



BANCO CENTRAL DO BRASIL

FINANCIAL CITIZENSHIP REPORT

We in Brazil are very enthusiastic about the theme financial inclusion, which helps reduce poverty, foster local economies, and create a more efficient financial system. In fact, the number of Brazilians in the banking system has doubled in the last decade. Boosted by a solid regulation in the national financial system, the maturing of the formal labor market, the credit expansion, and the strengthening of social programs have all contributed to this achievement.

After significant progress in financial inclusion, with the vast majority of the population owning a bank account, we moved ahead in the last two years going beyond including citizens formally in the financial system, but also developing innovative solutions to educate and protect them, especially the most vulnerable population.

The three elements combined – financial education, financial inclusion, and financial protection – are what we call our **Financial Citizenship Program**. A series of coordinated efforts focused on: i) personal finance management, aiming to foster saving habits and the responsible use of credit; ii) the relationship of the citizen with the financial system, guiding the population on the use of financial products and services, conflict resolution channels, and the role of the Financial System and of the Central Bank; and, iii) the relationship of the financial institutions with the citizen, instigating best practices on education and on the offering of financial services.

The Financial Citizenship Program has proved to be quite fruitful and effective. Through private and public partnerships, we have been reaching a bold number of citizens through our projects. One good example is a recent one, where we managed to achieve **170 thousand citizens** with a special program to celebrate our National Student's Day. We had 150 schools involved in disseminating to students, teachers and their relatives, financial education content through lectures and videos. Additionally, we have implemented a wide range of initiatives: financial education contents through free online courses on personal financial management to students, teachers, families and the community in general, lectures on financial education in Central Bank's premises, and guided tours to our Money Museum. Our team is focused and motivated to replicate such successful stories throughout Brazil.

Partnerships are a key element in our program. The Central Bank of Brazil is one of the members responsible for coordinating and executing the National Strategy for Financial Education (ENEF), in place since 2011. ENEF's mission is to bring financial education contents to children and youths at the primary and secondary school ages. The strategy includes financial, social and livelihoods components. It focuses on the complete spectrum of Economic Citizenship Education, as defined by the Child and Youth Finance International (CYFI), an NGO dedicated to increasing the economic citizenship of children and youth. In fact, Brazil received the *CYFI Country Award 2014*, in the United Nations headquarters, for its relevant progress in this area.

We are also glad to share that we have developed financial education contents targeted to the low-income population living in poverty or extreme poverty communities of Brazil – the *EF Cidadã*. With a pilot project currently in place aimed, initially, at five thousand families distributed in ten cities, we are counting on technology to spread contents such as savings and indebtedness, important issues to the recently included in the financial system. We know that misinformation of the population on basic subjects of economics and finance limits their ability to make proper financial decisions and restrict their ability to develop their full productive



BANCO CENTRAL DO BRASIL

potential. With the use of new technologies, it is possible to strengthen these capabilities to improve our citizens' lives. The beneficiaries of the program are mostly women receiving *Bolsa Família*, the renowned social transfer program to poor Brazilian families.

Our financial citizenship resources and educational materials are publicly available at our website <https://cidadaniafinanceira.bcb.gov.br/>. Our material include in-depth discussions on issues such as personal and family budget, credit and debt management, conscious and planned consumption, consumer protection, and the relationship with the financial system. Free downloadable pamphlets and guidelines on relevant topics in financial citizenship are also available at our website, as well as a free online course on personal finance and a series of videos on financial education, targeted at children and the youth. In fact, the material is readily available to all Portuguese-speaking countries, and is already being used by the Central Bank of Portugal. You are welcome to visit our website and share with us your impressions on this material.

We believe that having quality data is vital to drive plans and actions. We have recently released our third “Report on Financial Inclusion”, a thorough analysis on financial inclusion in Brazil. The document presented several financial inclusion indicators and brought the quality dimension for the first time into analysis. Our goal was to assess the population's welfare after being included in the financial system. This assessment will guide future education and consumer protection actions. We believe that a good diagnosis of financial inclusion in a country is fundamental for the design of appropriate and efficient policies, especially, in a country so big geographically and so populated like Brazil.

On the international front, we have been closely working with: i) the Alliance for Financial Inclusion (AFI): Central Bank of Brazil is part of the AFI's Steering Committee, the governing body of the network responsible for taking overall strategic decisions; ii) the International Financial Consumer Protection (FinCoNet): the body of supervisory authorities which have the responsibility for financial consumer protection, one of our three main elements; iii) the International Network on Financial Education (INFE): INFE serves as a global clearinghouse on financial education. The Central Bank of Brazil is proud to be part of the organization's Advisory Board.

To better address the three elements our program, financial education, financial inclusion, and financial protection, our traditional forum on financial inclusion held for the last 13 years has been reshaped and became the **Forum on Financial Citizenship**, whose first edition took place in the city of Brasilia last November. We gave a special emphasis on the quality of financial services for small business, financial vulnerability, citizens' financial welfare, and potential innovative solutions to improve the citizen's relationship with the financial system. The main product of this Forum was the “Plan for Strengthening Financial Citizenship”, to be put into place by stakeholders from the government and the civil society.