



Supporting the financial resilience of citizens throughout the COVID-19 crisis

The COVID-19 pandemic has wide implications for the socio-economic fabric worldwide. In addition to health fears, citizens are facing a host of financial uncertainties stemming from the temporary closure of businesses, schools, public facilities and quarantines, as well as instability in the stock market and retirement income uncertainties. These can result in lost income, trouble paying bills, and meeting other financial obligations, as well as the risk of falling victim to scams and fraud. Policy makers worldwide need to increase the awareness of citizens about effective means to mitigate the impact of the COVID-19 pandemic and its potential long-term consequences for their financial resilience and well-being. Taking domestic contexts into account, governments could consider the following initial measures.



RAISE AWARENESS ON IMMEDIATE RISKS AND PROVIDE TIMELY INFORMATION ON GOVERNMENT SUPPORT MEASURES: Design digital communication campaigns aimed at consumers, harnessing the tools offered by social media. Develop a COVID-19 response section of financial education websites. Carry out awareness campaigns on cybersecurity risks and encourage the use of security procedures when making financial transactions online. Provide information on how to recognise and prevent scams and frauds. Convey material messages by the government and public authorities, such as new social security measures, rules facilitating payments, rent/mortgage breaks, interest rate drops, delayed tax payments, as well as by the private sector when relevant, e.g. changes in the access to banking products and services, and temporary adjustments in their features.

COORDINATE INITIATIVES ACROSS THE FINANCIAL SECTOR AND SUPPORT TRUST IN INSTITUTIONS: Facilitate consumer navigation through different announcements and coordinate initiatives across the financial sector (banking, credit, investment, insurance and pensions). Stress the importance of using news from reliable sources or from the regulator/ government portals. Keep communication channels with consumers open, as the crisis is also an opportunity for financial authorities to hear challenges faced by consumers.



PRIORITISE INTERVENTIONS: Target COVID-19 initiatives, including availability of advice and counselling services, in particular, to the financial education needs of existing vulnerable groups, such as those on low incomes and the elderly population, as well as new ones, those on reduced incomes, the recently unemployed and workers without (liquid) savings, the self-employed and small businesses as well as recent graduates entering the job market. Identify and support organisations already working within communities and target groups in need, to extend the reach and impact of interventions.

REVISIT THE FINANCIAL LITERACY PLAYBOOK TO SUPPORT SHORT AND LONG-TERM FINANCIAL RESILIENCE:

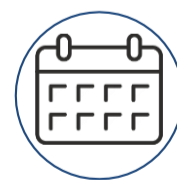
- Focus on short-term financial education interventions for managing day-to-day finances and making ends meet on a reduced income, avoiding scams and managing existing as well as new debt.
- Revamp financial literacy basics to support long-term resilience: the importance of building up emergency savings, as well as basic skills of budgeting, medium and long-term planning remain the first 'line of defence' when faced with income fluctuations and the need to meet fixed costs, such as rents/mortgages, etc. Information must be short and to the point, providing easy to remember rules and advice based on behavioural research insights.



GO DIGITAL: With more and more citizens using online tools to work and learn, advertise and encourage the use of existing online financial education resources to support citizens in the current crisis, to help them build longer-term financial resilience, and to further support financial inclusion. Ensure efficient and effective use of trusted personal finance apps to help people find relevant information and keep up-to-date with financial advice, products and services.

TREAT THIS EMERGENCY CONTEXT AS AN AWARENESS TRIGGER:

Use this critical and challenging moment as a potential trigger to motivate individuals to invest in their human capital and understand the short-term and long-term benefits of increasing their financial literacy and, if appropriate, to change behaviours that might negatively affect their financial resilience and well-being. Seek follow-up solutions to maintain this momentum, by devising resources and tools for the post-crisis.



LEARN FROM THE COVID-19 CRISIS AND PLAN THE POST-CRISIS FUTURE: Understand how different segments of the population are impacted by the crisis in the short-term as well as long-term, notably on their debt levels and retirement income, and evaluate the measures put in place during the emergency. Understand which financial behaviours need reinforcing across the population and inform your next financial literacy strategies accordingly. Explore synergies between financial and health education initiatives to support sound management of people's health expenses and decisions based on available financial resources. Foster increased coordination with public health authorities, and understand preparedness of citizens in this field.

HARNESS EXISTING INTERNATIONAL COOPERATION: The OECD and its International Network on Financial Education (OECD/INFE) can play a leading role in supporting short and long-term consistent and coordinated efforts of policy makers to mitigate the financial implications of COVID-19 for their citizens. The OECD/INFE will remain engaged in providing policy analysis and guidance on financial education to help increase the resilience and well-being of financial consumers and self-employed.



These policy suggestions are aligned with guidance developed by the OECD and its International Network on Financial Education

Find out more about OECD work on financial literacy and education at www.oecd.org/financial/education/

OECD Directorate for Financial and Enterprise Affairs
www.oecd.org/daf | DAF.contact@oecd.org | [@OECD_BizFin](https://twitter.com/OECD_BizFin) | LinkedIn