

MONEY MATTERS

no 2 | 2007

Financial well-being



Monthly net income		Monthly expenses	
Salaries	3.150,-	Rent payment	800,-
	295,-	Car (loan, insurance ..)	595,-
		Utilities	195,-
		Telephone	50,-
		Groceries	800,-
		Loan payment	130,-
		Insurances	250,-
		Savings	200,-
		Disposable Income	425,-
TOTAL INCOME	3.445,-	TOTAL EXPENSES	3.445,-

Financial well-being goes beyond just making ends meet. Money and debt advice organisations from across Europe provide the information, training and counselling needed for sustainable solutions.

- ★ Plan your way out of debt
- ★ Exploring financial behaviour
- ★ Financial literacy in the Netherlands
- ★ Financial exclusion in Bulgaria
- ★ 'The Cash' on tour in Austria

Plan your way out of debt



How the insights and practices of Financial Planners can be of use to debt advice practitioners.

by Howard Gannaway

Can you plan your way out of debt? This article will, through a series of intellectual leaps and probably rash generalisations seek to explore whether the insights and practices of Financial Planners can be of any use to debt advice practitioners. The observation that prompted these questions was that debt advisors are frequently faced with clients who are 'repeat offenders', that is to say, who find themselves back in the same position of over-indebtedness only a short time after having been 'sorted out' by the debt advisor the first time. In a successful Financial Planning practice, on the other hand, clients moved through an established process towards long-term goals, equipping themselves with analytical tools and resources to keep them moving forward and avoid setbacks.

So what are the similarities and differences between planning clients and debt clients? Most debt advisers would have at the top of their list of differences the amount of money at their disposal. People who are the clients of Financial Planners usually have much more money than the clients of debt advisers. This is generally true but Financial Planners do work with clients with a wide range of assets and incomes.

The principles of successful Financial Planning can be and are applied equally well to a client who has an annual income of €500 000 as to one who has an annual income of €50 000.

The obvious question that arises from this is whether there is an amount of income below which it is impossible to establish principles of sound personal financial management? This is a large question for another discussion elsewhere but national Governments manifestly believe there is a lower limit as they seek to keep people above it by means of welfare benefits and other social mechanisms.

Basic financial management

Most debt advisors work on the basis that their clients are able to establish some principles of sound financial management. The use of a personal or household budget is established in debt advice practice both at the level of voluntary arrangements and in most compulsory arrangements as well. Indeed, most debt advisers would say that the formulation of a personal budget is one of the first steps to be taken with all clients, even those who are not yet at the stage of having to make arrangements with their creditors.

One area of similarity between many debt clients and planning clients is that of aspiration. Admittedly, many debt clients become over-indebted through the need to pay for essential items such as fuel and food but there are also many whose spending is on items that imply a higher level of income than actually exists at the time and is, in effect, aspirational spending. Financial Planners would say that one of the key elements of the planning process is aspiration. The first stage of the Financial Planning journey is the setting of objectives, which involves clearly identifying and quantifying the objective and also situating it in time. To be a real objective it must also have the aspirational factor of being something the client really wants to achieve.

What are the objectives that Financial Planners normally assist with? All clients are different but most planners will agree that the following objectives



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are common to many of their clients in one form or another. In no particular order of priority, most would say that being financially stable in the present is crucial. This would include not only having sufficient income to meet present spending needs but also sufficient to accumulate for future needs. There must also be measures in place to provide protection against unexpected financial shocks. Most planning clients also aspire to a time in the future when they will be able to live in a comfortable style without the need to work if they choose not to (often referred to as 'retirement'!)

¹*Seminar on Financial Education held in Utrecht in June 2007 under the auspices of the European Consumer Debt Network (ecdn)*

²*See Policy-Based Financial Planning Provides Touchstone in a Turbulent World by David B. Yeske, CFP®, and Elissa Buie, CFP® http://www.fpanet.org/journal/articles/2006_Issues/jfp0706-art6.cfm*

Setting realistic objectives

Along the way, many people wish to purchase a home and make provision for the expenses associated with having children. The point here is not the particular specific objectives but rather to note that the Financial Planning process is able to take any realistic objectives and put them into a framework for achievement.

Does this differ from the approach of good debt advisors? The differences are probably more of degree rather than absolute differences of style or process. The focus that debt advisers bring to stabilising the client's current situation is of key importance and is also aspirational.

The debt adviser in effect says to the client that it is possible to stabilise your present financial position if you follow the steps I shall set out – you can change your life.

However, many debt advisers will also say that, for a variety of reasons such as pressure of work or funding restrictions, they can only really focus on stabilising the present. The question this article seeks to pose is whether the difference of aspirational and time scales between the debt advice process and the Financial Planning process could bring another valuable dimension to the debt advice process.

Financial Planners present to their clients the prospect of a longer journey and the belief that, if you stick to the plan, you can proceed systematically to achieve all your objectives. To see how this thinking can be put into service for debt advisers, let us first suggest a way of describing stages on the journey that will be meaningful to all individuals, whether they are the clients of debt advisers or Financial Planners – or just working things out on their own!

Four stages of control

Table 1 seeks to describe four stages based around the variable of control, that is, the extent of control that an individual has over their finances.

For each stage of control, the table suggests which elements of financial management/planning may be present/under control or absent/out of control. So, for example, the stage of 'In Control' describes someone who may (but probably does not) have clear objectives and policies established, who does have a stabilised and sustainable pattern of income and expenditure, who has not established control over their future objectives and so on.

'Objectives' refers to whether an individual has established any clear objectives for states or conditions that they have not currently achieved. 'Policies' refers to whether an individual has policies or principles which they use to help them make financial decisions on an ongoing basis².

'Income' and 'Expenditure' refer to control over currently sustainable patterns of income and expenditure. 'Future' refers to whether the individual has taken steps to ensure that financial resources will be available to meet future objectives (e.g. retirement).

Table 1: Four stages of control over personal finances – high level

	Chaos	Out of Control	In Control	Well-being
Objectives	x	x	?	✓
Policies	x	x	?	✓
Income	x	?	✓	✓
Expenditure	x	x	✓	✓
Future	x	x	x	✓
Threats	x	x	?	✓
Reviewed	x	x	?	✓

The titles of the stages should only be seen as working titles. Commentators who have seen this table as part of a seminar presentation felt that the titles were a little abrupt. In particular, the use of the term 'Chaos' was felt to be potentially unhelpful and demotivating in a debt advice context.

Table 2: Four stages of control over personal finances – ‘on the ground’

	Chaos	Out of Control	In Control	Well-being
In work	?	?	✓	✓
Making ends meet	x	x	✓	✓
Budgeting	x	x	✓	✓
Saving	x	x	x	✓
Debt payments manageable	x	x	x	✓
Assets at risk	✓	✓	x	x
Assets seized	✓	x	x	x

Table 1 looks at these stages from a fairly high-level analytical viewpoint. Table 2 suggests some actual events and situations that might apply in each stage.

How might a framework such as this be of benefit in a debt advice setting? To be of any use we do of course have to share an assumption that it is better to be in control of one’s finances than not to be in control. If so, then this framework might be of use, firstly, by showing that there are other options than either being in Chaos or about to be in Chaos. Secondly, it says that there is a progression that can lead to greater financial control and greater well-being and indicates specific steps along this journey. Clearly, individual debt advisers may want to tailor the content of individual steps to meet their own situations.

Clients as learners

The framework has yet to be tested thoroughly in a practical setting. It grew partly out of some work that NIACE was doing with a debt advice agency in the UK who were keen to explore how clients could use models of learning to progress beyond a repeated cycle of over-indebtedness. In this work it was recognised that not all clients could be engaged in this process and that it had to be offered as an option. At the initial interview, clients were informed that the agency offered two levels of service, one which sought to rescue the present position from impending chaos and the other service which aimed to help them avoid getting into the same situation again in the future.

It is recognised that clients faced with all the stresses of serious indebtedness will be unlikely to immediately respond warmly to a vision of future financial ‘Well-being’ so the process proceeds in smaller steps, initially working only on the need to have a written budget. However, the aim is that, for those clients who are able to proceed on this path, there will be a recognisable series of steps that can be taken to help sustain financial control and ultimately well-being.

In the UK at the present time, there are growing moves to make links between debt advice, which is generally seen as a rescue mission and ‘financial capability’ which is a term being used to describe a more educative process of financial learning. One of the potential areas of benefit for a framework such as the one discussed here is that it can help to make links between what are currently two quite separate groups of practitioners so that clients can become learners and ultimately more financially successful. ::



Recommended literature

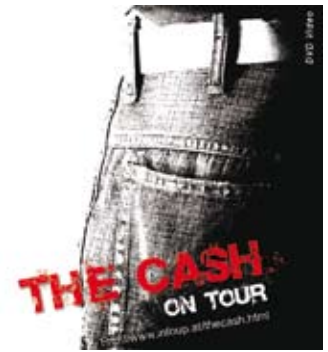
‘The right use of money’ is a collection of inspiring articles on how to use money well. The contributors, among them researchers, consultants, NGO-activists, social workers, entrepreneurs, and media people, raise a broad range of topics from questions of economics and government policy, corporate and individual responsibility to how voluntary organizations can ensure that money is used wisely. Although written in a UK context the insights provided can be useful for everyone dealing with debt issues across Europe.

David Darton (ed.), *The Right Use of Money*, Bristol: The Policy Press, 2004.

The Cash – on Tour

DVD for contacts with young people in Austria

The Cash was produced by ASB Schuldnerberatungen GmbH, the umbrella organisation of the officially recognized debt advice services in Austria.



'The Cash' is the first DVD that deals with the **prevention of overindebtedness** in Austria. It was produced in a cooperation of prevention experts of all debt counselling services in Austria and serves as a low-threshold instrument for work with young people between 15 and 20. It may be used by teachers, youth social workers and debt counsellors in order to make young people aware of this subject in an entertaining way, without moralising, in the visual media language of young people.



The Cash consists of **five video clips** with a total length of 20 minutes, differing in design and pace: from colourful, animated Funky Money Land to real-life interviews with young people. The themes discussed range from consumption and handling (one's own first) money to the reasons why you may run into debt and which effects this has. Young people are encouraged to go their own independent way and to develop a responsible approach towards money.



'The Cash' is an instrument for all **multipliers who work with young people** (teachers, youth social workers, debt counsellors) and who need input with regard to the theme of money and debt.



The DVD was **co-financed by Austria's Federal Ministry of Social Affairs and Consumer Protection**. Part of the work hours as well as non-cash contributions were financed through the current budget of ASB and the production company Tin-fish Medialab.

A number of **prominent Austrian comedians** were ready to contribute to this prevention project without pay: Andrea Händler, Alfred Dorfer, Roland Düringer and Gunkl a.k.a. Günther Paal played their roles just brilliantly.

The DVD has been available at the debt counselling offices **since February 2007**.

The DVD met with great acceptance throughout the German-speaking countries, many copies have been ordered to be used in locations such as schools or youth centres. The prevention experts of Austria's debt counselling services are already **planning complementing and continuing projects**, such as a website based on the content of the DVD.

For more information or to order a copy of the DVD (10 Euro plus postage) please write to pr@asb-gmbh.at



Exploring financial behaviour

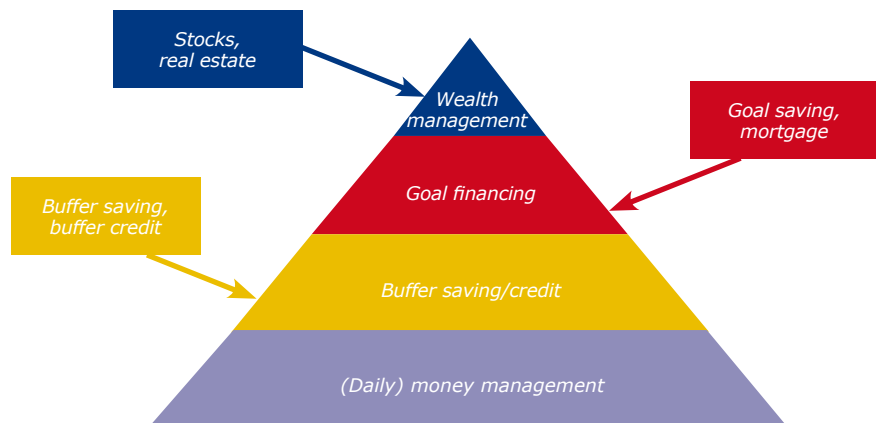
Results of studies on financial behaviour are widely used for marketing strategies. Findings of financial behaviour studies as introduced below could, however, also be of great use for developing better strategies to prevent over-indebtedness.

The examples and explanations are based on an input by the Dutch economic psychologist W. Fred van Raaij at the ecdn Seminar on Budget Information and Prevention in Utrecht, June 2007

Money is one of the basic resources of consumers and the allocation of money is the basis of financial behaviour. Possible forms of allocations are: spending, saving, investing, and borrowing. Time preference, knowledge/capabilities, (over)confidence or loss aversion are some of the factors that influence the consumers' decisions with regards to the allocation of money.

Financial behaviour goes beyond allocation alone and, in addition to spending, saving, borrowing and investing, also includes insuring risks, declaring one's taxes, gambling, acquiring additional income, and wealth management.

Levels of financial behaviour



Four levels of financial behaviour can be distinguished:

1. (Daily) money management: paying purchases and bills; using credit (cards), residual saving.
2. Buffer and precaution: creating and maintaining savings or credit as a buffer and precaution against adverse conditions and unexpected expenditures.
3. Goal financing: saving for a particular purchase or transaction.
4. Wealth management: creating and maintaining (family) capital by investing in stocks and real estate; tax management.

Buying and spending

Immediate feedback

Continuous and immediate feedback on spending has a negative effect on spending.

Consumer budgeting is driven by a retrospective evaluation of past expenses, rather than prospective budgeting and accounting. Using cash gives immediate feedback, whereas a credit card provides delayed feedback and consequently people's awareness of the money they've spent is high with cash, but low with charge, debit and credit cards.

Ms. Van Bilsen buys her groceries at the supermarket. In the store, she uses the self-scanning system, i.e., she scans every product she puts in her trolley herself and thus knows exactly the total number of products in her trolley and their total price. At the checkout counter she pays the bill.

Ms. Van Dommelen buys her groceries at the same supermarket. In the store she puts the products in her trolley and goes to the checkout counter, where the caissière scans the products. There she pays the bill.

Assume that Ms. Van Bilsen and Ms. Van Dommelen have the same disposable income.

Who is more likely to buy more products and spend more, Ms. Van Bilsen or Ms. Van Dommelen?

Who will be happier with the store trip?

Sunk costs

A mental account is a set of related costs and benefits in a specific domain or category. It contains the costs of payments and the benefits of acquisitions. Especially with investments and prepayment, the account remains open until the project is completed and the benefits are consumed. People don't like to close an account 'in the red'.

Sunk costs (= investments that are not yet returned) thus are avoided and people keep investing until the investments will be returned and the account can be closed in the 'black'.

Francis joins a tennis club and pays EUR 300 yearly membership fee. After two weeks of playing he develops a tennis elbow. Francis continues to play (in pain) saying, 'I don't want to waste the EUR 300!'

Mary's washing machine has been repaired recently at a cost of EUR 300. But now it has broken down again.

What is more likely?

Will Mary have it repaired again, or will she buy a new one?

Russell and Janet Belk paid \$40 for tickets to a baseball game to be played 60 miles from their home. On the day of the game there is a snowstorm. They decide to go anyway but note in passing that had the tickets been given to them, they would have stayed home.

Default bias and status-quo bias

In Pennsylvania, car insurance is offered with a broad coverage and a high price. But consumers may decrease the coverage and, consequently, the price. In New Jersey, car insurance is offered with a small coverage and a low price. But consumers may increase the coverage and, consequently, the price. In principle, consumers can get the same coverage in both states for the same price. Nevertheless, in Pennsylvania consumers buy car insurance with a broader coverage and a higher price than in New Jersey.

This is due to the fact that consumers often select the option as presented and do not make changes. This is the default bias. Consumers assume that the presented option is the recommended option. If a number of options are presented, most consumers select the standard/default option or the option they already possess. This is the status-quo bias.

Conclusions

- ★ Loss aversion is a central tendency in consumer behaviour. Other central tendencies are: time preference and overconfidence.
- ★ Consumers are 'anchored' in the present situation and change less than would be good for them.
- ★ To increase their ability of deciding more quickly and to cope with time pressure and information overload consumers use a set of heuristics: sunk cost effect, default bias, status-quo effect ...
- ★ 'Debiasing' is ineffective in the long term.
- ★ The most commonly used set of heuristics should be taken into account for making preventive education and information more effective. ::

Financial literacy in the Netherlands



Consumers of every age as well as professionals are the target groups of Nibud. It has developed a lot of methods and material to increase financial literacy.

by Gerjoke Wilmink

The Dutch National Institute for Information on Consumer Budgets (Nibud) is an independent foundation that gives information about household finance. It aims not only at consumers, but also at professionals whose policy it is to inform and/or advise households on their budget. The two main goals are to increase consumers' welfare and to prevent over-indebtedness.

Nibud's impact is large: The websites are consulted every day by 10 000 people. Nibud information is also a daily issue in the media and information and references figures in the field of household budget help assistants, advisers, executives and policy makers. An important value of Nibud is that it is seen as a neutral expert centre independent from government, firms or interest groups. The state finances 15% of the projects, the same amount is paid by banks. The institute earns the rest (70%) on its own by selling books and software, giving courses to professionals, advising local governments, unions etc.

Improving financial literacy

Financial literacy consists of the following aspects:

- * Knowledge of financial rights and duties
- * Knowledge of the risks and consequences of financial products
- * Ability to have a grip on your own financial situation, knowing how to keep within your own budget.

Nibud provides information about all these aspects, but the main focus is helping people to get a grip on their finances. Being in full command of one's own financial situation is a perfect way to prevent over-indebtedness. The basic materials needed for this are, for example, simple household account books and a corresponding computer programme.

The Institute has different money guides; There is one for parents of children up to 12 and of high school pupils, which gives information about the costs of and grants for children. But it also contains advice for financial education: the most important educational advice is the proper use of pocket money, clothing allowances and (when children start working) agreements on board and lodging. There is also a money guide for students or parents of students, and one for young people who start living on their own. Lastly, there is a money guide especially made for seniors who want to stay independent.

How to reach consumers

The most important channels are Nibud's websites and the mass media:

- * www.nibud.nl gives general information, also with a lot of factual information and interactive tools; it is divided in three sub-sites: for consumers, professionals and press; daily visitors: up to 8 000
- * www.nibudjong.nl is specially made for high school students (12–18 years); with interactive tests and games it tries to make young people aware of the risks of over-indebtedness; daily visitors: 1 000
- * www.grijpjekansen.nl is specially made for children of low income households, to reach their parents through them; daily visitors: 500
- * www.zelfjeschuldenregelen.nl is for people who are already in big money trouble but can still make deals with their creditors; daily visitors: 500



Gerjoke Wilmink

Dutch National Institute for Information on Consumer Budgets (Nibud)

The mass media are perfect to reach the passive households. Nibud uses the results of their research, studies and surveys as input for press releases. These results are always presented in combination with practical solutions, very often own products and services. Sometimes the Institute calls its media efforts a campaign, for example for the benefit of personnel managers or elderly persons.

Teaching material and methods

Nibud has developed a lot of methods and teaching material about how to manage money for different target groups and different education levels for adults – even for mentally handicapped people. Until a few years ago Nibud didn't have much teaching material for children, because the primary responsibility for the financial education of children was seen to lie with their parents. But to take over this responsibility is not so easy for parents nowadays, with the influence of advertisements, the brand sensitivity of children etc. Studies have shown that children tend to spend more money than they have.

So Nibud concluded that parents might need some help from the schools. That is why the Institute started developing teaching materials:

- ★ *De Geldkoffer* (Money Trunk) for pupils of the primary education (10 to 12 years).
- ★ *Zakgeldkrant*, a newspaper about pocket money and money handling for all high school students.
- ★ *In & Out*, a complete teaching package that can be used in lower vocational education. It consists of teaching suggestions and for the pupils glossies about money (including a horoscope).
- ★ *Ik wil ...*, translated: 'I want ... to shop endlessly, to live on my own, to have my own car'. This is material for intermediate vocational education.

Material for professionals

Nibud also has material and methods for professionals. It organises courses about how they themselves can coach their clients in (better) money management. Material for professionals are:

- ★ The *Budgethandboek*, a handbook full of up-to-date information and data about income and spending patterns for various groups.
- ★ The *Rekenprogramma's* is a computer programme consisting of modules to make gross/net calculations of various financial matters: exemplary budgets, claims of various subsidies, alimony and debt settling schedules.
- ★ The *Prijzengids* (price guide) indicates prices of articles that can be given to households with low income by local communities via social security. ::



The Dutch 'Money Museum'

The unique Dutch 'Geldmuseum' (Money Museum) in Utrecht is a Museum about money and money culture – from an actual as well as an historical point of view: What do people with money? And what does money do with people? The Museum opened its doors to the public in May 2007. It targets a broad audience with permanent and temporary exhibitions about economic processes, history of money and numismatics. The 'Geldmuseum' also makes a contribution to financial literacy in the Netherlands: It offers special projects and educational guided tours for pupils.

The website www.geldmuseum.nl offers a section 'Onderwijs' (education) with answers on many basic questions – from 'What is money?' to 'Everything about the Euro'. The section 'Collecties' (collections) provides information for researchers and those interested in vast collections of the Money Museum.

Financial exclusion in Bulgaria



Not all groups of the Bulgarian population benefit from the opening and liberalisation of the financial services market.

by Svetlana Gercheva

The government policy ten years ago definitely increased financial exclusion in Bulgaria due to political influences on the banking supervision authority. Ten years ago there was a banking crisis and many Bulgarian banks went bankrupt. This led to a nation-wide mistrust regarding the banking system and its management in Bulgaria, financial products and even the Government, which had to resign in April 1997. As many households lost their savings, widespread financial exclusion followed.

In mid-1997 Bulgaria changed its monetary system, introducing a currency board arrangement. The national currency, the lev (BGN) was tied to the German mark and as of 1999, to the common currency, the euro. Today our currency exchange rate is still fixed to the Euro.

Some key trends indicate participation in the financial services market after a decade. Currency board arrangements are still in force in Bulgaria. Our country became a member state of the EU in 2007. The first steps towards EU membership were to adapt financial regulations to the *acquis* in the EU. Many European banks are now present in Bulgaria's financial services market.

Financial exclusion

According to a study by the UniCredit Group (Household Credit in New Europe: Credit Boom or Sustainable Growth?) the average debt of households in Bulgaria was not high in 2005: 492 euros. It is expected to double in 2008, to 956 euros. Not all segments of the population in Bulgaria can benefit from the opening and liberalisation of the financial services market. The groups most strongly affected by financial exclusion are elderly people (a large group in Bulgaria due to the aging of population), the unemployed, and the ethnic minorities of Roma and Turks.

These people can hardly afford financial services because of small pensions or persistent unemployment. Many Roma and Turks lack the skills required in the modern labour market. In addition to distribution problems originating from an insufficient ability to pay there also seems to be an information problem due to financial illiteracy.

Policy priorities

According to the national report on the policies of social protection and inclusion, social protection and inclusion have already been defined as priorities by policy-makers in Bulgaria. The report focuses on equality and quality in social service provision and on their availability for disadvantaged people. Unfortunately the financial exclusion of some vulnerable groups of Bulgarians has not been included as a political priority in this report.

Financial literacy and overdue measures

Common action undertaken by the Government, NGOs and the private sector would be needed in order to improve the financial literacy of the population in Bulgaria. The Government cooperates with the universities of economics to promote financial literacy among young people. Many state universities of economics offer personal finance course programmes in order



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to teach students the main principles and skills in personal/household budget matters, money management, its implementation and debt prevention.

The Government should also play an important role in inter-institutional coordination to reduce information asymmetry and financial illiteracy among households in the vulnerable and uninformed segments of the population. Such kind of market failure requires Government action.

The National Consumer Protection Association and the Association of Commercial Banks in Bulgaria could also cooperate by publishing and providing free booklets that communicate simple (basic) knowledge about day-to-day money management. A reasonable topic of such a booklet would be how to avoid loans from the unregulated or unofficial market, which could lead to high indebtedness in the future.

Conclusions

In general the financial inclusion of households in Bulgaria is relatively good despite turbulent times in the past. Coverage in this field will be further expanded due to the EU membership and the general increase of income in Bulgaria. Although the Bulgarian households are not strongly indebted, their financial liabilities have grown because of the large consumption gap to be filled. This trend in households' liabilities in Bulgaria is expected to slow down by 2009.

Nevertheless care should be taken to prevent over-indebtedness by trying to include the most vulnerable groups of Bulgarians into the single financial services market of the EU. Joint coordinated efforts by many institutions, including the Government, are needed because market imperfections that fuel financial exclusion and over-indebtedness can successfully be corrected in the long run by comprehensive and consistent policies. ❖❖

Poverty in Bulgaria

Although Bulgaria has recently joined the EU its poverty situation is rather disappointing. It is the poorest member state of the EU, with only 32.1% of average EU-25 GNP in terms of PPP. In 2003 the average income in Bulgaria was about 25% of the EU-25 average, which points to a general increase of the living standard to be expected in this country.

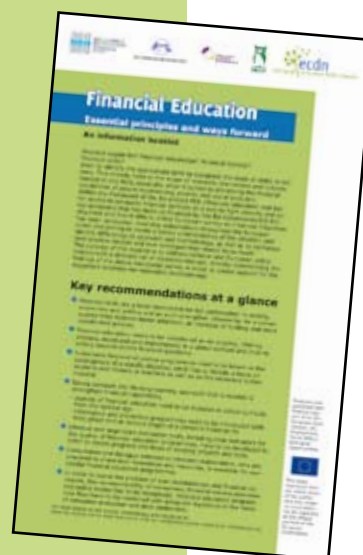
Financial Education: An information booklet

*Financial capability? Financial knowledge?
Financial literacy? Financial skills?*

Even to identify the appropriate term to designate the issue at stake is not easy. This already hints at the scope of research, discussions and outputs needed in this field, especially when it comes to enhancing the financial capabilities of people experiencing poverty and social exclusion.

An information booklet that was produced in the framework of the EU-project FES (Financial education and better access to adequate financial services as a way to fight poverty and social exclusion) gives an overview of the results and conclusions from a European survey involving stakeholders throughout the EU as well as presenting best practice models and recommending strategies that should be pursued.

The booklet is available in English, French and German and can be downloaded from the project website www.fes.twoday.net which also includes the full report of the study and a conference of European experts.



Financial well-being goes beyond making ends meet

Prevention is better than cure. Financial well-being goes beyond just making ends meet. Money and debt advice associations, researchers and educational organisations from across Europe provide the information, training and counselling needed for sustainable solutions. At an ecdn seminar on Financial well-being some of their representatives met to discuss experiences with prevention and budget information activities and programmes, and to develop ideas to further increase the effectiveness of their work.

In order to strengthen financial well-being across Europe the following recommendations were proposed:

- ★ Clarification of the concept of financial well-being and the related terminology and definition of target groups and stake holders.
- ★ Development of quality standards for financial education programmes.
- ★ Development of a European framework curriculum on financial education based on existing curricula from across Europe.
- ★ Collection and presentation of transferable best practice examples, such as the Dutch 'Standard Budget' approach and good quality learning material from all over Europe to be adapted to national contexts and translated into various languages.
- ★ Increased cooperation and exchange between all relevant actors, especially among practitioners and between practitioners and researchers with the medium-term goals of developing joint research projects and organising joint seminars and conferences and the long-term goal of developing and lobbying for the introduction of 'personal economics' as a subject at universities across Europe.
- ★ Enforcement of public awareness, using also mass-media to spread information. The establishment of a European Day of over-indebtedness following the Belgian example of a day without credits, could be a useful instrument here.
- ★ Better coordination on national level and the establishment of broad national platforms on financial education.
- ★ Stronger investment in lobbying activities, taking advantage of existing policy instruments such as the NAPsincl to lobby for financial education programmes and push for the implementation of plans.

For further information and recommendations go to
www.ecdn.eu

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