

Women and Financial Literacy

Miles Larbey

Senior Executive Leader, Financial Literacy

OECD-Japan High-Level Global Symposium:
Promoting Better Lifetime Planning through Financial Education
22 - 23 January 2015

Session 3: Targeting audiences for effective financial education



ASIC

Australian Securities & Investments Commission

AGENDA

- **Australia's National Financial Literacy Strategy**
- **Research on Australian women's financial literacy and economic security**
- **ASIC's financial literacy resources for women**
- **Building women's economic security project 2014-2015**
- **Examples from other Australian organisations**



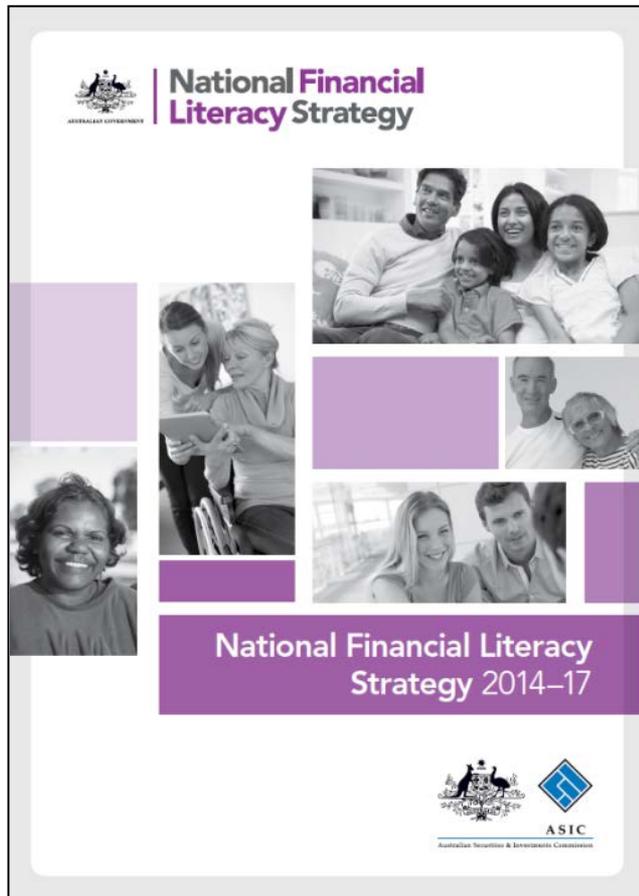
**National Financial
Literacy Strategy**



ASIC

Australian Securities & Investments Commission

AUSTRALIA'S NATIONAL FINANCIAL LITERACY STRATEGY 2014-17



Individuals, families and communities

1. Educate the next generation, particularly through the formal education system
2. Increase the use of free, impartial information, tools and resources
3. Provide quality targeted guidance and support

Policy and program development

4. Strengthen co-ordination and effective partnerships
5. Improve research, measurement and evaluation



**National Financial
Literacy Strategy**



ASIC

Australian Securities & Investments Commission

RESEARCH ON AUSTRALIANS' FINANCIAL LITERACY

◆ Behavioural indicators of financial literacy

Staying informed			
Keeping track of finances	Financial control	Planning ahead	Choosing financial products
Tracking expenses Managing debts Saving regularly		Planning for retirement Protecting assets Understanding investment risk	



RESEARCH ON AUSTRALIANS' FINANCIAL LITERACY

- Groups where **lower levels of financial literacy** are likely:
 - Young people under 25 years
 - People who have no formal post-secondary education
 - Low-income earners, or people who have few assets
 - People who work in lower-level 'blue-collar' occupations
 - Women – particularly those aged under 35, and over 70*

*Source: ANZ, *2011 ANZ Survey of Adult Financial Literacy in Australia*.



**National Financial
Literacy Strategy**



ASIC

Australian Securities & Investments Commission

INFLUENCES ON FINANCIAL DECISION-MAKING



WOMEN'S BEHAVIOURS AND ATTITUDES TOWARDS MONEY

- **Product ownership**

Generally, women and men displayed similar financial attitudes and behaviours, including similar rates of product ownership, apart from ownership of a credit card with men more likely to report owning one (72% compared with 66% of women)

- **Saving money**

Women are more likely to state they had saved money in the past six months (84% compared to 80% of men) and were more likely to save money using a savings account that is not automatically linked to their pay (40% compared to 35% of men)

- **Dealing with money is stressful**

Women (35%) are more likely than men (24%) to agree they find dealing with money stressful and overwhelming.

- **Understanding financial matters**

Women (22%) are more likely than men (12%) to agree they have difficulty understanding financial matters.



National Financial Literacy Strategy



ASIC

Australian Securities & Investments Commission

WOMEN'S BEHAVIOURS AND ATTITUDES TOWARDS MONEY

- **Managing finances**

Men and women in relationships have similar perspectives on who manages day-to-day household finances, but different perspectives on who manages major financial issues.

- Around half of men (48%) and half of women (49%) say they mostly manage their household's day-to-day financial issues, with a further 42% of men and 45% of women stating they jointly manage these issues with their partner.
- Men are more likely to believe they are mostly managing major financial issues (50% compared with 32% of women), while women are under the impression they are jointly managing major financial decisions with their partner (60% compared with 45% of men).

- **Discussing finances with family**

Women (32%) are significantly more likely than men (19%) to openly discuss their household finances with their parents or family.

- **Discussing finances with children**

Women (18%) are more likely than men (12%) to discuss household finances with their children.



**National Financial
Literacy Strategy**



ASIC

Australian Securities & Investments Commission

WOMEN'S BEHAVIOURS AND ATTITUDES TOWARDS MONEY

- **Risk/return trade-off**

Women (23%) are less likely to say they have heard of and understand the concept of risk/return trade-off than men (38%)

- **Diversification**

Women (34%) are less likely to report they have heard of and understand the concept of diversification than men (47%).

- **Other investments**

Women (31%) are less likely than men (41%) to have investments other than their superannuation and/or home.

- **Losing money**

Women (9%) are significantly less likely than men (22%) to say they had lost money.



FEEDBACK FROM STAKEHOLDERS

- Subgroups of women (Indigenous, CALD, women with a disability) face particular issues and specific financial challenges
- Partnerships with trusted organisations are key to reaching women
- Effective financial literacy programs reach women at teachable moments
- New resources should build on the well-established and respected programs and networks available



**National Financial
Literacy Strategy**



ASIC

Australian Securities & Investments Commission

ASIC'S FINANCIAL LITERACY RESOURCES FOR WOMEN



ASIC
Australian Securities &
Investments Commission

MONEYSMART
Simple guidance you can trust

Search



Managing
your money

Borrowing
& credit

Superannuation
& retirement

Investing

Scams

Life events
& you

Teaching

Home > Life events & you > Women



Life events

Under 25s

Over 55s

Families

Women

▶ Getting advice about
money

▶ Getting ready for
retirement

▶ Superannuation &
women

Indigenous

Other languages

Educators

Workplaces

Self-employed people

Women

You and your money

For inspiration watch our real stories and read our top money tips so you know where to start on your finances.

- ↳ Real stories
- ↳ Top 10 money tips for women

Real stories

A brighter financial future

Watch these real stories of women taking some simple steps towards a brighter financial future.

Nicole escapes the debt cycle

Michelle's journey from debt to home ownership

Sophie juggles planning for the future and having fun today.

Zoe avoids the money problems that can destroy relationships



**National Financial
Literacy Strategy**



ASIC

Australian Securities & Investments Commission

ASIC'S FINANCIAL LITERACY RESOURCES FOR WOMEN



ASIC
Australian Securities &
Investments Commission



MONEYSMART
Simple guidance you can trust

Search



Managing
your money

Borrowing
& credit

Superannuation
& retirement

Investing

Scams

Life events
& you

Teaching

Home > Life events & you > Women > Getting advice about money



Life events

Under 25s

Over 55s

Families

Women

▶ Getting advice about
money

▶ Getting ready for
retirement

▶ Superannuation &
women

Indigenous

Other languages

Educators

Workplaces

Self-employed people

Getting advice about money

Good advice can go a long way

For many women, help from a qualified financial adviser will steer them towards their goals.

If you're struggling with money matters, get in touch with a financial counsellor. Many offer a free service through Centrelink or community organisations.

- ↳ [Who can give advice?](#)
- ↳ [How can a financial adviser help?](#)
- ↳ [What to look for in a financial adviser](#)
- ↳ [Fees and charges](#)
- ↳ [How a financial counsellor can help](#)

Who can give advice?

If you're thinking about using a professional financial adviser, be careful about who you deal with. After all, you're relying on this person for advice about your financial future.

Always check that the person or business is licensed by the Australian Securities and Investments Commission (ASIC): search the [Australian Financial Services licensee register](#) to see. If they don't have a licence, walk away.

How can a financial adviser help?

A financial adviser can offer information on a range of money matters, from personal budgeting and investing, to planning for retirement and protecting your assets with appropriate insurance cover. They can also help work through your finances if you have received an inheritance, are recently divorced, or have just lost a partner.



Literacy Strategy



ASIC

Australian Securities & Investments Commission

ASIC'S FINANCIAL LITERACY RESOURCES FOR WOMEN

Life events

Under 25s

Over 55s

Families

Women

▶ Getting advice about money

▶ Getting ready for retirement

▶ **Superannuation & women**

Indigenous

Other languages

Educators

Workplaces

Self-employed people

Superannuation & women

Super - even more important for women

Women tend to live longer than men, making it even more essential for them to accumulate enough superannuation to last through retirement.

But women face unique challenges when it comes to retirement savings. Lower pay, time out of the workforce to raise children, and running a single-parent household, make it challenging to build a reasonable amount of super. However, some simple strategies make it possible for women to overcome these hurdles.

- ↳ Super is good for you
- ↳ Get to know your fund
- ↳ Options to grow your nest egg
- ↳ Track down lost super

Super is good for you

[Superannuation](#) is a very tax-effective way to save for retirement. Your super fund pays a low rate of tax on contributions and investment earnings while you grow your nest egg. From age 60, you can withdraw your super tax-free.

Without super, many women are forced to rely on the age pension in their senior years. But the pension is designed as a safety net and won't provide for a comfortable old age. So it's essential to focus on growing your super.

[Super contributions calculator](#)

Smart tip



In 2007, Australian women about to retire had an average of \$35,300 less in super savings than men.



National Financial
Literacy Strategy



ASIC

Australian Securities & Investments Commission

ASIC'S FINANCIAL LITERACY RESOURCES FOR WOMEN

Real life case studies

The four videos on MoneySmart that were promoted in major women's magazines, in newspapers and online.



Nicole escapes the debt cycle.



Michelle's journey from debt to home ownership.



Sophie plans ahead but still has fun.



Zoe avoids the money problems that can destroy relationships.



**National Financial
Literacy Strategy**



ASIC

Australian Securities & Investments Commission

“BUILDING WOMEN’S ECONOMIC SECURITY AND FINANCIAL WELLBEING” PROJECT

- **Stage 1 consultation – Stakeholder forum**

- Purpose: to gain support and receive feedback on the concept
- Held August 2014, in Sydney
- Community, government and corporate stakeholders
- Stakeholders overwhelmingly endorsed the project



- **Stage 2 – resource development**

- A money ‘toolkit’ with tailored and engaging information
- Career break calculator
- Online training module for intermediaries



- **Stage 2 – Communication strategy**

- Embed resources
- Distribute through networks
- Promotional campaign
- Social media



National Financial
Literacy Strategy



ASIC

Australian Securities & Investments Commission

EXAMPLES OF OTHER AUSTRALIAN PROGRAMS

- **Saver Plus**

- Australia's largest and longest running matched savings and financial education program.
- Offered locally by community organisations in over 60 locations.
- Assists individuals and families on lower incomes.
- Has supported thousands to develop a lasting savings habit.
- Vast majority of saver plus participants are women.



**National Financial
Literacy Strategy**



ASIC

Australian Securities & Investments Commission

EXAMPLES OF OTHER AUSTRALIAN PROGRAMS

- **Money minded**

- Australia's most widely-used adult financial literacy program.
- Has reached more than 200,000 people since 2003.
- Delivered nationally in partnership with community organisations.
- Comprehensive suite of adult financial education resources.
- Facilitators select workshops that relate to the particular needs of their participants.



National Financial
Literacy Strategy



ASIC

Australian Securities & Investments Commission

EXAMPLES OF OTHER AUSTRALIAN PROGRAMS

- **No Interest Loans Scheme (NILS)**
 - Coordinated by Good Shepherd Microfinance.
 - Provides individuals and families on low incomes with access to safe, fair and affordable credit.
 - Loan amounts are between \$300 – \$1,200 for essential goods and services such as fridges, washing machines or car repairs.
 - 74% of recipients are female (2014).



EXAMPLES OF OTHER AUSTRALIAN PROGRAMS

- **10thousand girl**

- Not for profit organisation
- Aim is to inspire and educate women (typically 18-45)
- Specific focus on reaching remote and regional communities



- **Economic Security 4 Women**

- Alliance of women's organisations united in the belief that economic wellbeing and financial security are essential for women and will enable women of all ages to have an equal place in society.



National Financial
Literacy Strategy



ASIC

Australian Securities & Investments Commission

SUMMARY

- Research demonstrates there are a number of financial wellbeing and economic security issues facing women – particularly around retirement savings.
- The National Financial Literacy Strategy has identified women as a key target audience with particular financial literacy needs.
- ASIC is aiming to address these issues by developing targeted tools and reaching women at key life stages.



**National Financial
Literacy Strategy**



ASIC

Australian Securities & Investments Commission