of financial and economic relations.

**3.** The population of Latvia is able to improve its financial and economic competencies with high motivation and increase its financial management abilities in accordance with its needs dictated by a certain life cycle and economic position, as well as the regulatory environment and compliance standards, responsibly dealing with risks and information security.

**4.** The acquisition of financial literacy and the development of skills and attitudes are recognised as an im-

portant and comprehensively integrated component at all levels and in all forms of formal and non-formal education (including lifelong learning).

**5.** Improving the financial literacy of the Latvian population is a purposeful and nationally coordinated set of activities that is integrated into the overall architecture of planning processes. It is aimed at the entire Latvian society, covering the essential aspects of financial literacy and emphasising the role and importance of financial literacy in the sustainable development and well-being of the state and society. Financial literacy is at the heart of many sectoral policies (economic and financial, welfare, consumer rights, education, etc.) - its strategic planning is clearly linked to the country's long- and medium-term strategic planning and financial sector development planning goals and objectives.

**6.** The impact on citizens' financial motives (given that it can have a lasting long-term impact on people's behaviour and value orientation) is one of the key considerations that national decision-makers take into account when making financial and economic regulatory decisions. All key stakeholders (including policy-makers, public authorities, educational institutions, scientific and research institutions (SRI), NGOs, financial and other companies) are involved in the strategic planning of financial literacy, ensuring a high degree of balance of interests and inclusion in the implementation of strategic objectives.

**7.** The implementation of FLS 2021-2027 has achieved maximum public benefit (including by focusing on the green course and sustainability), balancing it with the commercial interests of the parties involved. The financial services available to the population of Latvia form a fully-fledged and inclusive offer for households, compa-

nies and individuals, regardless of their age, gender, education and social status. Service innovation in the digital age and its promotion at a national level is primarily focused on fair commercial practices and good customer (user) experience, including the promotion of financial inclusion.

### 3.3. Target groups

Although FLS 2021-2027 is addressed to the entire population of Latvia, at the same time it is possible to outline the typical features of various social, professional, demographic and otherwise segmented groups of Latvian society in the context of financial literacy culture and financial competencies. This results in different objectives for FLS 2021-2027 and the priority target groups defined in it.

In general, age groups - pre-school children, pupils, students, young people starting work, young families, parents with children, people of pre-retirement age, seniors (pensioners) can be defined as separate target groups. Target groups of social target: the unemployed, people with a lower level of formal education, people on low incomes (people with poor or low-income household status), people with mental or functional disabilities and people who have served their sentences at the places of detention, can also be identified. SMEs and micro-enterprises (entrepreneurs) also form a separate target group. In world practice, it is also customary to specifically assess the level and specifics of financial literacy or competencies of gender and ethnic groups.

Given the intended emphasis of FLS 2021-2027, the selection of priority target groups in FLS is based on a professional assessment of the financial knowledge, financial behaviour and financial relations status and priority of the relevant segments by experts from the Financial Literacy Working Group (FLWG):

**1.** The target groups with a particularly high priority of financial literacy are pre-school and primary school children, persons in prisons, young people in out-of-home institutional care, people with no primary or secondary education, people on low income, people of pre-retirement age (55-64 years old);

**2.** The target groups, whose financial behaviour status is determined with particularly high priority, are pre-school and primary school age children, persons in prisons, young people in out-of-home institutional care, people with no primary or secondary education, persons with functional disorders (mental, hearing, visual etc.), the long-term unemployed;

**3.** The target groups, whose attitude status is determined with a particularly high priority, are pre-school and primary school age children, persons in prisons, young people after out-of-home institutional care, the population with no primary or secondary education, the long-term unemployed.

The supplemented and consolidated list of target groups envisages that in the process of FLS implementation, taking into account the activities planned in it, it will be necessary to address the status of financial knowledge, financial behaviour and financial attitudes of other target groups. The full list of target groups selected by the FLWG, which are intended to play a certain role or whose performance, will have an impact on the overall outcome of the FLS implementation, is as follows:

- entire population of Latvia;
- preschool and school-age children;
- young families and young parents;
- groups of the population at risk of social exclusion - the unemployed and jobseekers, persons with mental or functional disorders and families with such persons, families where parents have insufficient skills for caring for their children, young people starting independent life after receiving an out-of-family service (in institution), people with no primary or secondary education, people in prisons, the elderly (with limited support in the family), people on low incomes (people with poor or low-income household status);
- pre-retirement age population (55-65);
- SMEs and micro-enterprises (entrepreneurs);
- self-employed persons;
- business start-ups;
- employees - paid employees;
- educators, teachers, lecturers at all stages of education (ranging from pre-school to lifelong learning);
- students who acquire pedagogical education (including social science, economics teacher qualification).

### 3.4. Involved parties

The parties involved in the implementation of FLS 2021–2027 are public and private sector institutions, academic institutions, professional NGOs and companies from various sectors, which have been involved in the strategy development process since targeted financial literacy development activities have been started in Latvia and have shown their readiness to do so in the future. Involved parties include institutions, organisations or companies that, regardless of their previous involvement, objectively influence the outcome of the strategy. The degree of influence and interest of involved parties in the strategy varies according to their core functions, resources or other characteristics (place in the hierarchy of public administration, market position, communication, including social networking, activity, etc.). The FLWG has identified that public administrations (including ministries, subordinate institutions or direct administrations) such as the Financial Capital and Market Commission, the Bank of Latvia, the Ministry of Finance, the State Education Content Centre, Ministry of Welfare, State Employment Agency (SEA), Consumer Rights Protection Centre have the highest degree of interest (in terms of support) and impact on the strategic management of financial literacy. The Ministry of Education and Science, the Ministry of Economics, the Ministry of Environmental Protection and Regional Development, the Ministry of the Interior (IM), the Ministry of Justice (MoJ), the State Social Insurance Agency, the State Revenue Service and the Cross-Sectoral Coordination Centre have equal influence.

High-level interest and lower-level influence characterise professional NGOs (Latvian Financial Industry Association, Latvian Insurers Association), higher education institutions (BA School of Business and Finance, School

of Economics and Culture, Riga Technical University), individual financial institutions (AS Development Financial Institution Altum) (Altum), AS Swedbank, AS Nasdaq Riga (Nasdaq)). In general, these institutions, organisations and companies will form the core in the implementation of operational objectives of the FLS 2021–2027, including the provision of both the necessary human and financial resources.

A number of public sector institutions, NGOs, such as Junior Achievement Latvia, financial institutions and higher education institutions (HEIs), such as the University of Latvia, banks, insurance companies, etc., have so far been less involved in activities stemming from the financial literacy strategy, but the type and position of their activity create preconditions for increasing their degree of involvement and using their potential to engage in the activities included in the strategy in the future.

The list of involved parties may also include specific categories, including key influencers in social network communication, whose involvement can be both positive and negative. The influence of companies and organisations whose interests (commercial or political) may, for certain reasons, motivate them to pursue initiatives that run counter to the strategic goals of improving long-term financial literacy must also be taken into account.

Stakeholders such as digital literacy initiative leaders, digital solution developers, and cybersecurity and data security organisations are expected to play an increasingly important and even special role in the future, which can be crucial for the development of successful financial literacy.



### 3.5. Goals, areas of activity, objectives, performance indicators

#### **The first goal.** A culture of financial literacy and competency development focused on sustainability

To promote the development of financial competencies in the target groups by providing the necessary preconditions and resources in families, educational institutions and work or business environment in order to create a balanced and sustainable financial literacy culture and achieve an ever higher level of financial competencies.

#### **Area of activity 1.** Identification of financial literacy culture and financial competency status, trends of change and risks of financial inclusion

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
1 Monitoring and analysis of financial knowledge, behaviour, attitudes and risks of financial inclusion of target groups for the use of the obtained data and conclusions in the development of financial literacy	<p>Regular monitoring and analysis of the financial knowledge, behaviour and attitude status of the target groups is provided.</p> <p>The level of knowledge, skills and abilities, as well as the risks of financial inclusion in the handling of financial services, instruments, channels and technologies have been identified.</p> <p>The obtained data and conclusions are used to improve financial literacy.</p>	<p>A survey of the financial literacy of the Latvia's population is being conducted.</p> <p>Participation in the OECD Financial Literacy Survey (adults, SMEs).</p> <p>Participation in OECD PISA<sup>18</sup> study on pupils' financial literacy.</p> <p>Analysis of population behaviour (ratio of deposits and loans in Latvian banks, number and amount of problematic banks and non-bank loans, etc.).</p> <p>Focused and expanded target group status measurements.</p>	Entire population and SMEs (heads of companies)	BL, CRPC, ME, FLA, HEIs, Altum	FCMC, MES	FCMC, MES, etc.	Throughout the FLS implementation period

<sup>18</sup> OECD Programme for International Student Assessment (PISA).

<p>2. Updating the standard of adult financial literacy and the self-assessment tool based on it, promoting its use for measuring financial literacy maturity</p>	<p>Evaluated and improved the existing standard of financial literacy for adults. Improved or newly developed technical solution for financial literacy self-assessment based on this standard.</p> <p>Promoted self-assessment of financial literacy among the population.</p>	<p>Improved financial literacy standard for adults.</p> <p>Improved and popularised self-assessment tool.</p> <p>Dynamics of the number of times the financial literacy self-assessment tool is used.</p> <p>Dynamics of average values of financial literacy maturity assessments in general and in target groups.</p>	<p>Entire population</p>	<p>FCMC, BL, CRPC, FLA, LIA, MW, MES, HEIs, etc. FLWG members</p>	<p>FCMC</p>	<p>FCMC</p>	<p>Throughout the FLS implementation period</p>
<p>3. Assessing and improving the level of financial literacy of SMEs and micro-enterprises (entrepreneurs)</p>	<p>Regular monitoring and analysis of financial literacy of SMEs and micro-enterprises (entrepreneurs) is provided. The obtained data and conclusions are used to improve financial literacy.</p> <p>The results of the Latvian study compiled and included in the overall OECD study.</p>	<p>Financial literacy of SMEs and micro-enterprises (entrepreneurs) has been monitored.</p> <p>Dynamics of financial literacy of SMEs and micro-enterprises (entrepreneurs).</p>	<p>SMEs and micro-enterprises (entrepreneurs);</p>	<p>FCMC, BL, ME, Altum, FLA, financial institutions, HEIs</p>	<p>FCMC</p>	<p>FCMC and other institutions</p>	<p>Throughout the FLS implementation period</p>

**Area of activity 2.** Provision and improvement of educational opportunities (at all levels of education in both formal and non-formal education) in terms of financial competences

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
1 Identification of proposed financial literacy programmes (including training programmes and platforms), courses and subjects, and analysis of relevance and effectiveness, including the impact on financial literacy, skills and attitudes, identifying factors that may increase or decrease this impact	<p>Information on financial competency programmes (including training programmes and platforms), courses and subjects tailored and offered to target groups is collected.</p> <p>The scope, adequacy and effectiveness of programme implementation is reviewed at least twice during the implementation of the FLS.</p>	<p>Programme summary and evaluation.</p> <p>OECD PISA survey on student financial literacy.</p> <p>Latvia's population financial literacy survey.</p> <p>Ratings of course graduates, if available.</p>	<p>Entire population (as programme addressee)</p> <p>Programme implementers (teachers, HEI lecturers, course lecturers, mentors, etc.)</p>	MES HEIs, SRI, NCE	MES, FCMC	MES funding (OECD PISA), FCMC	Throughout the FLS implementation period
2. Development of financial literacy competency improvement courses and programmes relevant to the training needs of target groups (especially in terms of financial inclusion of priority target groups)	<p>Young families and other target groups are educated on financial competencies by adapting educational products to specific life cycle.</p> <p>Courses, classes for vulnerable people (unemployed, job seekers, natural persons with low income, including the status of poor or low-income households, persons with functional disorders (visual, hearing and intellectual development disorders), seniors, persons with excessive indebtedness) are implemented to improve financial literacy, including by linking to the improvement of digital skills and adapting content to the needs of a particular group.</p>	Number of financial literacy competency improvement courses and programmes in general and number of courses focused on priority target groups (dynamics with an increasing trend).	<p>Entire population</p> <p>Priority target groups: new families, low-income natural persons, including poor or low-income household status, unemployed and job-seekers, persons with functional impairments (visual, hearing and intellectual impairments), children growing up in institutions, seniors, people with excessive debts, SMEs and potential entrepreneurs</p>	CRPC, MES State Education Development Agency, HEIs SEA, MW, MJ ME, Ministry of Environmental Protection and Regional Development (MEPRD)	SEA, MJ, CRPC, MW, Altum	SEA, MJ, CRPC, MW, Altum	Throughout the FLS implementation period

<p>3. Teachers' education in financial literacy and economics</p>	<p>A study course or module has been introduced in teacher training programmes.</p> <p>An open-access online or face-to-face course on financial literacy issues has been created.</p> <p>Freely available consultative support to educators on financial literacy issues is provided, a network of experts is identified (special application or website and mentor availability).</p> <p>A freely available collection of methodological and informative materials for teachers in the field of financial literacy has been created.</p>	<p>A study course or module for teacher training, including financial literacy issues has been introduced.</p> <p>Growing number of teachers learning the module, using open access advisory support and prepared materials.</p>	<p>Pedagogy students, teachers</p>	<p>FLWG, Junior Academy Latvia, HEI, preparing teachers</p>	<p>BL</p>	<p>BL, NCE, MES</p>	<p>Throughout the FLS implementation period</p>
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**Area of activity 3.** Promoting innovative and modern approaches to influencing financial decision-making through the findings of behavioural economics research

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
<p>1. Analysis and promotion of innovative financial decision-making approaches (including gaming-based applications, websites, budget planners, reminders of financial activities to be performed, etc.) using the findings of financial behaviour studies</p> <p>1.1. Good practice in positively, non-aggressively influencing different behaviours or situational behaviours is studied (including the possibilities of using nudge techniques studied in behavioural economics)</p> <p>1.2. Development of analytical materials or guidelines for both financial market participants and educators to promote the broader use of such an approach in the acquisition of financial knowledge and skills, as well as to have a positive impact on individuals' financial activities</p> <p>1.3. Identifying and promoting innovations that promote financial literacy (process, marketing, organisational and product innovation), including by linking it to aspects of social responsibility</p>	<p>Study findings and research-based international practice on the possibilities of using the nudge technique studied in behavioural economics to influence financial behaviour are summarised.</p> <p>An analysis of the use of innovative solutions in the world for the positive influence of financial decisions has been performed.</p> <p>Recommendations or guidelines for the creation and use of such tools have been developed.</p> <p>Identifying innovations that promote financial literacy (process, marketing, organisational and product innovations) by promoting this approach (including positioning as an aspect of social responsibility).</p> <p>A pilot study has been carried out on the effectiveness of using positive influence approaches to improve the financial decision-making situation in Latvia.</p> <p>The integration of instruments for positively influencing financial literacy in financial services and communication based on international experience is being tested in Latvia.</p>	<p>Studies have been conducted on the application of the behavioural economics approach to the positive influence of financial behaviour.</p> <p>Internet environment monitoring data on the number of relevant solutions in the public, private and academic sectors, the number of people reached, etc. - in cooperation with the IT cluster (product innovations, process innovations, organisational innovations, marketing innovations).</p> <p>Recommendations and guidelines have been developed.</p>	FLWG, financial service providers and other stakeholders	SRI, HEIs, FCMC	HEIs (BA)	HEIs and other sources of funding	Throughout the FLS implementation period

2. Promoting the implementation of automated financial planning, provisioning, insurance and other solutions for the accurate use of financial products, linking it with the strengthening of positive trends in financial literacy	Information gathered on available tools (examples of good practice).  New tools have been developed and the use of the existing tools has been promoted among both individuals and companies.	Summary of information.  Number of tools and dynamics of their use.	SMEs, entire population of Latvia	LIA, financial service providers, FLA	Financial service providers, including in the field of insurance	Financial service providers	Throughout the FLS implementation period
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**Area of activity 4.** Promoting the role of financial literacy culture and financial competency in the communication of families, schools, universities, workplaces and neighbourhoods by identifying influencing factors and developing appropriate action policies

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
1 Analysis of financial literacy communication in the interaction of families, educational institutions, companies and organisations, neighbourhoods and digital communities, identifying impact factors  Promoting a culture of financial literacy and communication in families, educational institutions, social institutions, companies and organisations	More effective intervention approaches have been developed for stakeholders and policy-makers in financial literacy processes.  Financial literacy communication analysis, including social network analysis.	More effective intervention approaches have been developed for stakeholders and policy-makers in financial literacy processes.  An analysis of financial literacy communication and its impact has been performed.  Assessment of Latvian students' financial literacy in the OECD PISA study.  Results of the Latvian population financial literacy survey.	Entire population and SMEs	FCMC, BL, CRPC, MES, ME, FLA, Altum, HEIs and SRI	FCMC, HEIs	FCMC, HEIs	Throughout the FLS implementation period
2. Organising public discussions to promote a culture of financial literacy	Discussions are organised, the topicality of the topic is maintained on the agenda of society, media, politics.  The annual Financial Literacy Week is implemented within the framework of the international Global Money Week initiative.	Number of discussions and number of visitors, publicity.  Number of organisers and participants in the annual Financial Literacy Week.	Entire population	FLWG, financial service providers and other stakeholders	FCMC, FLWG	FCMC, FLWG	Throughout the FLS implementation period

**Area of activity 5.** Creating content in the information space aimed at promoting a culture of positive financial literacy

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
1 List of sites dedicated to financial literacy content, assessment of profile and content, and raising public awareness of the need for sites	<p>Websites dedicated to financial literacy content are compiled and evaluated.</p> <p>The target audience of the site is assessed, whether the focus is on knowledge, skills, attitudes, the quality of content, the relevance of information and the quality of presentation, as well as accessibility for people with visual, hearing and intellectual disabilities, are analysed.</p> <p>Site traffic metrics and their dynamics are analysed.</p>	<p>Creating a list of sites dedicated to financial literacy content.</p> <p>Evaluation criteria and methodology have been developed.</p> <p>Evaluation report.</p>	Entire population of Latvia	FLWG, HEIs	FCMC	FCMC	Throughout the FLS implementation period
2. Promotion of websites and other sources where information can be found on various financial literacy and economic issues	<p>Information on available sites is published and regularly updated.</p> <p>Intensity of site use is facilitated.</p>	<p>A list of sites that is updated regularly.</p> <p>Site traffic indicators.</p>	Entire population of Latvia, SMEs	FCMC, BL, FLIA, CRPC, LIA, Nasdaq, Altum, etc. FLWG members	FCMC, FLWG	FCMC, FLWG	Throughout the FLS implementation period

<p>3. Content creation in the information space to raise awareness of the need for the creation and management of regular savings, investment and pension capital formation, responsible borrowing, innovative financial services, sustainable finance, the role of insurance, financial crime and its consequences, activities of financial fraudsters and dishonest service providers</p>	<p>Stakeholder engagement in the information space creates content that promotes regular savings, investment and pension capital formation, responsible borrowing, as well as an understanding of innovative financial services and sustainable finance, insurance, financial crime and fraud.</p> <p>Content is also adapted and passed on to people with low levels of digital literacy, visual, hearing and intellectual disabilities.</p>	<p>Assessment of Latvian students' financial literacy in the OECD PISA study.</p> <p>Results of the Latvia's population financial literacy survey.</p>	<p>Entire population of Latvia</p>	<p>FLWG and other stakeholders</p>	<p>FLWG</p>	<p>FLWG and other institutions</p>	<p>Throughout the FLS implementation period</p>
<p>4. Promotion</p> <p>Addressing and promoting financial literacy activities in conjunction with a single thematic brand to promote greater visibility and credibility</p>	<p>A unified brand of financial literacy has been created and implemented.</p> <p>The brand is gaining more and more recognition and credibility.</p> <p>The use of the brand by financial literacy practitioners is encouraged.</p>	<p>Number of initiatives and participants in the annual Financial Literacy Week.</p> <p>Number of visitors to financial literacy events.</p> <p>Number of visits to brand-related sites (number of Facebook page followers and their level of involvement, number of visitors to Finansupratiba.lv).</p> <p>Number of institutions using the financial literacy brand.</p>	<p>Entire population of Latvia, stakeholders</p>	<p>FLWG and other stakeholders</p>	<p>FCMC</p>	<p>FCMC</p>	<p>Throughout the FLS implementation period</p>
<p>5 Promotion of cooperation between organisations in financial literacy content initiatives</p>	<p>Inter-institutional projects are being developed.</p> <p>When planning activities, NGOs representing the target group are also being heard and involved.</p> <p>Work is underway on the FLWG.</p>	<p>Number of projects, number of institutions involved.</p>	<p>FLWG and other stakeholders</p>	<p>FLWG and other stakeholders</p>	<p>FCMC</p>	<p>FCMC</p>	<p>Throughout the FLS implementation period</p>





## The second goal Ensuring the appropriate quality of the financial environment

Ensure the quality of the financial environment, which creates the preconditions for the development of financial literacy and financial inclusion, in a context where digital transformation and innovation are creating ever new global product and tool offerings, as well as information and data security challenges.

**Area of activity 1.** Improving the integrity of the financial system and the financial services environment and promoting the openness and credibility of financial institutions to customers (as a precondition for financial inclusion and wider use of financial services)

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
1 Providing easily accessible information on financial and capital market participants and financial service providers (including the maintenance of an easily transparent list of market participants, explanations of the nature and risks of cross-border activities)	<p>Explanations are given on where information on the financial service providers is available.</p> <p>Ensuring that this information is up-to-date and accessible to everyone and that accessibility for people with visual, hearing and intellectual disabilities is ensured.</p> <p>Citizens with low levels of digital skills and other priority target groups also receive information.</p> <p>Increasing number of site visits and evaluation that is monitored and analysed.</p> <p>Information is disseminated in the media, including regional media.</p>	<p>Information is available in an appropriate way.</p> <p>Measurements of traffic dynamics (number of visits to CRPC and FCMC sites) and perception and usefulness of site information dynamics.</p> <p>Information is disseminated in the mass media, priority target groups, including those with a low level of digital skills, reached.</p>	<p>Entire population and SMEs (heads of companies)</p> <p>Risk groups: seniors, people with functional impairments or low levels of digital skills</p>	FCMC, CRPC, MF, ME, FLA, MW	FCMC, CRPC	FCMC, CRPC	Throughout the FLS implementation period

<p>2. Providing information to the public about unscrupulous financial service providers, fraudulent attacks</p>	<p>Information is disseminated in the mass media and social networks, addressing all residents of Latvia, including people with low levels of digital skills, with visual, hearing and intellectual disabilities.</p> <p>Informative, educational campaigns are implemented, including the development of informative materials.</p> <p>The number of fraud cases is reduced.</p>	<p>The number of fraud cases has decreased.</p> <p>The number of communication campaigns implemented.</p>	<p>Entire population of Latvia</p>	<p>FLWG, FLA, MI Information Centre, Latvian Association of Local and Regional Governments (LALRG)</p>	<p>FCMC, CRPC</p>	<p>FCMC, CRPC</p>	<p>Throughout the FLS implementation period</p>
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**Area of activity 2.** Identifying and promoting approaches to improving consumer financial literacy in financial services and products

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
1 Monitoring of forms, channels and content of communication of financial services and products (including e-products, as well as marketing and communication of social networks) and promotion of approaches aimed at improving the financial literacy of product users	<p>Measurements of stability of the financial system, the perception of financial institutions, their products and communication have been carried out on a regular basis, including by assessing both affordability and attractiveness.</p> <p>Attention is paid to the range and availability of products, including for people with low digital skills, visual, hearing and intellectual disabilities.</p> <p>Attention is paid to the reflection of sustainability aspects in financial services communication and its efficiency, etc.</p> <p>Special focus: regular assessment of the perception of financial institutions of a separate profile (banks, consumer credit companies, insurance companies).</p> <p>Expert evaluations of the products of financial institutions and communication on their compliance from the point of view of the level of financial literacy and the promotion of sustainability-orientated solutions have been carried out on a regular basis.</p>	<p>A model of perception measurements has been developed.</p> <p>Increasing indicators of the availability and attractiveness of financial institutions.</p> <p>Increasing indicators of expert evaluation of the products of Latvia's financial sector participants, marketing and communication in the aspect of promoting financial literacy.</p>	Entire population of Latvia and SMEs (managers, entrepreneurs)	FCMC, MF, FLA, CRPC, LIA, HEIs and SRI	CRPC, market participants	CRPC, market participants	Throughout the FLS implementation period


2. Providing more accessible data on pension savings and expected pension amounts to the population	The Latvija.lv portal provides electronic access to information on the amount of funds and contributions accumulated at the 3rd pension pillar, ensuring that data on the amount of funds and contributions accumulated in the 1st, 2nd and 3rd pension pillars are available at the same place.	A website is available where data on the savings of all three pension pillars and the amount of contributions can be found in the same place.  The growing number of users of the site.	Entire population of Latvia	MF, MW	MEPRD	MF, MW, MEPRD	2023
3. Preparation and implementation of specific design-thinking training courses for financial service providers and product developers to integrate financial literacy in the development of financial products and services	Continuing education courses on the use of a design-thinking approach have been developed, integrating the principles of improving financial literacy in the development of financial products and communication tools.	Courses developed.  Increasing number of course attendees and high rating thereof.	Financial service providers	FLA, financial service providers, HEIs and SRI	HEIs	HEIs and course attendants, financial service providers	Throughout the FLS implementation period

### Area of activity 3. Involving financial service providers in improving digital literacy by promoting better inclusion

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
Improving the situation of digital financial literacy by facilitating the development of financial service providers' approaches in this area	<p>Compilations of examples of good practice in promoting digital literacy and a model for assessing their impact has been developed.</p> <p>International examples of good practice are also being collected.</p> <p>The compilation is popularised among financial service providers.</p>	<p>Compilations of good practice examples have been developed and evaluated.</p> <p>An increasing trend in efficiency has been identified in the models.</p> <p>A growing number of players in the financial services sector have become acquainted with the examples of good practice in digital literacy and found this experience to be useful.</p>	Entire population, target groups with a higher risk of financial inclusion	HEIs, FCMC, FLA, MEPRD, MES, CRPC	FLA	FLWG and other additional funding	Throughout the FLS implementation period

**Area of activity 4.** Analysis of the impact of the financial environment on the status of financial literacy for effective policy-making

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
Study of the impact of the Latvian financial environment on financial behaviour, determining both the factors of the financial environment with the greatest impact and the impact of certain areas (for example, tax regulation) on financial behaviour, in order to prepare recommendations for policy-makers	A model for determining the impact of financial environment factors and events on financial behaviour has been developed and tested (based on the assessment of financial behaviour, survey of target groups, expert assessment).	A model for determining the impact of financial environment factors and events on financial behaviour has been developed.  Recommendations for policy-makers have been prepared.	Policy-makers, FLWG	HEIs	HEIs	HEIs and raised funding	Throughout the FLS implementation period


**The third goal.** Increasing the impact of financial literacy strategic planning by linking it to national strategic planning documents and involving stakeholders more widely and effectively

To manage the strategic planning of financial literacy development in Latvia, which is implemented in cooperation with stakeholders, is based on world experience and research and promotes the development of increasingly higher level financial competencies, sustainable financial literacy culture, and digital financial literacy supporting and an inclusive financial environment.

**Area of activity 1.** Strategic planning and policy development for the development of financial literacy at the national level with the support of the highest executive level, effectively coordinating it with other related social, economic, cultural and educational policy goals and objectives

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
Linking FLS with NDP, FSDP and other state level planning documents in the process of their development and implementation	Cooperation of developers in the process of the preparation and implementation of FLS, NDP and FSDP is ensured.	According to experts, the degree of connection of FLS with NDP, FSDP and other policy documents.	Policy planners	FLWG in general, in particular FCMC, MF, CRPC, BL, MES, ME, MW, FLA, LIA	FCMC	FCMC	Throughout the FLS implementation period

**Area of activity 2.** Ensuring effective coordination of financial literacy strategy development and implementation and cooperation between the engaged parties

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
1 Continuation of the FLWG by involving other stakeholders (policy-makers, financial market participants, NGOs, educational and research institutions, etc.) in the activities it organises	The FLWG continues its work during the FLS implementation period, with greater involvement of stakeholders.  Each year, an annual FLS implementation action plan is established, identifying planned activities and available resources in the field of financial literacy.	FLWG activities are taking place.  An annual action plan for the implementation of the Financial Literacy Strategy is established annually.  Positive dynamics in the survey of financial literacy of the Latvian population.	All stakeholders	FLWG and other stakeholders	FCMC	FCMC	Throughout the FLS implementation period
2. Use of the principle of open innovation in the FLWG, directly involving the representatives of the interests of the target groups in solving certain issues, etc.	Greater involvement of stakeholders and resources.	Total number of representatives of parties involved in FLWG coordinated activities.  Number of newly created projects and initiatives.  Resources allocated to specific objectives.	All stakeholders	FLWG, Target Group Representatives (NGOs), LALRG and Planning Region Administrations	FCMC	FCMC	Throughout the FLS implementation period

**Area of activity 3.** Integrating global experience (OECD, EU institutions, etc.) into financial literacy policies, including the use of research activities in this field

Objectives	Results to be achieved	Performance indicators	Target groups	Involved parties	Responsible authority(-ies)	Resources and their source	Implementation time
1 Participation in the OECD and EU-level financial literacy policy improvement and exchange activities, as well as in joint surveys and studies of the Member States	Regular participation in the activities of the OECD and other international organisations.	Adequacy in assessing involvement in the most important financial literacy policy development activities and research of the OECD and other international organisations (self-assessment).	Policy-makers	Policy-makers, BL	FCMC, MF, CRPC, FLA	FCMC, MF, CRPC, FLA	Throughout the FLS implementation period
2. Implementation of research subordinated to the goals and objectives of the financial literacy strategy of the involved parties (HEIs, GPP) and promotion of co-operation and support activities promoting this research	Carrying out the most significant studies in the implementation of FLS, development of models important for FLS control.	Number and significance of studies conducted in Latvia in the context of FLS implementation (according to FLWG experts).	HEIs	HEIs, FLWG representatives	HEIs	HEIs, other associated resources	Throughout the FLS implementation period