

Renewing Canada's National Strategy for Financial Literacy

January 29, 2021



Submission to the
Financial Consumer Agency of
Canada

Introduction

The Canadian Bankers Association (CBA) and its member banks are pleased to participate in the Financial Consumer Agency of Canada's (FCAC) consultation on the renewal of the National Strategy for Financial Literacy (National Strategy). We appreciate the opportunity to submit our comments for your consideration and contribute to the FCAC's efforts to strengthen the financial literacy of Canadians.

Advancing financial literacy, education and wellness has been an important priority for the CBA for more than 40 years. The CBA was a participant in the Task Force on Financial Literacy and a contributor to the development of the current National Strategy, the first ever in Canada. Moreover, the CBA has been a member of the FCAC's National Steering Committee on Financial Literacy since it was formed – a recognition of the important role that banks play in the day-to-day financial knowledge of their customers.

The launch of the National Strategy in 2014 was a significant step forward in providing meaningful goals and support to help Canadians of all ages enhance their financial knowledge and skills while increasing their confidence in dealing with money matters. The time is ripe to update the strategy to make sure it reflects the evolving needs of Canadians. Against the backdrop of the sudden and unexpected economic disruption brought on by the COVID-19 pandemic, and the associated financial hardship facing some Canadians, this work is even more meaningful. As Canadians work together to achieve a strong post-pandemic economic recovery, we can also ensure that Canadians continue to have access to the latest resources and tools to strengthen their financial literacy in order to make sound financial decisions throughout their lives.

The CBA is pleased to work collaboratively with the FCAC to align our own efforts to advance financial literacy with those of the Agency by contributing to the renewed National Strategy. We appreciated the opportunity to share our views at the virtual roundtable session in January 2021, and the comments submitted through this document are intended to further inform the renewal process by sharing information on the banking sector's longstanding and continually evolving efforts to improve financial literacy.

Standing by Canadians: Committed to strengthening financial well-being

Canada's banking sector has long recognized that it has a central role to play in supporting and strengthening financial literacy in Canada to help improve the financial well-being of Canadians. Banks are an active and important part of the daily life of all Canadians – almost 99 per cent of the adult population has an account with a financial institution. Millions of people turn to banks every day for services and advice to help them achieve their financial goals and build a bright future. This is where banks' financial literacy work begins – in their daily interactions with their customers, providing a wealth of educational material, information, tools, services and advice geared to helping them make the best financial choices for their unique circumstances.

Banks go well beyond this, too. Individual banks in Canada are engaged in a variety of ways to strengthen the financial well-being of all Canadians. They do this by:

- providing financial support and volunteers for a variety of financial literacy programs run in communities across the country by educational and not-for-profit groups;
- creating their own financial education programs and services for clients and the general public; and
- providing financial and volunteer support for the important work that not-for-profit credit counselling agencies do in local communities across Canada.

For its part, the CBA has provided financial literacy programs and information for decades, perhaps most notably through our two free, non-commercial financial literacy programs, [Your Money Students](#) and [Your Money Seniors](#). Both programs were developed in collaboration with the FCAC and align with the objectives of the existing National Strategy. Introduced in 1999 and 2014 respectively, the programs are available across the country in both official languages and are presented by bankers in the community volunteering their time and expertise.

The CBA also broadly and actively shares information and insights on a wide range of topics related to improving financial literacy and financial well-being – from budgeting, debt management and retirement planning, to fraud prevention, protecting against financial abuse and digital literacy.

The CBA and its members have been encouraged by the demonstrated improvements in financial literacy outcomes since the FCAC developed and implemented its National Strategy more than five years ago. We look forward to working with the FCAC to build upon this foundation as it provides continued leadership in renewing the National Strategy over a five-year timeline (2021-2026).

Summary of Recommendations

1. The core focus of the proposed goals should be on budgeting, saving and debt management. The realization of these three goals will help achieve at least two of the other proposed goals. The goal related to debt should focus on effective debt management practices.
2. To help customers avoid fraud in an online, tech-enabled marketplace where scams are increasing, continue to put a strong emphasis in the National Strategy on effective fraud prevention and cyber hygiene practices. In effect, this will complement sustained efforts by several other stakeholders who are active in this space, including banks. Further FCAC engagement across government departments and agencies will help the FCAC align its efforts to other ongoing fraud prevention strategies and programs.
3. The renewal of the National Strategy should make teaching financial education in the public school system mandatory where it isn't already. We encourage the federal, provincial and territorial governments to work together to ensure that all young Canadians get a strong foundation in financial education before they graduate from high school.
4. The FCAC should continue to play a leading role in sharing ready-made strategies, resources and toolkits to help employers, including small businesses, introduce financial wellness programs for their employees in the workplace.
5. We encourage the FCAC to undertake a fourth iteration of the Canadian Financial Capability Survey along its five-year cycle. Moreover, the federal government should continue to work with its provincial-territorial partners to participate in the OECD's Programme for International Student Assessment.
6. The FCAC should continue its role as the central rallying organization promoting Financial Literacy Month in Canada. FLM is an effective public awareness campaign for engaging stakeholders and Canadians on the benefits of strengthening their financial literacy.

Goals

Question 1: Share your feedback on the proposed goals, and tell us if they should be modified, removed, changed, or other goals added.

We generally agree with the proposed goals and the forward direction for the National Strategy set out in the consultation paper as the areas of focus to inspire and assist Canadians to adopt positive habits that influence their financial well-being, both in the short and long term. Further, we support the overarching objective of ensuring the National Strategy is reflective of a changing world. The current coronavirus pandemic is an obvious (though extreme) example, demonstrating that Canadians may periodically experience unexpected financial strain, requiring difficult financial decisions and planning for an uncertain future.

Core principles: Debt management, budgeting and savings

We support a continued focus in the renewed National Strategy on the core principles of debt management, budgeting and saving through a process of continuous learning and support that builds on a strong foundation established early in life. Further improving education and available tools in these central areas will help Canadians achieve at least two of the FCAC's other proposed goals – namely, “Promoting positive financial attitudes and building financial confidence” and “Encouraging a future focus.”

Debt management

According to the 2019 [Canadian Financial Capability Survey](#) (CFCS), roughly one-third of Canadians think they have too much debt and that they are unable to keep up with bills and payments (31 per cent and 35 per cent, respectively), and more than half (51 per cent) do not have a budget to help guide their financial decisions. The same survey notes that only one in four Canadians (41 per cent) seek financial advice from their banks.

Banks in Canada work diligently to help their customers succeed financially at every stage of life. They offer a range of information and advice to help customers manage their finances, including budgeting and money management tools, advice centres and personal finance trackers. Banks are here to help at every step and Canadians are encouraged to talk to their banks early in the process of managing their debt, and frequently as they go through expected and unexpected life events.

Indeed, responsible debt management is central to Canadians' financial health and success. Canadians take on debt for a variety of reasons through a range of financial products, whether it be a mortgage, a personal loan, line of credit or a credit card. Regardless of how debt is incurred, or the amount involved, responsible debt management is fundamental to successful financial outcomes. Debt is a tool that, when used responsibly, enables Canadians to achieve their life goals. An example is purchasing a home, which is the most significant financial transaction that the majority of Canadians will undertake in their lifetime. Though taking on a mortgage can involve a significant amount of debt, careful budgeting and planning to ensure that the amount of debt is appropriate and manageable for each individual circumstance is key. Taking on a mortgage appropriate to a person's situation is part of a broader financial plan that contributes to wealth creation and increases an individual's net worth over time. Homeownership has contributed to a roughly 70 per cent increase in the aggregate net worth of Canadian households since the end of 2010.

Of course, not all debt contributes to a growing household balance sheet. Banks work hard to assist customers in taking on only manageable debt levels as part of a broader financial plan. Further, banks also do their part to assist those who are having trouble managing their debt. They do this through a variety of mechanisms – offering to consolidate debt, providing lower-interest lending products and establishing manageable repayment schedules. Banks also offer consumer education in many different formats and venues, such as online, in branch, over the phone and in published materials. Banks also actively reach out to customers experiencing financial difficulties to offer help with adjusted repayment solutions. For example, during the 2008-09 economic downturn, and most recently during the coronavirus pandemic, banks stood with customers to see them through challenging financial circumstances to mitigate the impact of unanticipated hardship. Sometimes banks will refer customers to credit counsellors to help with education and a debt management plan. Banks also provide staff volunteers and significant financial resources to support credit counselling services across the country.

We encourage the FCAC to reflect the different perspectives on debt, savings and budgeting as part of the renewed National Strategy, so that debt can be acknowledged as an effective tool to achieve financial goals when used responsibly, while still encouraging the theme noted in the consultation paper to “decrease the debt habit” where debt has become a burden or is not anchored in broader financial goals.

Budgeting

In the era of on-demand digital commerce, understanding where your money goes is critical to formulating an effective budget and financial plan. Behavioural economics has shown us that emotions have a large influence on our spending habits. So, if budgeting and debt management is the end, then tracking spending is the means. Interestingly, the CFCS survey revealed that only 20 per cent of Canadians use digital

budgeting tools – usually in the form of an Excel spreadsheet. The survey also noted that Canadians who use digital tools for tracking and budgeting are among the most likely to keep on top of their bill payments and monthly cashflow, and the least likely to fall behind on their financial commitments. Banks in Canada have developed a broad range of digital budgeting and money management tools to help Canadians make better financial decisions and inspire behavioural change. These digital tools are supported by the banking sector’s skilled and dedicated advisors who can help their customers build financial plans that evolve as their lives do. The FCAC’s new Budget Planner is also a very helpful online tool that the CBA actively promotes through its financial literacy programs and social media channels.

Savings

It is important recognize that there are a variety of ways to measure savings. A balance sheet approach, combining the value of assets and liabilities, indicates that Canadians are continuing to save and acquire net wealth. This approach may be the most accurate way to measure the true savings behaviour of families.

Easy and affordable access to consumer credit has changed the way Canadians save. This enables families to focus their savings strategies on longer term and larger goals, such as preparing for retirement, saving for a down payment on a house, or saving for their children's education. Households save to build up financial and non-financial assets for the future. This helps to:

- mitigate risk (loss of a job or a black swan event)
- finance large future expenditures (post-secondary education)
- acquire expensive tangible assets (a home)
- replace income upon retirement

To better prepare for anticipated and unanticipated life events, households need to manage debt wisely and understand how to manage the costs of borrowing (e.g. choosing the right mortgage). They must also understand the returns and the tax implications of certain types of savings and the risks associated with savings in both financial and non-financial assets. And they must understand the risk associated with investing in savings vehicles (GICs, equities, different mutual funds) as well as real assets (e.g., home price trends, starting their own business). This is the kind of advice that banks provide to their customers. Many banks also offer services such as savings programs that transfer money from chequing to savings accounts automatically, online savings calculators and portfolio managers, as well as help and advice in achieving savings goals.

Public policy tools, such as appropriate tax-assisted savings vehicles, also help Canadians to save. The introduction of the Tax-Free Savings Account (TFSA) over a decade ago is a good example of such a policy. A TFSA is flexible and works for a multitude of savings goals. Registered Retirement Savings Plans, Registered Education Savings Plans and Registered Disability Savings Plans are also vehicles that generate positive outcomes over time and help cultivate a savings and growth mindset.

Recommendation: *The core focus of the proposed goals in the National Strategy should be on budgeting, saving and debt management. The realization of these three goals will help achieve at least two of the other proposed goals. Tied to this, the goal related to debt should focus on and emphasize effective debt management practices, rather than simply paying down debt. Further, an emphasis on longer-term planning and goal setting, combined with information around tax filing and access to benefits, will be valuable to help foster culture of saving. The National Strategy should emphasize that banks are there to help and see their customers succeed. Canadians who experience issues with debt should talk to their bank early in the process and over time as they go through various stages of life. The renewal of the National Strategy should also take into consideration the behavioural and spending triggers of a digital-first environment.*

Fraud prevention

The banking sector has an important role to play in protecting customers from fraud and educating Canadians about current scams and how they can protect themselves. We fully support the continued focus on fraud prevention in the list of proposed goals outlined in the consultation paper. The FCAC's CFCS study shows that one in five Canadians was the victim of a financial scam in the last two years. Most of these scams are digital and their prevalence has increased recently. Despite a growing understanding that cyber security is essential in a digital era, some Canadians still need help understanding that simple steps can make a big difference in protecting personal and financial information from criminals. To be sure, there must be a better level of understanding of effective cyber hygiene and safe online practices. Tied to this, other types of fraud and financial abuse targeting seniors and other vulnerable groups should continue to be a key focus area of the National Strategy. The CBA and its member banks make it a priority to inform Canadians on how to detect and prevent fraud and how to practice safe online habits – this submission will expand on these efforts in the following section.

We welcome the efforts of the Canadian Anti-Fraud Centre, the Canadian Centre for Cyber Security and the Competition Bureau to encourage Canadians to take an active role in protecting themselves from frauds and scams, and we support ongoing collaboration with these organizations within government and with the private sector and law enforcement.

Recommendation: *To help customers avoid fraud in an online, tech-enabled marketplace where scams are increasing, continue to put a strong emphasis in the National Strategy on effective fraud prevention and cyber hygiene practices. In effect, this will complement sustained efforts by several other stakeholders who are active in this space, including banks. Further FCAC engagement across government departments and agencies will help the FCAC align its efforts to other ongoing fraud prevention strategies and programs.*

Additional areas for consideration

Digital literacy

The renewal of the National Strategy could include strengthening the digital literacy of Canadians, either as a standalone goal or a sub-goal. Just as financial literacy is an essential life skill, so, too, is digital literacy at a time when Canadians increasingly rely on Internet-enabled services, online channels and contactless solutions. The National Strategy should connect its outcomes to the goals of Innovation, Science and Economic Development Canada's Digital Literacy Exchange Program, which supports the Government of Canada's Innovation and Skills Plan.

The digitalization of financial products and services and the consequent need to strengthen digital financial literacy has become an important component of overall financial well-being. In recognition of this challenge, the CBA recently [announced](#) a sponsorship of ABC Life Literacy Canada (ABC)'s program ABC Internet Matters. The program provides introductory digital literacy education for Canadian seniors who are not using the internet and adult learners who have a gap on the digital curve, some of whom may feel digitally disconnected due to the coronavirus pandemic. In addition, as a greater number of Canadians shift towards digital banking, banks in Canada have created resource centers to help them better understand online and mobile channels, provide helpful tools and resources, and answer any questions they may have.

Support for vulnerable groups

Secondly, the renewed National Strategy should continue to focus on priority groups, such as lower-income Canadians, Indigenous people and newcomers to Canada, to ensure that the Strategy remains fully inclusive. For example, lack of financial literacy affects many Canadians, but newcomers often face several difficult financial decisions at once in a new country. Banks will continue to ensure that they make resources available so newcomers can settle quickly and contribute to Canada's economic development and future prosperity.

All major banks [offer information and support](#) for newcomers to ensure their financial transition to Canada goes smoothly. The focus on newcomers to Canada was exemplified most recently in the [ScotiaRISE](#)

initiative, a 10-year, \$500-million commitment by Scotiabank aimed at strengthening Canada's immigration advantage. The CBA's [Banking for Newcomers](#) resource is also a helpful guide on how banking might differ from systems in other countries along with information on how to open an account and links to bank resources to help with the financial transition to Canada.

Stakeholder activities

Question 2: Can you provide examples of best practices or innovative initiatives that stakeholders across the public, private and non-profit sectors can carry out to support the proposed goals? Describe the areas where FCAC could play a role.

Full range of bank support for financial literacy

Banks in Canada are customer-first businesses that want to see their customers succeed. As stated above, they administer or support several programs in communities across the country to help Canadians strengthen their financial knowledge, skills and confidence. Further, they have developed a full range of technology-driven tools and human advice to help their customers make better financial decisions for their specific circumstances. These initiatives directly support many of the proposed goals in the renewed National Strategy.

Below is a small sample of recently announced bank financial literacy initiatives. We encourage the FCAC to get a more complete view of bank-led and supported financial well-being programs, services and tools here: cba.ca/financialwellness

- BMO launches [CashTrack Insight](#), an AI-driven capability that identifies potential cash shortfalls and helps customers better manage upcoming expenses.
- CIBC introduces new [GoalPlanner](#) platform to help clients build their financial plans with ease.
- Scotiabank creates [Advice+](#) to help Canadians navigate their financial plans during COVID-19.
- The [Scotiabank Money Finder Calculator](#) helps customers plan for a successful future by comparing their income against their expenses to see if additional funds are available for their financial goals.

- TD Bank's [Wow!Zone](#) is a free, interactive program that teaches children and teens about budgeting, saving and investing. Students, parents and teachers can access the games and learning activities online.
- TD introduces new [digital budgeting tool](#) co-developed by post-secondary students as part of the new TD Lab Focus.
- RBC, in partnership with McGill university, offers a [free online course](#) on budgeting, borrowing, home ownership and more.
- RBC created [MyFinanceTracker](#), a customizable online tool that automatically categorizes transactions, tracks expenses and provides advanced budgeting capabilities, empowering personal banking and credit card clients to make sound financial decisions.

Bank initiatives in financial literacy go well beyond technology-driven solutions and human advice. Several banks in Canada have launched their own programs or funded the important work of recognized leaders in the financial literacy community.

- BMO is the founder of [The Entrepreneurial Adventure Program](#). The program is a hands-on entrepreneurial journey for students in grade K-12. It is designed to develop students' enterprising spirit, financial literacy, innovative thinking and social responsibility.
- [BMO for Women](#) is a resource hub for women to gain financial literacy in order to succeed in their personal and entrepreneurial lives. Access to their podcast and videos for free [online](#).
- CIBC co-founded [Futurpreneur Canada](#) in 1996 and continues to be a funding, strategic, and community partner. Futurpreneur Canada provides financing, mentoring and support tools to aspiring business owners aged 18-39.
- CIBC is the exclusive Canadian financial institution sponsor of [MagnusCards](#), a free app that coaches people with cognitive special needs through everyday situations, including banking, grocery shopping, taking the bus or even doing laundry.
- CIBC is developing and running [financial literacy workshops](#) that CIBC personnel will deliver to Indigenous communities across the country as well as a program to train First Nations staff.
- [HSBC Family Literacy First](#) is a free program created by ABC Life Literacy Canada and is supported by HSBC Bank Canada. The aim is to bring parents and children together to practice family literacy in a fun and educational way. The program is available in five languages (English, French, Arabic, Simplified Chinese and Tagalog).

- National Bank has partnered up with the [Canadian Foundation for Economic Education](#) (CFEE) to set up an educational program on personal financial management. It targets three groups: high school students, college and university students, and newcomers to Canada.
- Designed by RBC, [Learning Money with Leo](#) is a free, practical and fun app to help parents teach their children about the concept and value of money.
- RBC's [Future Launch](#) provides an online resource hub dedicated to youth-focused virtual programming and learning opportunities, as well as access to work-related programs, tools and resources.
- Scotiabank sponsors the [Talk with Our Kids About Money](#) program. Developed by the Canadian Foundation for Economic Education (CFEE), the program provides teachers and parents with free tools and resources to help kids become more knowledgeable about money so they can make better, more informed financial decisions in life.
- TD is the founding sponsor of [Money Matters](#), a free workshop created by ABC Life Literacy Canada to help adult learners, immigrants, Aboriginal Peoples, single parents and low-income families become more confident in dealing with their personal finances. Hundreds of TD volunteer-tutors deliver the program in Canada.

Several banks in Canada also support Junior Achievement's (JA) suite of financial literacy programs. JA has worked in Canada's high schools for years, providing entrepreneurship and financial literacy training. For example, TD Bank in 2019 renewed its long-standing partnership for another three years with a donation of \$1 million, making it the National Financial Literacy partner of JA Canada. TD's commitment supports the delivery of JA's Dollars With Sense program for youth in Grades 7 to 9 across Canada. Many banks also partner with and support the important work of non-profit organizations in Canada active in the financial literacy space, including Prosper Canada, ABC Life Literacy, the Canadian Foundation for Economic Education, Enactus, credit counseling agencies and others.

Banking sector commitments to strengthening financial literacy and fraud prevention

For its part, as previously mentioned, the CBA has provided financial literacy programs and information for decades, including through our two free, non-commercial financial literacy programs, [Your Money Students](#) and [Your Money Seniors](#). Both programs were developed in collaboration with the FCAC and align with the objectives of the National Strategy.

Your Money Students has been a centerpiece of the CBA's financial literacy programming for two decades, providing youth with the fundamentals of budgeting, saving, investing, responsible use of credit and fraud prevention. The seminars are designed for Grade 10-12 high school students to help them develop an understanding of responsible financial management as they prepare their transition to postsecondary education and enter the workforce. Since the program's inception, our volunteers have delivered more than 8,600 seminars to almost 260,000 students in high school classrooms across Canada. As part of Financial Literacy Month in November 2020, we partnered with the FCAC to deliver the program to more than 500 students and recent graduates across Canada, in both languages. The CBA looks forward to partnering with the FCAC in the future to continue delivering this program to young Canadians.

Your Money Seniors covers essential information on how seniors can protect themselves against financial abuse, spot the signs of financial fraud and make the most of their money in retirement. Developed in collaboration with the FCAC and launched in line with the introduction of the first National Strategy, volunteers have reached thousands of seniors across Canada over the last six years. Interestingly, the seminar on fraud prevention is the most requested module. As our economy and nearly all aspects of life move to a digital environment, it is more important than ever to raise awareness of fraud, scams and financial abuse and provide educational resources on how to avoid them.

Banks in Canada constantly scan the threat horizon for financial frauds directed at customers and go to great lengths to protect and support clients affected by unauthorized activity in both the cyber and physical realms. Banks have highly sophisticated security systems and experts in place to protect customers' information and to prevent them from being the victims of financial fraud. In today's digitalized environment, security is also a shared responsibility. It is important for Canadians to stay vigilant, adhere to safe online practices and distinguish between legitimate requests and attempted fraud. To that end, the CBA and its members work in partnership with law enforcement, government departments and agencies to educate customers and the general public about how to detect and prevent frauds and scams by:

- Providing fraud awareness education and information through multiple channels including online videos, online login pages, website security pages, print material in branches, branch signage and media relations efforts.
- Working closely with law enforcement to help educate consumers and businesses about steps they can take to minimize the risk of becoming a victim of fraud.

- Participating in Fraud Prevention Month in March, Cyber Security Awareness Month in October, and Financial Literacy Month in November, all of which are multi-stakeholder, multi-media annual campaigns to raise public awareness of fraud with a strong emphasis on prevention.
- Dedicating a significant portion of the CBA's financial literacy seminars, Your Money Students and Your Money Seniors, to fraud awareness and prevention.
- Providing a CBA [Fraud Prevention newsletter](#) covering topics on frauds and scams, as well as partnering with the Canadian Centre for Cyber Security on cyber security toolkits for individuals and businesses.
- Providing extensive information on how to recognize financial abuse, employing a power of attorney document, the appropriate use of joint bank accounts and where to get help.
- Sharing information with bank customer relations staff about signs of financial abuse.

Where the FCAC could play a role

Financial literacy in schools

In keeping with one of the CBA's principal recommendations to the Task Force on Financial Literacy a decade ago, we are encouraged that financial literacy has been incorporated into the elementary and secondary curricula of several Canadian provinces and territories. In fact, it was the absence of formal financial literacy education in Canadian schools that prompted the CBA to create its student-focused *Your Money* seminar programs many years ago.

We believe the FCAC's continued engagement with provincial authorities is an important way of ensuring the best way forward for financial literacy education in Canadian classrooms. The FCAC should actively engage with provincial governments who have not yet added compulsory financial literacy to their core curriculum. Several provinces have shown leadership in this area over the last few years and their advances serve as a model.

The FCAC could also play a valuable coordinating role to help ensure a baseline continuity of financial literacy content for students across the country. Financial education and the promotion of positive financial practices must begin early and continue throughout life. An early foundation helps establish important knowledge and develop positive habits and attitudes to guide their financial decision-making throughout their lives.

Financial wellness in the workplace

The FCAC should continue playing an important role in sharing ready-made strategies, resources and toolkits based on best practices to help employers introduce financial wellness programs for their employees. For many employees, concerns about personal finances can affect their productivity at work and their overall physical and mental health. The FCAC is ideally positioned to reach working age adults at the same time, with the same messages, good programs, free and unbiased tools, and experts who are able to answer questions for Canadians in the workplace.

We encourage the FCAC to continue these efforts and consider opportunities to expand this work to reach more small businesses across Canada, many of which do not have the resources available to devote to workplace financial literacy. Almost 98 per cent of all businesses in Canada are considered small (1-99 employees), employing approximately 70 per cent of the total private labour force. By reaching Canadians where they work, the FCAC can help Canadians with financial literacy skills throughout their adult working years. Further, reducing financial stress in the workplace has been proven to help businesses succeed by increasing employee well-being, improving worker productivity and lowering absenteeism. Ultimately, improving financial literacy in a greater number of small businesses across Canada would contribute to the growth of the Canadian economy.

In 2018, understanding that financial stress was top of mind among many working Canadians, the FCAC spearheaded a workplace pilot project with Credit Counselling Services of Atlantic Canada to deliver meaningful financial literacy education to adults. The pilot helped inform the development of a roadmap and practical tools and resources for Canadian employers to implement financial literacy programs at work. Initiating similar collaborations between the FCAC and not-for-profit credit counseling agencies in Canada would help ensure indebted Canadians have access to the information they need when they most need it.

Fraud prevention and cyber hygiene

Frauds and scams of all types have increased as more and more of Canadians' lives shift online and are shaped in new ways by technology. In the cyber realm, criminals are no longer restricted by location and can launch their attacks from anywhere in the world, any time. Banks take seriously the trust that has been placed in them by Canadians to keep their money safe and protect their personal and financial information. To that end, the banking sector has invested heavily in technology and security measures. From 2009 to 2019, Canada's six largest banks have spent roughly \$100 billion on technology – a good portion of that was on digital security measures – and employ a significant number of high-skilled professionals in their IT security teams.

Security in the digital era, however, is very much a shared responsibility and Canadians also have an important role to play in building stronger online habits and practices. In recognition of this challenge, the FCAC could consider a coordinated, cross-partner effort between government, private and voluntary sectors to significantly boost awareness of fraud, scams and financial abuse. It will take multiple partners working together raise the bar in fraud prevention.

Research and evaluation

Question 3: Are there any particular research results or evaluation methods that you would like to share so they could be taken into account in the development of the strategy?

We encourage the FCAC to continue the *Canadian Financial Capability Survey* along its five-year cycle. The cross-sectional study yields a tremendous amount of rich data and insight into Canadians' knowledge, abilities and behaviours as they relate to making financial decisions. The survey helps inform the ongoing efforts organizations across Canada aimed at strengthening the financial literacy of Canadians. The CBA's submission to the Task Force on Financial Literacy in 2010 called for concrete, quantitative research into the financial literacy skills and capabilities of Canadians, which helped lead to the CFCS. We continue to see great value in this type of research and, indeed, the survey helps reinforce the connection between research and practice.

In addition, we were pleased to see Canada's continued participation in the Organisation for Economic Co-operation and Development's *Programme for International Student Assessment (PISA)* in 2018, an international assessment of the skills and knowledge of 15-year-old students. Canada has participated in PISA since its inception in 2000 through a partnership among the Council of Ministers of Education in Canada, Employment and Social Development Canada and Statistics Canada. The study measures skills that are generally recognized as key outcomes of the educational process and, by extension, the ability of Canadian students to use their knowledge and skills to meet real-life challenges, including managing their financial lives and the transition to postsecondary school and the workforce.

Recommendation: *We encourage the FCAC to undertake a fourth iteration of the Canadian Financial Capability Survey. The CFCS has been an important effort where the federal level has the capacity and resources to obtain population level measures on financial literacy and financial well-being of financial consumers. Further, we encourage the federal government and its provincial-territorial partners to continue participation in the OECD's Programme for International Student Assessment.*

Measuring impact and progress

Question 4: We plan to establish targets and indicators to measure impact and track progress toward achieving the strategy's goals. Do you have suggestions on ways we can track, measure and report on our collective actions?

Evaluation of financial literacy programming continues to be an important objective for the FCAC and other financial literacy stakeholders across Canada. To that end, in 2015 the CBA formed a tri-sector partnership with Prosper Canada and the FCAC to create the [Financial Literacy Outcome Evaluation Tool](#), which was launched in 2017. The free tool provides a way for interested organizations to develop their own tailored evaluation plans towards better understanding and measuring the impact of the programs available to Canadians.

Our shared objective in the creation of this tool was to fill a recognized gap in financial literacy evaluation in Canada. While Prosper Canada and FCAC had already developed evaluation resources – for instance, Prosper Canada's Financial Literacy Evaluation Resource Kit and FCAC's Financial Literacy Evaluation Framework – there was still no common set of evidence-based evaluation metrics nor a corresponding toolkit that could be used by public, private and community-based financial literacy educators.

The tool solves these issues by enabling organizations to effectively measure their program outcomes by selecting tested questions and scales that are relevant to their programming, which in turn makes evaluation of financial literacy initiatives easier, more rigorous and more likely.

Over the longer term, the goal of the tool is to focus and align financial literacy funders and delivery organizations towards shared, evidence-based outcomes and indicators to help them compare the effectiveness of diverse financial literacy interventions and identify what works best and for whom.

A detailed description of the tool can be found below and the online tool is available at outcomeeval.org.

A webinar developed by Prosper Canada explaining the tool in more detail can be found on their website: learninghub.prospercanada.org/knowledge/financial-literacy-coaching-outcome-evaluation-made-easy-webinar

General comments

Questions 5: Are there considerations we missed that should be captured in the renewed strategy? What new ideas in financial literacy and/or financial well-being should the Financial Consumer Agency of Canada think about?

The FCAC should continue its role as the central rallying organization promoting Financial Literacy Month (FLM), which last year celebrated its 10th anniversary. FLM is an effective medium for engaging stakeholders and raising awareness among Canadians on the benefits of strengthening their financial literacy. Each year, the CBA is a proud participant and active contributor during FLM and looks forward to continuing to collaborate with the FCAC and other stakeholders to help facilitate the sharing of information and help build awareness of financial literacy in Canada. As indicated in Goss Gilroy's 2020 Summative Evaluation of the Financial Literacy Program, although the numbers of participating organizations and events hosted during FLM fluctuate every year, the overarching trend has been one of growth. FLM is a key driver of success and an important capstone each year that complements year-round education efforts.

Recommendation: *The FCAC should continue its role as the central rallying organization promoting Financial Literacy Month in Canada. FLM is an effective public awareness campaign for engaging stakeholders and Canadians on the benefits of strengthening their financial literacy.*

Conclusion

The CBA and its member banks appreciate the opportunity to participate in the consultation on the renewal of the National Strategy. We hope that our contributions have been useful to the process and we look forward to the release of the renewed strategy. It will help guide our collective efforts for the coming years, enable us to share best practices and ultimately achieve success in strengthening the financial well-being of all Canadians.